

# HR Leaders Monthly

May 2021

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# HR Leaders Monthly

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# Editor's Note

by Brian Kropp and Lauren Romansky

*May 2021*

It has been more than a year since the World Health Organization first characterized COVID-19 as a pandemic. Around that time, lockdowns began in the U.S. and many countries around the world, sending the global economy into a tailspin as daily life suddenly came to a halt. Every person, every country and every organization in the world has been affected by this disruption in some way. Since then, over 114 million cases of COVID-19 have been diagnosed around the world, and 2.5 million people have died from the disease. Countless millions of lives and livelihoods have been upended.

One year on, the world is starting to recover, and there is reason to hope the end of the pandemic is within reach. Highly effective vaccines against the coronavirus are being distributed around the world, opening up the possibility of a return to normal life within the coming year. The global economy is also poised to rebound from its pandemic-driven downturn as people resume travel, shopping, entertainment and other economic activities.

Yet not everyone has experienced the economic impact of the pandemic and the recovery the same way. Organizations that were able to shift to a primarily remote workforce have largely managed to cope, and some have even thrived. However, businesses that rely

on in-person interactions with customers have had a much harder time, and many employees in these industries were furloughed or laid off. In this way, the pandemic has affected the workforce unequally, while also highlighting and exacerbating existing inequalities between salaried and hourly, white-collar and blue-collar, middle-class and low-income employees. The racial justice protests that erupted last summer highlighted the racial dimension of these inequalities, while an exodus of women from the workforce has revealed a stark gender disparity. These changes are forcing organizations to think about diversity, equity and inclusion in new ways.

In this issue of HR Leaders Monthly, we take stock of the disruptions of the past year and consider what the path forward looks like from here. We discuss how HR leaders are approaching vital recovery plans such as vaccines and, for many, the return to in-person work. We look at some Gartner insights that can help HR leaders revitalize their functions and prepare for the future of work, and we preview some of the new research we have coming in 2021. HR will play an integral role in creating and executing organizations' strategies for the postpandemic recovery. Our goal in this issue is to leverage the lessons of the past year to help HR leaders succeed in the months and years to come.

# Manage the Employee Experience of the Return to the Workplace

by Jonah Shepp

As organizations recover from the COVID-19 pandemic and employees return to in-person work, HR leaders must design the process to optimize the employee experience while recognizing that employees are returning to a different work environment than the one they left.

The arrival of the COVID-19 pandemic in 2020 had a sudden, severe and often traumatic impact on employees, at home as well as at work. With mass vaccination and an end to the pandemic in sight, organizations are looking forward to easing back into their old familiar ways of getting work done in 2021, as are many employees. However, this “return to normal” will not exactly be a return, nor will it feel particularly normal, at least not for months to come. Going to work in a post-COVID-19 environment will not be nearly as

disruptive as the pandemic itself. But it will still be a big change, and employees will experience it as a disruption of the new routines they established over the past year.

As organizations prepare to revive work roles, spaces and habits that were suspended during the pandemic, they must design return strategies with the employee experience in mind. In partnership with other business leaders, HR leaders will have to make many decisions, including:

- What health protocols will be followed in the workplace while the coronavirus is still circulating
- What the organization’s vaccination policy will be
- How to effectively handle employee health and safety-related data
- How to ensure employees feel safe and supported when returning to work in shared spaces
- How to bring employees back into the workplace in a way that is fair, equitable, adaptable to changing conditions and responsive to individual employees’ circumstances

- Whether employees who shifted to remote work during the pandemic will be required to start working in the office full-time again, continue working from home or combine in-person and remote work
- How to effectively manage, engage and communicate with an increasingly hybrid (remote/on-site) workforce

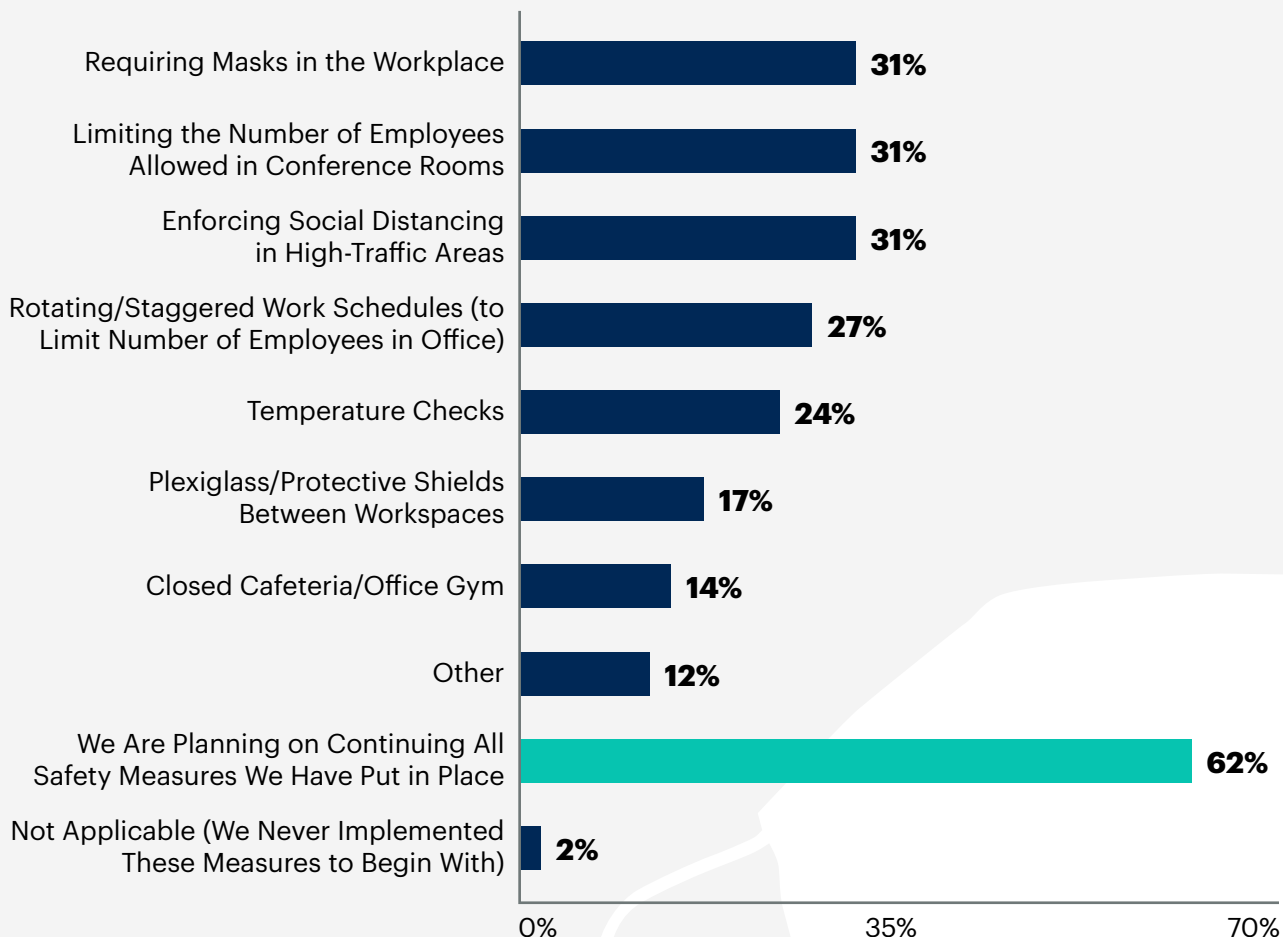
This research outlines the core principles that should guide HR leaders' decision making throughout this journey back to the workplace.

## Help Employees Stay Healthy (and Feel Safe)

Health and safety come first in the return to the workplace, but just as important to managing the experience is ensuring employees feel safe. Many public health officials and experts have warned the pandemic will not end quickly and a COVID-19 vaccine is not a free pass to abandon precautions such as masking and social distancing. Most HR leaders plan to keep these measures in place even after vaccines are available (see Figure 1), and in

**Figure 1. Predicted Discontinuation of Workplace Safety Measures**

Q: "Once a COVID-19 vaccine is available, which of the following safety measures do you plan to discontinue?" (Select all that apply)



n = 118 HR Leaders

Source: Gartner HR Lessons From COVID-19 Webinar Poll (9 December 2020)

many jurisdictions, they may still be required by law. From an employee experience perspective, organizations may face competing pressures from employees who want fewer restrictions and those who do not feel safe without them.

A good first step toward addressing that challenge is to understand what your employees are thinking and feeling. Continuous listening — collecting employee sentiment and perceptions on an ongoing basis — through short, frequent pulse surveys can help HR maintain a responsive approach throughout the return-to-work process. You can also encourage managers to solicit feedback from employees through regular check-ins and conversations. Engaging employees in a dialogue, rather than simply monitoring their reactions to decisions from leadership, can help them feel involved in the process, which builds buy-in and trust.

Transparency will also help maintain employees' trust and confidence in the return to the workplace. Clearly and concisely communicate to employees the steps the organization is taking and why. Additionally, HR leaders should play a major role in planning for changes and contingencies and communicating those plans to employees. Under what circumstances will the organization discontinue or reintroduce certain health precautions? Employees should be aware of the triggers for policy changes, so they will not come as a surprise.

Our surveys find only 5% of organizations plan to require employees to get a COVID-19 vaccine,<sup>1</sup> and only 6% will require them to provide proof of vaccination before coming back to the workplace.<sup>2,3</sup> If you do decide to collect information about vaccine uptake, serological

testing or other employee health information, always be transparent about what data you are collecting, why you need it and how you will use it. This data must be well-protected, and as always, HR leaders should work with general counsel to ensure any employee health data collection complies with applicable laws. If you can make decisions without collecting employee data directly, you can minimize these legal and privacy risks.

