



**SHRM**<sup>TM</sup>

SOCIETY FOR HUMAN  
RESOURCE MANAGEMENT

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

Pamela J Green, SPHR – VP Membership

August 7, 2012

## Remembering 2006

57% of senior executives and managers say the overall number of employees in their businesses will increase in the next year.

*--NFI Research, November 2006*

The national average increase in base compensation projected for 2007 is 3.8%.

*--Robert Half International, October 2006*

66% of office workers say they have some physical problems as a result of job-related stress or exertion.

*--Swingline Workspace Tools, November 2006*

80.8% of workers predict that there is little or no chance that they will lose their job in the coming year.

*--Right Management, November 2006*

*“The problem isn’t that people don’t understand how good things are. It’s that they know, from personal experience, that things really aren’t that good.” –*

**Paul Krugman**

# Today's Agenda

- 1) Where we stand today after the recession
- 2) Fact and Data: what's driving the need for change?
- 3) 10 Possible Game Changers in the HR Space
- 4) Five Simple Steps to Success
- 5) Potential Solutions

# Where We Stand Today

## US Hiring and the economy seem stalled



In June, employers added only 80,000 new jobs, and unemployment remained at 8.2%

1st quarter 2012 GDP growth rate of 1.9% was modest, and the June jobs figures raise new questions about the strength of the U.S. economic recovery

Projected 2012 US GDP growth of 2-2.5% will not be enough to bring down unemployment quickly

With relatively low hiring rates continuing in 2012, US HR leaders will need to focus on retaining and developing existing talent, rather than recruiting outside talent

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

Great companies adapt to change faster than the competition because they know what's next

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



Whether it's the next workplace challenge, the next public policy change, or the next vital research findings, HR leaders know *next*

Moving from a focus on short-term survival to long-term sustainability will be a true test of HR leadership going forward





**SHRM**<sup>TM</sup>

SOCIETY FOR HUMAN  
RESOURCE MANAGEMENT

What's Driving The Need for Change?

# Stressed, distrustful employees



81% of HR: more tired than ever

80% of medical expenses are stress-related

60% increase in sedentary jobs

40% are sleep-deprived

33% are “chronically overworked”

32% had an increase in workweek

25% nap at work

Source: Workforce Software, Harris Interactive, Workplace Power Outage Survey, Business