## No Two Employees Are the Same

Return-to-workplace strategies must recognize the variety of ways employees have experienced the pandemic in their professional lives. For many employees, the experience has been deeply destabilizing, and they are eager for things to go back to normal as soon as possible. For others, however, a shift to working from home full time turned out to have hidden benefits. Some people have thrived in a remote environment, becoming more productive than they were in the office. In the postpandemic era, more flexibility could continue to unleash higher performance in these employees. Organizations that give employees control over when and where they work tend to have more high performers in their workforce than organizations that do not.<sup>4</sup>


Parents and caregivers have had a particularly hard time during the pandemic, as they've juggled remote work, remote school, child or elder care and household management. The burden on working parents, in particular, has led to a troubling exodus of women from



the workforce in the past year.<sup>5</sup> Yet under normal circumstances, the ability to work from home can be advantageous to working parents. Even during the pandemic, 66% of remote and hybrid knowledge workers with childcare responsibilities told us the extent to which they were able to integrate personal and professional obligations had improved in the past 12 months.<sup>6</sup> When schools reopen and children return to their prepandemic routines, forcing their parents back into rigid work schedules and commutes could compound the stress of that adjustment. In the postpandemic environment, more flexibility and remote work options will be essential in retaining working parents and attracting those who exited the workforce last year.

HR leaders' strategies for managing the return to work should take into account this variety of circumstances and build in flexibility wherever possible. To understand the areas where each employee segment will face particular concerns or challenges, HR leaders can build employee journey maps for the return-to-the-workplace experience. Employee journey maps are visual representations of an employee's thoughts, feelings and actions as the employee interacts with and experiences different stages at the organization. HR leaders should review journey maps for each persona to make sure they have identified areas to pay close attention to in the journey back into the workplace. Before employees return, HR leaders should create journey maps for at least three scenarios: the first day back to the workplace, the first 100 days in the workplace and a reexit or reclosure scenario.

While implementing this strategy, be aware of potential inequities that may arise. Consider a scenario in which you give employees the option to continue working remotely after the pandemic, and more women than men take advantage of that option — perhaps to better balance work with parenting or caregiving. If those who return to the office are perceived as harder-working, more dedicated or more loyal than those who work from home, gender gaps in pay and promotion could be exacerbated over time. Similar inequities might emerge concerning age, race, disability or socioeconomic status. If some employees are coming back to the office and others are not, pay close attention to who is in those groups and whether they are being treated differently.



HR leaders should review journey maps for each persona to make sure they have identified areas to pay close attention to in the journey back into the workplace.

## The Future Is Hybrid

Preparing to manage a remote workforce for the long term is essential, because the great remote work experiment of 2020 will have a permanent impact on the way work is done. Early on in the pandemic, it became clear that many of the employees who went remote during this time would never return to the office full time. We expect the percentage of the workforce working remotely at least part of the time to increase from 30% before the pandemic to 48% afterward (see Figure 2). For the foreseeable future, many more organizations will have a mix of employees working on-site and remotely, as well as many who do both. HR leaders will need to devise new ways to manage a hybrid on-site and virtual workforce, and prepare managers to lead in this environment.

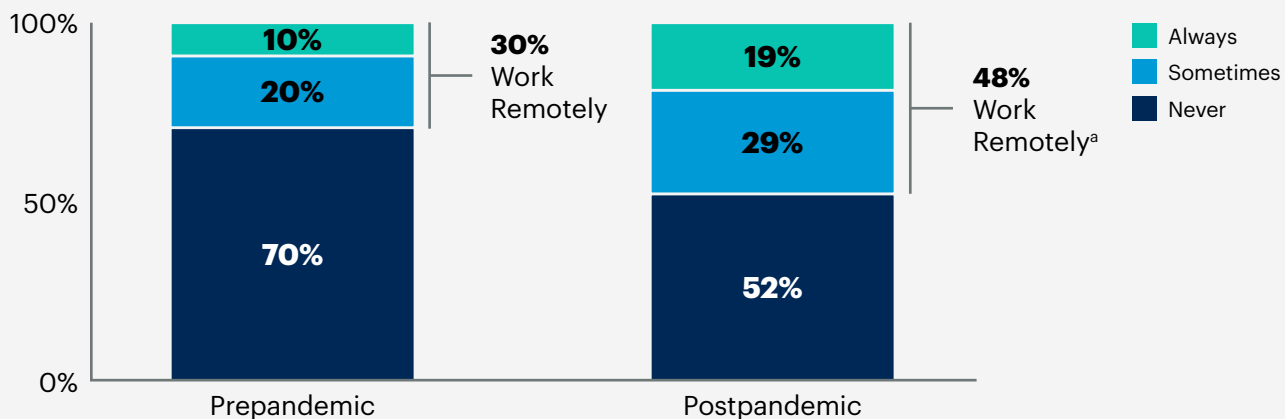
HR leaders have also had an opportunity over the past year to learn more about how to effectively design a hybrid work model for the new environment. The initial impulse has been to try to recreate in a virtual environment the desirable qualities associated with an in-person work environment: consistency, serendipity and visibility. However, efforts to create these characteristics artificially have backfired, leading

to greater levels of employee fatigue. Employees who experience high levels of fatigue are 63% less likely to have high levels of intent to stay and 12% less likely to be high performers.<sup>6</sup>

Instead of trying to retrofit the on-site work model for a virtual context, HR leaders should embrace the opportunity to design a hybrid model for a hybrid environment from scratch. Hybrid work does not provide the same benefits we expect of on-site work, but it has its own advantages. Designing a work model for this environment means maximizing the upsides of hybrid work, rather than trying to compensate for its potential downsides. So as HR leaders manage the “return to normal,” they must look forward, not backward, and redesign the employee experience to fit this new, hybrid work environment. Organizations that take a future-focused approach this year will end up with higher-performing, more engaged employees than those that attempt to simply go back to the way things used to be.

- <sup>1</sup> Gartner Poll on COVID-19 Vaccination Strategies, 27 January 2021.
- <sup>2</sup> Gartner HR Lessons From COVID-19 Webinar Poll, 9 December 2020.
- <sup>3</sup> What We’re Hearing From Legal and Compliance Leaders — Preparing for a COVID-19 Vaccine Webinar, 21 January 2020.
- <sup>4</sup> 2020 Gartner Reimagine HR Employee Surveys.
- <sup>5</sup> [Pandemic Pushes Mothers of Young Children Out of the Labor Force](#), Federal Reserve Bank of Minneapolis.
- <sup>6</sup> 2021 Gartner Hybrid Work Employee Survey.

**Figure 2. Percentage of Employees Working Remotely, Pre- and Postpandemic Projected**



Source: Gartner COVID-19 Crisis Benchmarking Against Your Peers Webinar Poll (n = 421 HR leaders, 2 April 2020), 2020 Gartner Cost Cutting and Employee Experience Survey (n = 4,535 employees), COVID-19: How Finance Leaders Are Responding to the Emerging Situation Webinar Poll (n = 317 finance leaders, 26 March 2020).

<sup>a</sup> Modeled based on responses to three Gartner surveys.



# Advancing Underrepresented Talent

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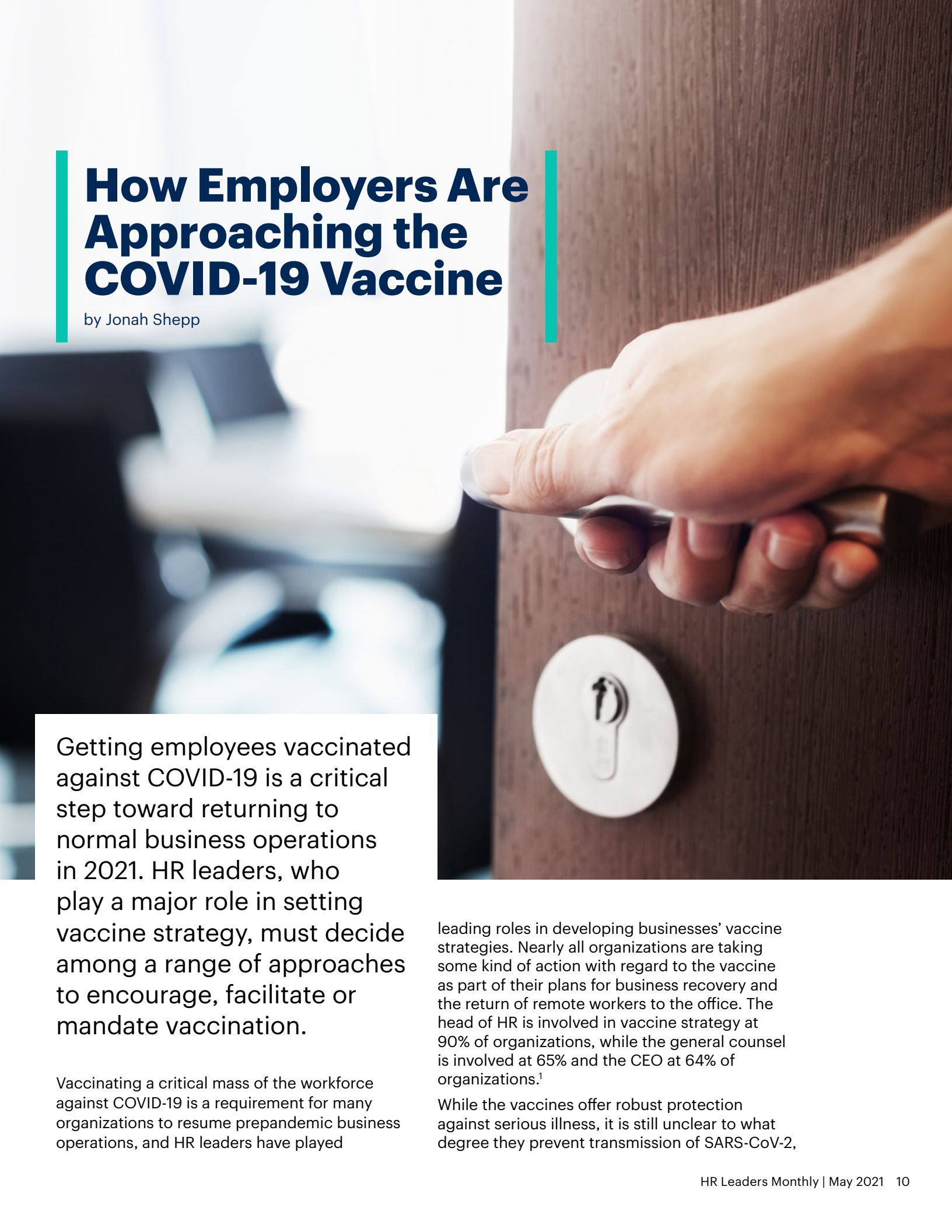


How will the ongoing disruption from COVID-19 change my leadership strategy?

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# How Employers Are Approaching the COVID-19 Vaccine

by Jonah Shepp

Getting employees vaccinated against COVID-19 is a critical step toward returning to normal business operations in 2021. HR leaders, who play a major role in setting vaccine strategy, must decide among a range of approaches to encourage, facilitate or mandate vaccination.

Vaccinating a critical mass of the workforce against COVID-19 is a requirement for many organizations to resume prepandemic business operations, and HR leaders have played

leading roles in developing businesses' vaccine strategies. Nearly all organizations are taking some kind of action with regard to the vaccine as part of their plans for business recovery and the return of remote workers to the office. The head of HR is involved in vaccine strategy at 90% of organizations, while the general counsel is involved at 65% and the CEO at 64% of organizations.<sup>1</sup>

While the vaccines offer robust protection against serious illness, it is still unclear to what degree they prevent transmission of SARS-CoV-2,

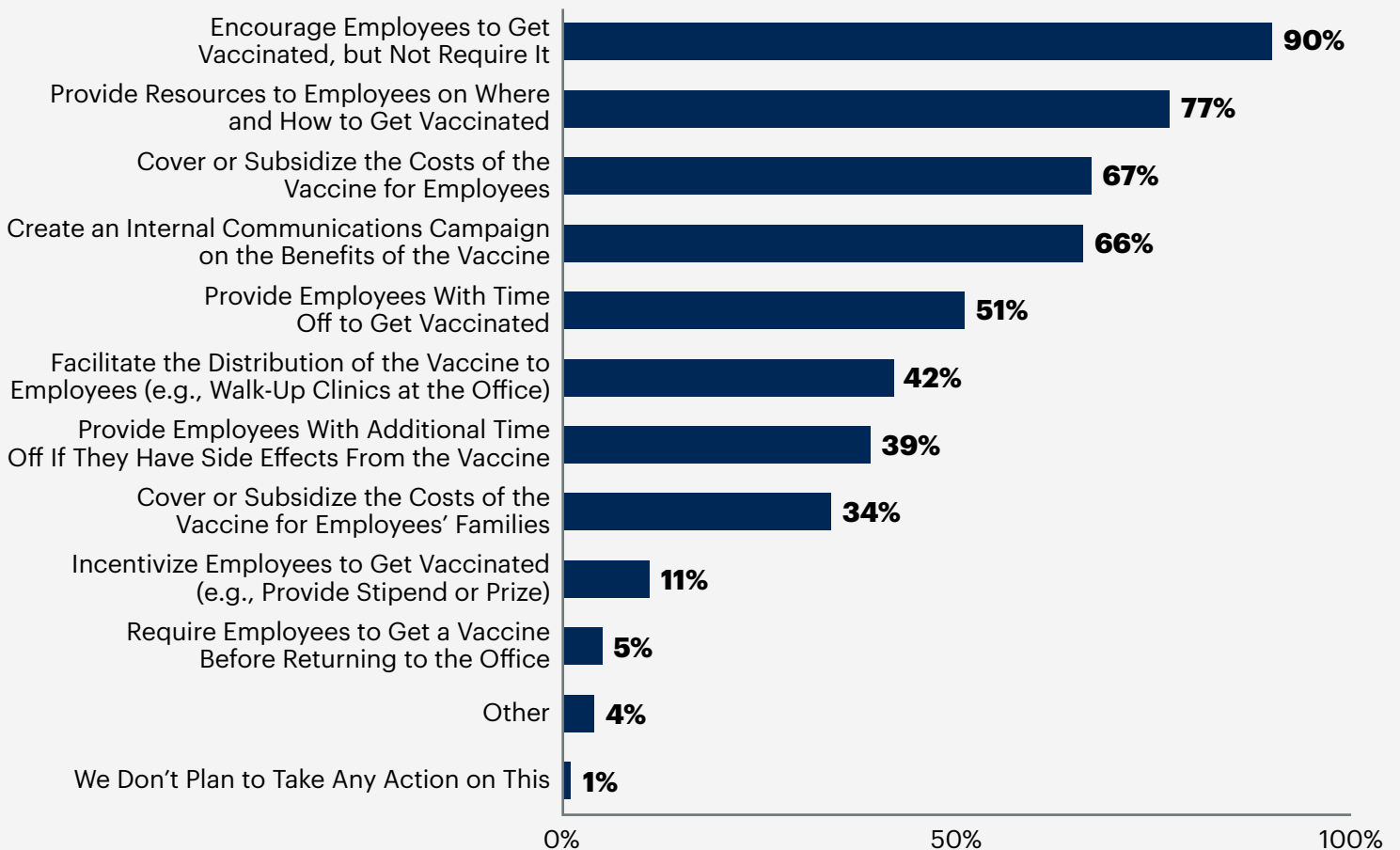
the virus that causes COVID-19. This is why most organizations plan to keep workplace safety measures in place once vaccines are rolled out and more employees return to the office. Accordingly, business leaders would like to see as many of their employees as possible get the vaccine as soon as they are eligible. The question for CHROs and their partners on the vaccine strategy team is how hard to push for this outcome. Most organizations are not requiring employees to get vaccinated but rather, are encouraging them to do so when they can and taking steps to help them get vaccinated (see Figure 1).

This research discusses the potential approaches HR leaders can take to the COVID-19 vaccine and why some employers are opting for them, as well as the risks they entail.

## Mandate It

Since January, several employers have made headlines for planning to require employees to get a COVID-19 vaccine before returning to work in person.<sup>2,3,4</sup> However, the organizations pursuing this strategy are still few and far between. Only 5% of organizations we surveyed said they would require the vaccine.<sup>1</sup> Employers may be reluctant to mandate vaccination because

**Figure 1. Actions Planned Once COVID-19 Vaccines Are Widely Available**



n = 166, All respondents, excluding don't know

Q: As a COVID-19 vaccine becomes available in the coming months, which of the following actions does your organization plan to take?

Source: Gartner Poll on COVID-19 Vaccination Strategies (27 January 2021)

doing so could be legally risky. The legality of vaccine mandates varies from country to country. The U.S. Equal Employment Opportunity Commission (EEOC) guidelines permit employers to require vaccination, but they must make accommodations for employees who cannot get vaccinated because of a medical condition or a sincere religious objection.<sup>5</sup> This creates potential liabilities if, for example, a manager mishandles a request for accommodation. Some U.S. states have considered legislation that would prevent employers from mandating vaccines, though none of these bills have been passed.<sup>6</sup> In most other countries, employers are much more limited in their ability to require vaccinations.<sup>7</sup> Collective bargaining agreements may also come into play. You must work with your organization's legal team on any vaccine policy, whether or not the organization decides to make it mandatory.

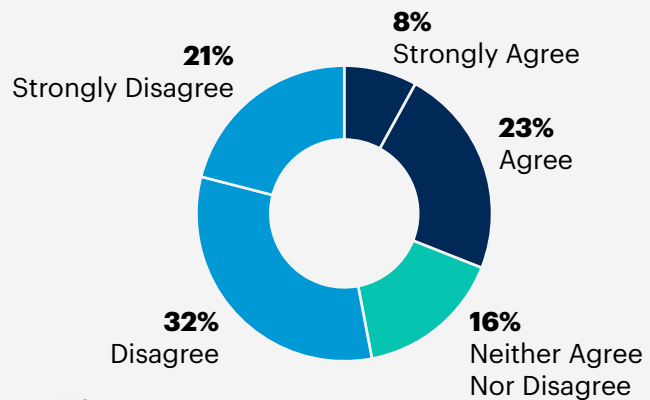
In addition, many HR leaders have qualms about the ethics of requiring employees to get a vaccine, with only 31% saying they think it is ethical to do so (see Figure 2). When we surveyed legal, compliance and privacy leaders about which vaccine-related risks concerned them, employee sensitivity to vaccine policies impacting trust and engagement were the second most common concern after legal liabilities.<sup>8</sup> Mandating the vaccine also entails asking employees for proof of vaccination, which carries the same legal and ethical implications as any other situation in which you collect employee health data.

## Provide It

Employers who want to get as many COVID-19 shots in employees' arms as possible without making it mandatory might also consider providing it directly, through on-site vaccination. Forty-two percent of organizations we surveyed said they planned to facilitate the distribution of the vaccine to employees.<sup>1</sup> Amazon, for example, has worked with local governments and third-party healthcare providers to set up vaccination sites at many of its operations sites and is also offering hourly frontline employees \$40 for each dose if they get the vaccine off-site.<sup>10</sup>

In many places, this may not be an option because COVID-19 vaccine distribution is tightly controlled by national and local governments. Organizations that wish to offer on-site vaccination to their

**Figure 2. Level of Agreement That Mandating COVID-19 Vaccines Is Ethical**



n = 110

Q: To what degree do you agree that it is ethical for your organization to mandate that employees receive a COVID-19 vaccine before returning to the workplace?

Source: Gartner HR Lessons From COVID-19 Webinar Poll (9 December 2020)

employees will likely need to coordinate with authorities first, at least as long as vaccines are in short supply. Offering the vaccine directly may also carry some risks, as prevaccination health screenings could expose sensitive health information. These efforts must also be equitable. Organizations with employees distributed across various geographies will have to contend with a patchwork of regulations, and they may not have the capacity to provide on-site vaccination at scale.

## Incentivize It

Major U.S. retail companies, including Aldi, Dollar General, Instacart and Trader Joe's, have garnered attention for offering their employees financial incentives to get the COVID-19 vaccine.<sup>11</sup> These initiatives are less provocative than mandates but still involve some risks and complications that may help explain why only 11% of the organizations we surveyed are planning to offer them.<sup>1</sup> First, employees would need to provide proof of vaccination to collect the incentive, which again means soliciting health information. Employees who are unable or unwilling to be vaccinated may view such incentives as discriminating against them. Here again, every country has different laws about what kind of incentives are permissible. In February, over 40 U.S. employer groups asked the EEOC to issue guidance clarifying this question.<sup>12</sup> If the commission greenlights vaccine incentives with few restrictions, we may see more U.S. employers begin offering them.

## Encourage It

The vast majority of organizations (90%) tell us they are encouraging their employees to get the vaccine without making it mandatory.<sup>1</sup> Communication and education are key components of this strategy. Most of the organizations we work with are focusing heavily on making sure their employees have accurate and timely information about the vaccine, so they can make an informed decision for themselves. This includes information about the science, safety and efficacy of the vaccines from authoritative sources such as the U.S. Centers for Disease Control and Prevention, the European Centre for Disease Prevention and Control or the World Health Organization. It also includes letting employees know when, where and how they can get the vaccine in their local area. This information is very geographically specific and frequently changes, so employees must be updated regularly. A one-off communication is unlikely to suffice.

Employees may have concerns about the safety of the vaccine, which may make them hesitant to get it. To reach out to these employees and gently persuade them, organizations are taking steps such as:

- Having senior leaders talk about their own enthusiasm for the vaccine and sharing photos or videos of them getting it
- Sharing stories of employees who have gotten the vaccine about what it is like and why they chose to get it
- Bringing in medical experts to talk to employees about the science and field questions about safety

Encouraging employees to get the vaccine also means making it as easy as possible for them to do so. This means incorporating it into your paid leave policies and ensuring employees can take time off to get vaccinated. Many people have reported unpleasant (but in almost all cases, harmless) side effects from the second dose of the Pfizer and Moderna vaccines that made them feel ill for about 24 hours. HR leaders are also taking this into consideration: Fifty-one percent of organizations plan to give employees time off to get the vaccine, and 39% plan to offer additional time off for them to recover from side effects.<sup>1</sup>

## Track It

Another question HR leaders have been asking is how to keep track of how many of their employees have been vaccinated, if they are not mandating it and requiring documentation. Among organizations that are not requiring vaccination before employees return to the workplace, 56% plan to ask employees to self-report vaccination status without demanding proof, and 26% plan to collect data on the number of employees vaccinated from benefits providers.<sup>13,14</sup> Another option is to interpolate from public data about vaccination trends in

The vast majority of organizations (90%) tell us they are encouraging their employees to get the vaccine without making it mandatory.



the local geography. Organizations are also planning to monitor employees' willingness to get the vaccine, either through employee surveys, informal conversations with managers and HRBPs, benefits provider data or external data (see Figure 3).

This data could influence vaccine strategies: If most employees are seeking vaccines on their own with little intervention from HR, additional action may not be necessary. Of the organizations that plan on tracking employee vaccination status:

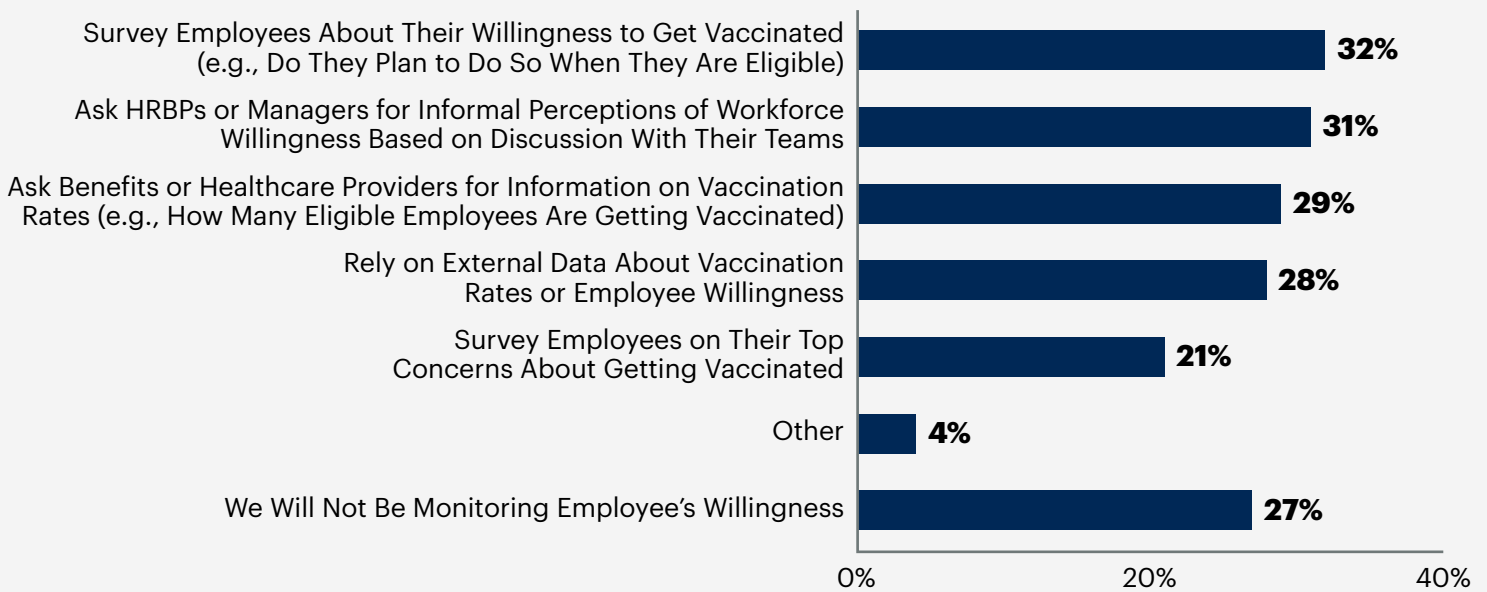
- Thirty-two percent intend to use the data to determine which employees can return on-site.
- Thirty percent would use it in encouraging employees to take the vaccination through gentle reminders and nudges.
- Twenty-nine percent would use it to decide whether to facilitate vaccination distribution by hosting walk-up clinics in the office.<sup>1</sup>

If you do collect employee data about vaccination, the usual best practices apply: Be transparent about what you are collecting and why, collect only the data you need and protect it very carefully.

<sup>1</sup> Gartner Poll on COVID-19 Vaccination Strategies, 27 January 2021.  
<sup>2</sup> United Airlines CEO Wants to Make Covid Vaccines Mandatory for Employees — And Encourages Other Companies to Do the Same, CNBC.  
<sup>3</sup> Davis Wright Tremaine Will Require All Employees to Get a COVID-19 Vaccine Before Returning to the Office, The American Lawyer.  
<sup>4</sup> U.K. Companies Look to Make COVID-19 Vaccinations Mandatory, Financial Times.  
<sup>5</sup> What You Should Know About COVID-19 and the ADA, the Rehabilitation Act and Other EEO Laws, EEOC.  
<sup>6</sup> Bills to Block Mandatory Worker Vaccines Falter in the States, Stateline.  
<sup>7</sup> Mandatory Employee Vaccinations Globally: Can You Require Your Employees to Get the COVID-19 Vaccine Everywhere?, JD Supra.  
<sup>8</sup> Gartner GC Voice: Lessons Learned from 2020 Webinar, 15 December 2020.  
<sup>9</sup> What We're Hearing from Legal and Compliance Leaders — Preparing for a COVID-19 Vaccine Webinar, 21 January 2021.  
<sup>10</sup> Amazon Offers Up to \$80 to Frontline Employees Getting the COVID-19 Vaccine, Amazon.  
<sup>11</sup> Aldi, Trader Joe's and Others Will Pay Workers to Get a Vaccine, CNN.  
<sup>12</sup> Business Groups Seek Vaccine Incentive Guidance From EEOC, Bloomberg Law.  
<sup>13</sup> Gartner HR Lessons from COVID-19 Webinar Poll, 9 December 2020.  
<sup>14</sup> What We're Hearing from Legal and Compliance Leaders — Preparing for a COVID-19 Vaccine Webinar, 21 January 2021.

### Figure 3. Monitoring Employee Willingness to Receive Vaccinations

Percentage of HR Leaders; Multiple Responses Allowed



n = 137, All respondents, excluding don't know

Q: How are you monitoring or will you monitor employees' willingness to get COVID-19 vaccinations?

Source: Gartner Poll on COVID-19 Vaccination Strategies (27 January 2021)

# Using Shared Services to Drive the HR Operating Model of the Future

by Zachary Friedman and Eser Rizaoglu



As HR leaders worked to drive functional efficiency and effectiveness due to pressures from the pandemic, many turned to HR shared services. Learn how HR shared services can be utilized to drive the operating model of the future by achieving a greater division of strategic and operational activities.

As a result of the COVID-19 pandemic and the subsequent downturn in the economy, many HR leaders faced sudden cost optimization

pressures that spurred transformation initiatives within their HR structure and service offering. Half of HR leaders we surveyed in June 2020 said they were fast-tracking initiatives to HR shared services to optimize cost. Seventy-nine percent of these HR leaders also indicated they view shared services as one of the main vehicles for achieving their function's goals.<sup>1</sup> Cost efficiency remains a major driver of this expansion, but other goals of shared services are becoming more prominent, such as enhancing service quality, the employee value proposition and the customer experience.

One way HR leaders are driving these optimization goals and improving service delivery is by clarifying the division of strategic and operational tasks within the HR structure, which has been a key pain point for many HR functions. The growing remit of shared services, in combination with other changes in the business environment, make a compelling case for a holistic restructuring of the HR function.

## Shared Services' Responsibilities Are Increasing

The unclear division of responsibility can be seen in Figure 1. Within five categories of HR operational activities, responsibility for executing these activities is split among shared service centers (SSCs), the HR team (i.e., non-SSC HR such as HR business partners [HRBPs] and centers of excellence [COEs]) and finally, business process outsourcing (BPO) providers.

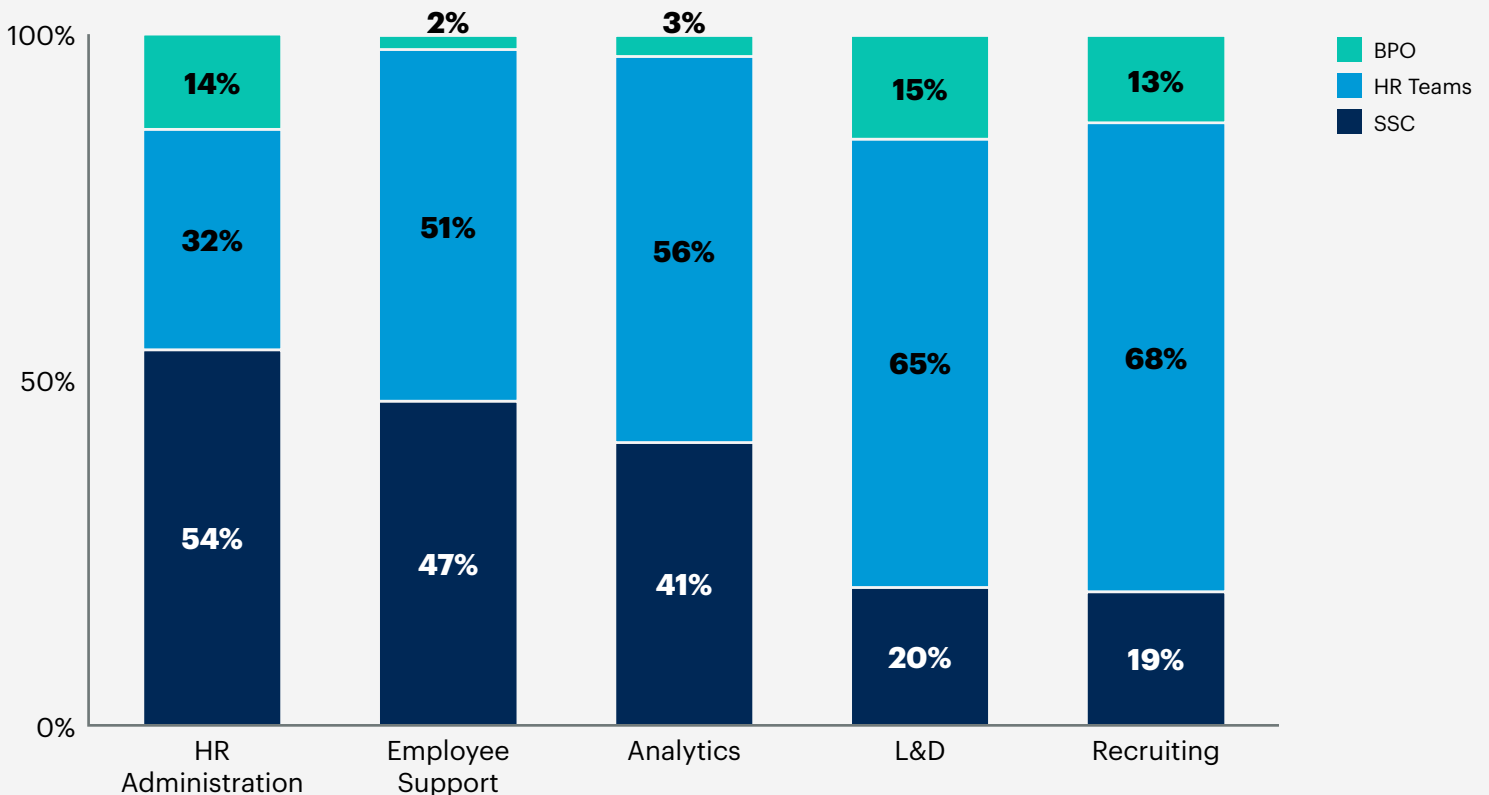
As the figure shows, many operational HR activities that are most suitable to be fully owned by shared services are still falling onto HR teams outside of SSCs. However, as HR leaders look to increase the utilization of shared services to drive their service delivery effectiveness, they plan to

shift responsibility for executing the following three activities to shared services in 2021:

- Analytics
- Employee data and document administration
- Employee support

For HR leaders, the main goals of this shift include a greater focus on improvement and innovation, increasing automation, a greater focus on core HR activities for HRBPs and COEs, and optimizing customer satisfaction and experience. As for the expected cost of the shift, the majority of participants said it would remain cost-neutral or result in savings of less than 20%. Most importantly, even if cost savings remain small or neutral, HR leaders expect the impact of service quality to increase as a result.<sup>1</sup> (For more detail, see *How to Improve HR Workload Distribution Using Shared Services Centers*.)

**Figure 1. Average Distribution of Responsibility of Operational HR Activities**



n = 65

Source: 2020 Gartner HR Shared Services Head of Function Survey



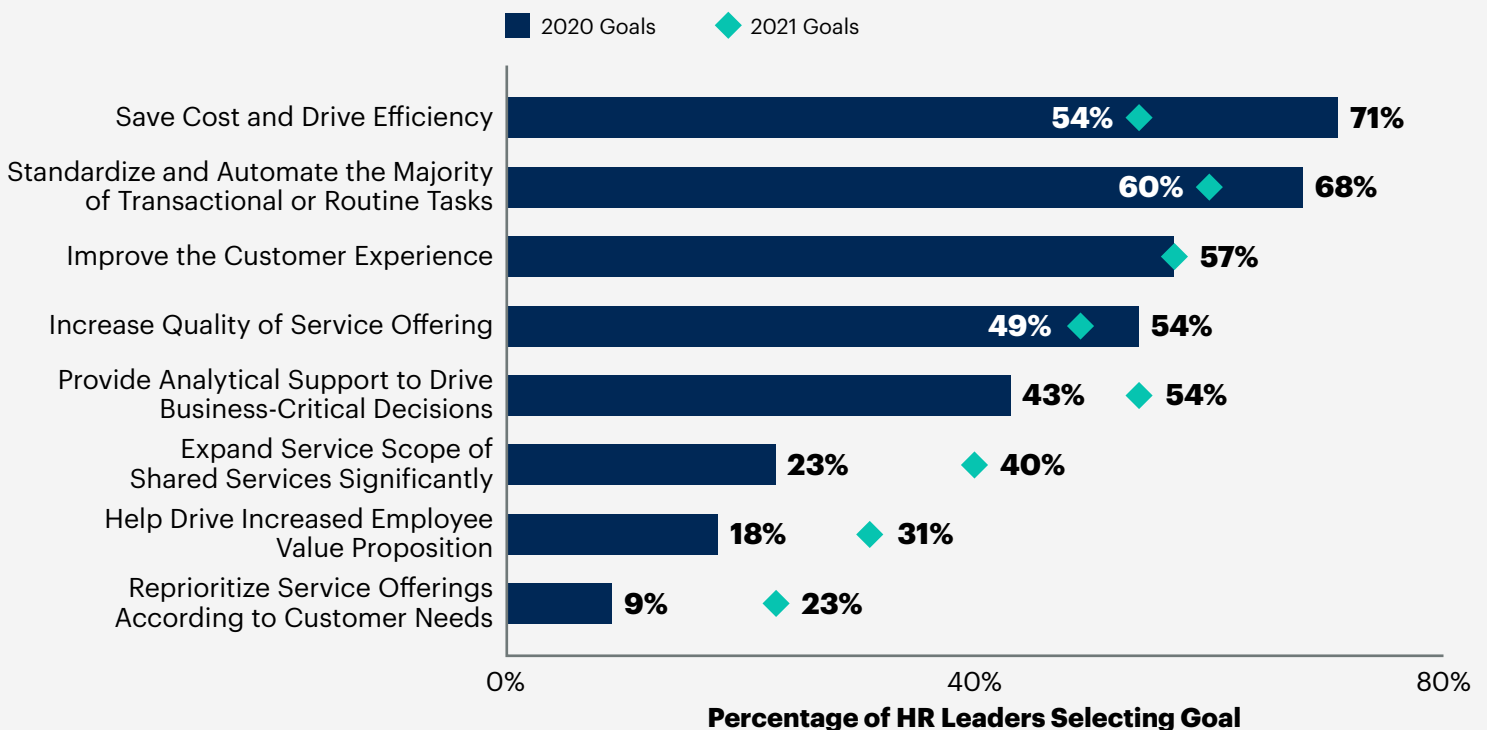
## HR Shared Services Goals in 2021

Over the past 12-18 months, HR leaders have been largely focused on goals of efficiency and quality, which they agree they have successfully achieved. These goals remain prominent in 2021, especially with increased cost pressures arising from the economic downturn. However, additional goals are rising in prominence for HR shared services this year (see Figure 2).

The focus on these emerging goals in 2021 will allow HR shared services to increase its scope, taking on more transactional activities from other parts of HR. It will allow for greater service quality and customer centricity, due to increased capacity through automation and standardization. This will help HR achieve a more effective division of strategic and operational tasks within HR as outlined in Gartner's The HR Operating Model of the Future.



**Figure 2. 2020 and 2021 HR Shared Services Goals**



n = 65, multiple response allowed

Source: 2020 Gartner HR Shared Services Head of Function Survey

## Restructuring the HR Function to Drive Operational Efficiency

To help respond to these challenges of increasing cost pressures and the need to separate operational from strategic work, we have developed a vision of a future HR operating model that drives operational efficiency through the evolution of shared services into a comprehensive HR operations and service delivery team (see Figure 3).

Our HR operating model of the future is driven by new roles that help separate operational and strategic work and promote operational efficiency and strategic impact:

- **Strategic Talent Leaders** — Senior HRBP-level thinkers who tackle the most pressing talent opportunities and challenges throughout the organization
- **The HR Problem-Solver Pool** — A dynamic pool of HR staff deployed to the most pressing challenges of the function based on business need
- **Next-Generation COEs** — A slimmer, more agile group of subject matter experts who facilitate HR projects and provide relevant expertise for solving customer challenges

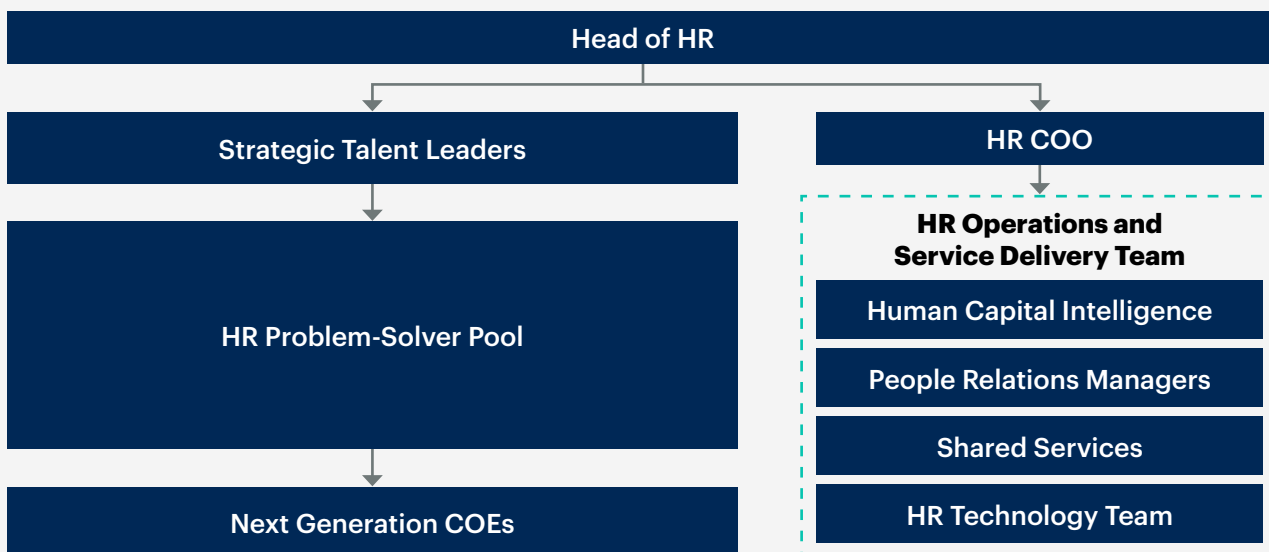
- **The HR Operations and Service Delivery Team** — A technology and analytics-driven team that acts as a centralized, dedicated group servicing employees and managers with the proper infrastructure and support to effectively carry out their day-to-day challenges

To focus on improving the capabilities of shared services and its operational impact, consider building an HR operations and service delivery team. Below, we will take a deeper look into this team’s roles as well as how they drive a more efficient and responsive HR function.

### Create an HR COO Role for Strategic Oversight

An HR COO specializes in the day-to-day administration and operation of the function and in particular, how the function supports the business. Responsibilities for the HR COO include optimizing technology and talent data, automating HR activities and maintaining the relationships among HR roles or teams to collaborate effectively and agilely. This role effectively serves as the function’s operational eyes and ears, working closely with the head of HR.

**Figure 3. The HR Operating Model of the Future**



Source: Gartner

## Evolve Analytical Capabilities With Human Capital Intelligence

In our vision of the future, we believe the proper infrastructure for data and analytics will be necessary to drive strategic decision making and efficient implementation.

With human capital intelligence (HCI) as a cornerstone, the HR operations and service delivery team constitutes a more integrated and mature evolution of the current HR shared services model in terms of its overall value to the business and how it serves customers:

- HCI serves its customers in new ways by providing targeted and advanced analytical support to enhance employees' and managers' strategic capabilities.
- Instead of simply streamlining operations and reducing cost, HCI is most efficient when fostering a more collaborative partnership with the business, as opposed to a single-use, more transactional approach.
- The HCI function is customer-centric, flexing its priorities and service offerings as manager and leader needs change.

Employee and manager self-service may be maintained within HCI, but hands-on support and longer-term project support are critical HCI capabilities. HCI may even perform individual, longer-term project work to support individual managers and leaders with complex data needs. For instance, HCI may be consulted to source new ways to measure employee engagement and model different scenarios to maximize engagement throughout the organization. HCI projects are targeted to enhance the strategic capabilities of the business, analytically aligned with business needs.

## Add People Relations Managers to Provide Necessary Functional Support

To address employees' and managers' most urgent needs, HR should add a centralized pool of people relations managers to the HR operations and service delivery team. People relations managers own much of the work that was formerly owned by HRBPs, including

compliance and employee-relations issues, such as mediating workplace disputes, harassment claims or other legal matters, as well as people manager support responsibilities such as people management coaching. People relations managers are a key role in supporting the workforce and ensuring employees are engaged, productive and happy.

By handling much of the transactional work originally done by HRBPs, people relations managers play a critical role in ensuring strategic talent leaders thrive — allowing for more space and time to focus on innovation.

## Maintain Shared Services but Aim to Automate

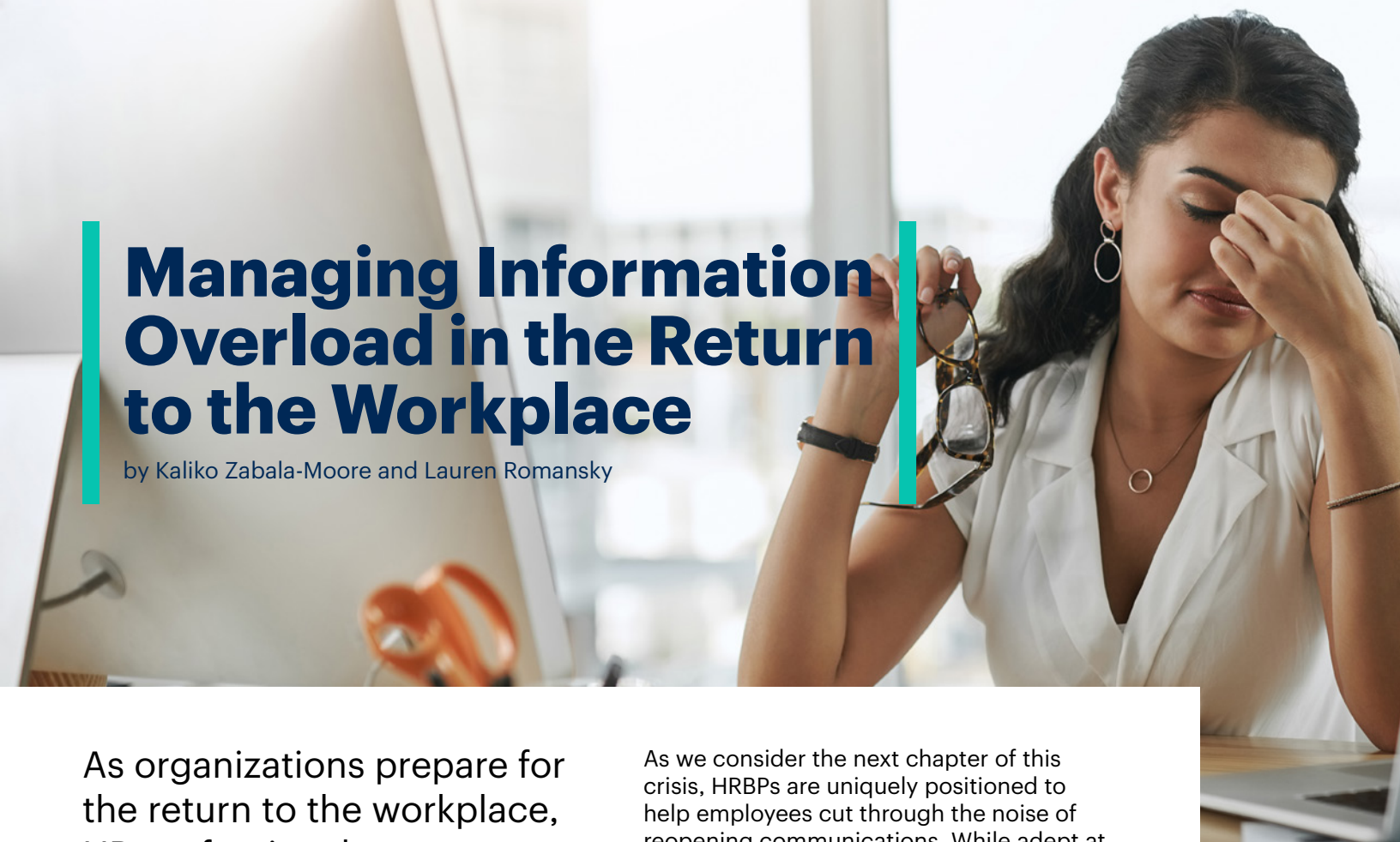
As part of the HR operations and service delivery team, shared services can partner with the HR COO, HCI and the HR technology team to ensure solutions for the workforce are strategically aligned, cost-effective and scalable. This approach includes automating more shared services tasks and expanding manager and employee self-service to drive fast, relevant solutions and improve the end-user experience.

The size of the shared services center may vary depending on the staffing levels of the HR operations and service delivery team; namely, HCI for analytical insights and people relations managers for employee relations and managerial support.

## Build an HR Technology Team to Own Technical Infrastructure

Finally, to take advantage of the increasing need for automation and analytics, HR should develop a dedicated and sophisticated HR technology team. Although tech expertise may not currently reside in HR, it is increasingly important to prioritize, since HR cannot function without a robust technology team. Centralizing the HR technology team will make it more accessible and aligned with HR's specific goals and processes.

<sup>1</sup> 2020 Gartner HR Shared Services Head of Function Survey.



# Managing Information Overload in the Return to the Workplace

by Kaliko Zabala-Moore and Lauren Romansky

As organizations prepare for the return to the workplace, HR professionals can serve a strategic partner role by helping employees make decisions. HR professionals (i.e., HRBPs) can use this research to help employees make sense of their information context during the return to the workplace.

The beginning of the pandemic required an all-hands-on-deck HR approach. HR responded immediately and aspired to manage a smooth transition to remote work, including altering schedules and responding to employees affected by caregiving, economic and/or health impacts.

As more organizations return to the workplace, employees will likely be inundated with messages from inside and outside the company that could overwhelm and add to the anxiety employees already have about returning to the workplace. As a result, individuals may struggle to make decisions that benefit their careers and the organization.

As we consider the next chapter of this crisis, HRBPs are uniquely positioned to help employees cut through the noise of reopening communications. While adept at a communications cascade, HRBPs can reach further to diagnose and curate what the line really needs. Lessons from the sales field — in particular, how sellers help buyers navigate the information landscape to feel confident about moving forward with ambitious purchases — can help HRBPs strategically approach these exchanges, ensuring employees make thoughtful, confident decisions.

## How Employees Process Information Overload

Employees are encountering high-quality information, but they are overwhelmed by its sheer volume. Their organizations are sharing return-to-workplace timelines, health and safety requirements, and new protocols and processes for most aspects of work. Employees are also receiving information from outside the organization (e.g., regional news with updates on infection and vaccination rates). In times of uncertainty, individuals inadvertently seek out more relevant information than they can process, making them feel even more uncertain. At the same time, employees are communicating their interpretation of information with other employees, friends and family who bring different information to the discussion. These dynamics — information overload and conflicting

information — may cause paralysis as employees struggle to understand and master the new processes that are necessary for a seamless transition back to the workplace (see Figure 1).

Undoubtedly, the volume of information employees receive as they return to the workplace is and will continue to be high. In such a scenario, employees reach a point of information saturation after which more information fails to provide additional value. Social science research shows when people make decisions in the face of overwhelming information, they are likely to do so with the help of several coping strategies:<sup>1,2,3,4</sup>

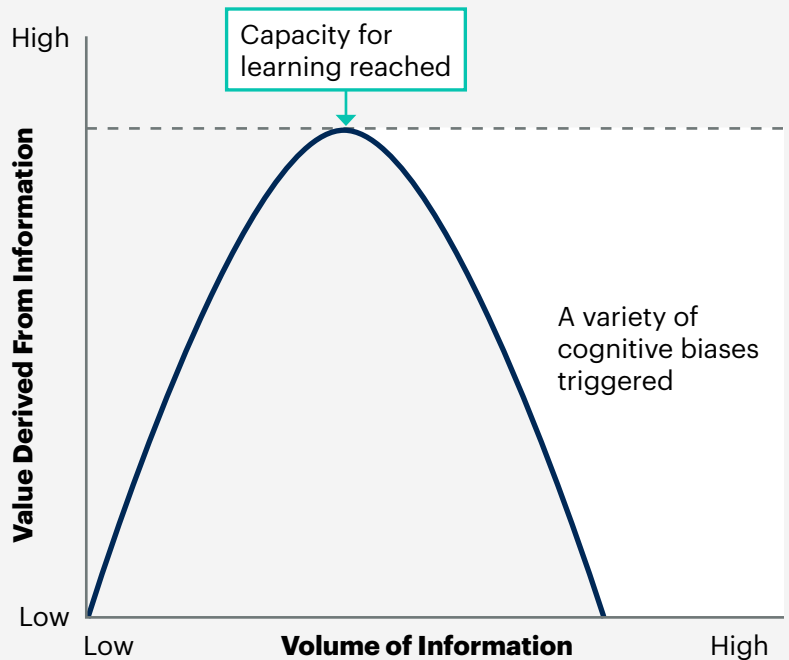
- **Anchoring bias** — Relying too heavily or “anchoring” on one trait or piece of information when making decisions; for example, an employee may hold tight to a social media post about a colleague with symptoms and not take into account newly released science about virus transmission (or vice versa).
- **Belief perseverance** — Strengthening support for preexisting beliefs when encountering evidence to the contrary; employees might explain away data that doesn’t match their beliefs.
- **Selective exposure bias** — Selectively searching for and cherry picking information that would support a preferred decision; employees may seek information that makes them feel safe and secure about their decision even though it might not align with the organization’s return-to-workplace policies.
- **Status quo bias** — Choosing not to take any action or continuing with the status quo; in a year with so much radical change to how work gets done, some employees may opt out of returning to the workplace as a default response to more change.

## Information Delivery Strategies

Many managers will refer employees who are concerned about the return-to-workplace approach (e.g., changes to work processes) to HRBPs. And employees are very likely to share their exchanges with HRBPs, creating a ripple effect throughout business units. HRBPs have a unique and important role in doing more than cascading the plans, as they are positioned to

**Figure 1. Relationship Between Use and Volume of Information**

Illustrative



Source: Gartner

really inform how employees make decisions related to these concerns. Gartner research shows sellers take three distinct approaches when interacting with customers; these approaches are relevant to HRBPs’ role as well:

- **Giving** — This approach involves generously sharing quantitative evidence or product specifications; for example, HR collateral.
- **Telling** — This approach is preferred by individual experts who rely on personal experience, knowledge and authority to address employees’ needs — for example, giving advice based on previous experiences with employees and teams.
- **Sensemaking** — This approach helps employees evaluate information so they are able to prioritize various sources of information for simplicity over comprehensive detail, quantify trade-offs and reconcile conflicting information.

In the sales world, compared to giving and telling, customers are more confident in information when sellers take the sensemaking approach. For HRBPs, sensemaking can also be a strategic approach to the return to the workplace. By taking on the principles of sensemaking,

HRBPs can inspire more confidence in return-to-workplace plans. A sensemaking approach is also better at reducing employee skepticism of the HR function and the organization.

## Sensemaking: The Winning Approach

HRBPs have always guided employees' decision making. But sensemaking is a special form of guidance that specifically aims to improve an individual's judgment by clarifying and enabling the use and interpretation of information for decision making. Sensemaking is an active response when decision makers are grappling with uncertain, ambiguous and complex information (see Figure 2).

Sensemaking purposefully enhances the perceived agency of the decision maker while delivering the benefits of guidance from trusted, credible and skilled partners. HRBPs can actively support their employees in three key ways:

- **Connect to relevant resources.** Diagnose employees' and leaders' information needs and provide curated sources and tools to help employees feel they know all the relevant information. For HRBPs this connection means leveraging your understanding of HR policies, options and decisions already made centrally to bring the most relevant information to the decision at hand. Remember to curate; don't create. Curating means sharing the "must know" information from other functions (e.g., real estate, legal, IT, HR) that boosts employees' confidence about returning to the workplace.

- **Clarify information complexity.** Reduce the complexity of the information environment by filtering and processing information for employees. With the information you're sharing, highlight the headlines or connect them across themes where possible. Integrate, don't isolate. Clearly connect any new resources with existing information and the decision employees need to make.
- **Collaborate on customer learning.** Help employees evaluate the quality and validity of information and arrive at their own understanding of difficult issues. Facilitate, don't dictate. HRBPs can provide content and tools that will guide employees on how to validate information (e.g., checklists).

## What's Ahead for HRBPs

By pivoting from a communications cascade project manager to a decision-making partner, HRBPs can transition their value-add from reactive to proactive. As HRBPs emerge from the onslaught of employee mediation and emergency response to a proactive, strategic-partner approach, the result will be more thoughtful and confident decisions by employees about the return to the workplace.

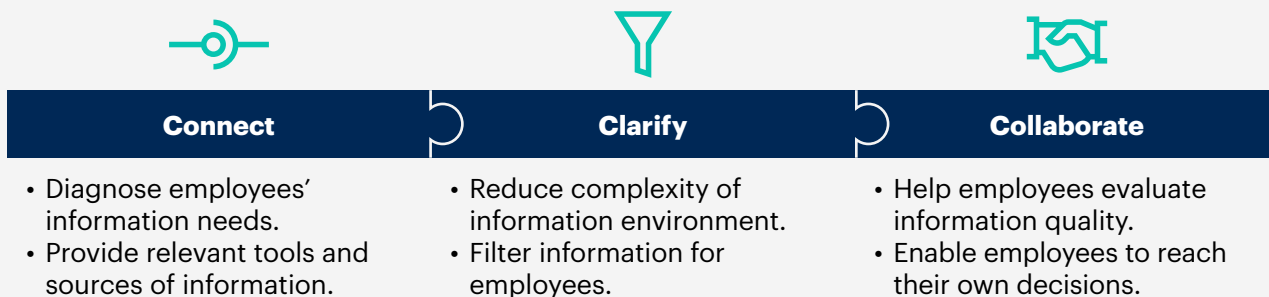
<sup>1</sup> A. Furnham and H. Chu Boo, "A Literature Review of the Anchoring Effect," *The Journal of Socio-Economics*, 2010.

<sup>2</sup> L. Savion, "Clinging to Discredited Beliefs: The Larger Cognitive Story," *Journal of the Scholarship of Teaching and Learning*, 2009.

<sup>3</sup> P. Fischer and T. Greitemeyer, "A New Look at Selective-Exposure Effects: An Integrative Model," *Current Directions in Psychological Science*, 2010.

<sup>4</sup> G. Gerasimou, "Asymmetric Dominance, Deferral and Status Quo Bias in Behavioral Model of Choice," *Theory and Decision*, 2015.

**Figure 2. Sensemaking Components**



Source: Gartner

# ReimagineHR 2021: The COVID-19 Recovery Is Driving the Equity Imperative

by Brian Kropp

The theme of ReimagineHR 2021 is “The Equity Imperative: How Fairness Improves Performance.” At this year’s event, HR leaders will learn how to design talent processes that deliver more equitable employee outcomes and drive higher performance.





The recovery from the economic downturn induced by COVID-19 is “K-Shaped”: some segments of the labor force are excelling, while others are struggling. As work shifts to a hybrid model, the workforce continues to incorporate different types of employees. As existing HR processes evolve to support this model, the risk of driving inequality throughout the organization grows. This risk of inequity damages talent and business outcomes.

It’s no coincidence that 2020 was the year businesses started talking about diversity, equity and inclusion (DEI) instead of just diversity and inclusion (D&I). The impact of the pandemic and the social upheavals that have taken place over the past year have made inequity harder to ignore, whether within organizations, communities or society writ large. Business leaders face growing moral pressure to combat inequity from governments, activists, media and (most importantly) their own employees. Inclusion, equity and environmental, social and governance (ESG) issues are all becoming bigger priorities, prompting the question: “How do we ensure our organization is profitable and high-performing, and how do we do it in a way that is fair and equitable?”

The tendency to see these two aspirations as part of a zero-sum game or additional conflicting conditions is all too common, but some of the smartest organizations are wondering if they actually work together. They are asking a different question: Does fairness actually improve performance? The challenge in the coming decade for HR leaders is not to balance a moral imperative of fairness against a business imperative of growth but rather, to build cultures and processes that drive performance through equity.

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“How do we ensure our organization is profitable and high-performing, and how do we do it in a way that is fair and equitable?”

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“The Equity Imperative: How Fairness Improves Performance” is the theme of ReimagineHR 2021. At this year’s conference, we’ll explore these big ideas and deliver insights to help HR leaders:

- Design pay strategies that drive performance through reward strategies that are fair and perceived as fair by employees.
- Ensure fairness across new models of work as employees adopt hybrid working styles and become more geographically diverse.
- Create new HR processes that drive business and talent outcomes in a more equitable way.
- Build DEI strategies that not only improve diversity and inclusion but also drive equity throughout the organization.

Please join us at ReimagineHR 2021, where we will showcase Gartner’s latest insights on people, processes and technology throughout the range of key initiatives impacted by the equity imperative. The questions we endeavor to address include:

- How can organizations improve fairness and employee perceptions of fairness?
- What are the positive business outcomes of a fairer workplace?
- How can HR enable personalization and radical flexibility for individuals to improve their engagement while maintaining fairness among all employees?



- How can organizations ensure benefits given to specific employee segments (e.g., extra parental support) are perceived as fair to segments that are not getting those benefits?
- How do we ensure fairness in careers and rewards among employees who are more or less likely to return to the physical workplace compared to those who continue to work from home?
- How do we ensure fairness of opportunities, recognition and promotion among a workforce that is more diverse and geographically distributed?
- What are fair pay practices for employees who move to remote, lower-cost locations?
- How can organizations balance treatment of contingent versus full-time employees in a way that drives performance for all employees in all types of work models?

As we recover from the COVID-19 pandemic, organizations have an opportunity to rethink the way work gets done. By seizing this opportunity, reexamining the employer-employee relationship and focusing on the equity imperative, HR leaders can design a new work environment for the postpandemic era that delivers better outcomes for all stakeholders.

Registration is now open for ReimagineHR 2021. Register today for the conference that fits your schedule and location:

[Gartner ReimagineHR Conference, London, U.K.: 16-17 September 2021](#)

[Gartner ReimagineHR Conference, San Diego, California: November 8-10, 2021](#)

## Upcoming Virtual Events



Gartner regularly hosts virtual events across a variety of Human Resources topics. These webinars present an opportunity for you to gain insights from our research experts on making better decisions for your function and organization.

[The HR Leader's Role in the COVID Vaccine Response Strategy](#)

[Implement the HR Operating Model to Align with Changing Business Priorities](#)

[Make Postpandemic Location and Sourcing Decisions with Labor Market Analytics](#)

[Top 5 Post-COVID Workforce Planning Questions Answered with Analytics](#)

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# How PPL Is Using VR Training to Combat Bias and Inequity

by Carolina Engels and Jonah Shepp



HR leaders are searching for new ways of delivering DEI training that can durably change employee behavior. PPL has piloted a virtual reality training program that lets employees and leaders practice difficult conversations in a safe space.



Kristine Maciolek Small is the director of diversity, inclusion and talent management in PPL's human resource

department. In this role, she provides human resources leadership for the company's diversity strategy and executive succession planning initiatives. Maciolek Small previously served as senior counsel in the company's office of general counsel.

Brian Case is manager of corporate talent management at PPL, where he is involved in succession planning, leadership training and development, university relations, and diversity and inclusion. Case's previous corporate experience includes Merck, Prudential and Cigna.

Delivering effective diversity, equity and inclusion (DEI) training is a familiar challenge to HR leaders. Efforts to teach employees about unconscious or implicit bias often fail to produce lasting behavior changes and can even backfire by making some employees feel personally attacked. PPL recently piloted a DEI training program that uses virtual reality (VR) to help leaders and managers engage in challenging conversations about inclusion and equity in the workplace. We recently spoke with Kristine Maciolek Small, director of diversity, inclusion and talent management at PPL, and Brian Case, manager of corporate talent management, about their experience with this VR training program and its future applications.

The initiative began when the president of one of PPL's subsidiary companies mentioned to Maciolek Small that he was interested in VR training. PPL was already using VR technology in its operations, Maciolek Small explained. This helped generate interest in applying the same technology in a new way in the HR space.

The company's existing DEI training programs were robust, consisting of classroom training and webinars, and working with both in-house specialists and external consultants. "We even incorporated diversity and inclusion as a topic in our manager training program more than five years ago," Maciolek Small said. "So there has been a lot of activity and a lot of effort, but the research does show it is really hard to change behaviors, to have an impact on individual biases, so that is the challenge we wanted to solve for."

The drive to innovate in DEI was also motivated by the fact that PPL was one of the first 50 signatories to the CEO Action for Diversity & Inclusion pledge, Case added. "Part of the pledge and the commitment is that you will have difficult conversations, and difficult conversations are not easy. ... So with the combination of the senior leadership request to look into VR training and our combined interest in wanting to improve managers' ability to have difficult conversations, we found this was a perfect avenue to make that happen."

Working with a vendor that specializes in VR simulation training, PPL piloted a program with 50 participants, including its CEO, several subsidiary company presidents, all its HR heads

in all the different parts of the business and some HR staff. It also included 30 individuals who were in one of PPL's leadership development programs for new managers. This development program includes an overview of appreciating differences and understanding inclusion, which Maciolek Small leads.

"It's a very experiential learning opportunity," said Case. "After each phase of the training there are always work assignments directly related to the curriculum so the managers can go back and practice and put it to use. We decided we were going to use this VR simulation pilot to give them the opportunity to practice these difficult conversations."



Based on the vendor's research showing four or more simulations were more likely to have an impact on employee behavior, the team decided to assign four different scenarios, which participants could schedule from an online portal:

- Microinequities in the workplace
- Addressing microinequities with peers
- Equitable promotion
- Demonstrating genuine concern regarding a drop in someone's performance

At the start of each scenario, a facilitating avatar provides the participant with instructions on how the simulation will work and an opportunity to ask questions. The participant is then immersed in a virtual environment with avatars, simulating a challenging workplace situation, and interacts with the avatars to drive the situation to an intended outcome. The avatars react to the dialogue and to the participant's body language, eye contact and voice inflections, Case explained. This gives individuals an opportunity to practice handling uncomfortable situations in a safe environment.

Each simulation lasts 30 minutes. At the end, the facilitating avatar returns to reinforce lessons by asking participants to reflect on how they thought the scenario went and if they would do anything differently the next time they were in that situation. The avatar also provides observations and recommendations.

Case said he found the virtual simulations more authentic and effective than in-person role-playing exercises. "As someone who has been facilitating training for many, many years, probably one of my least favorite activities in training, whether I am the facilitator or participant, is role plays," Case said. "I always feel role plays are not real; they tend to be fake or individuals don't take them seriously. I rarely viewed it as something that would change behaviors. This, on the other hand, is a role play, where you are in a setting where there is no fooling around, there are no sidebar comments, but you are in a 'real' situation and it truly gives you the ability to practice."

The VR training may be particularly effective in the current environment because so many of the interactions employees are having with each other right now are in a virtual setting, Maciolek Small added. "These conversations look just like every conversation you have every other day. And now through the remote work and increased use of Zoom, it makes it closer to real life," she said.

The initial results of PPL's experiment are encouraging. Case and Maciolek Small shared some results of a follow-up survey in which employees gave feedback on the training. Participants described the avatars and their responses as either very authentic (70%) or extremely authentic (30%). Asked whether

they learned something they would use in the next three months, 90% said yes. The vendor's simulation specialists also noted "significant growth" from simulation to simulation as PPL participants progressed through the pilot.

Based on feedback and outcomes from the pilot, PPL is exploring further use of this VR training and opportunities for its broader application. "We are already looking at using it for hiring managers, to practice interviews," Case said. "The intention is also for these hiring managers to practice follow-up conversations with the new hires, checking in on how they are doing in their job, if they are feeling included."





# Quant Corner

## Employee Tweets Express Optimism, Some Sadness About EVP

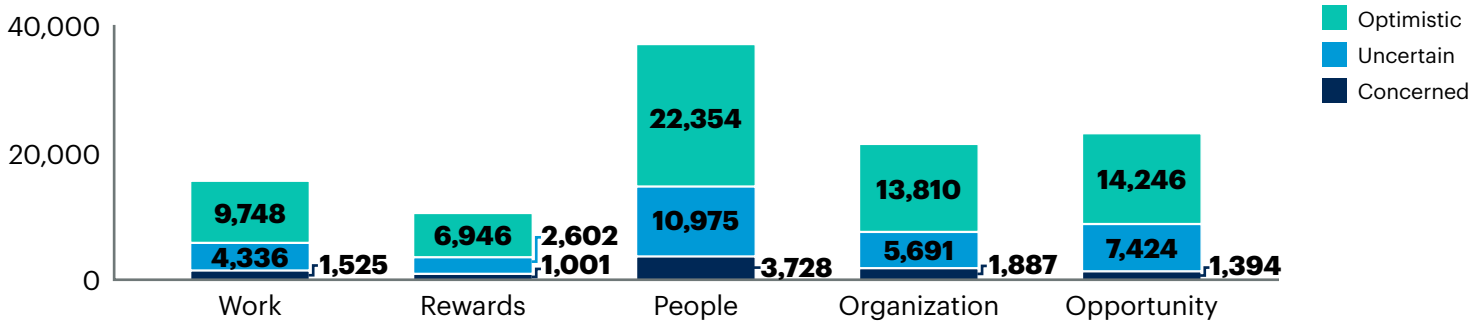
by Harshit Joshi

An analysis of employee tweets about EVP-related topics from November 2020 through the end of January 2021 found most employees expressing optimism about their organization's EVP. Employees primarily tweeted about people in their organizations, such as the quality of their managers and coworkers or the reputations of senior leaders, and the sentiment most commonly detected in these tweets was happiness. Fewer employees voiced opinions about the EVP categories of work (e.g., innovation, recognition or work-life balance) and rewards (compensation

and benefits). However, when they did speak up about these dimensions, around 20%-25% expressed sadness — for example, if they were unhappy with their rewards or found work-life balance hard to achieve while working remotely. As organizations prepare for the postpandemic recovery and the return to the workplace, HR leaders should prioritize clear and supportive communication and ensure that managers are equipped to address employees' concerns, perceptions of EVP and emotional responses to changes in their work lives.

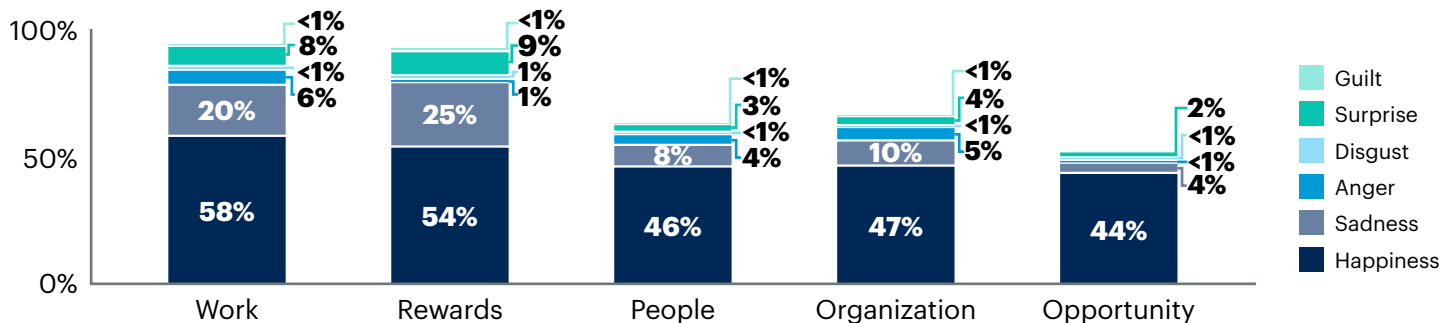
### EVP Sentiment From November 2020 Through January 2021

Number of Tweets



### Emotional Classification of EVP Sentiment

Percentage of Tweets



n = 107,667 tweets

Source: Tweets collected by 31 January 2021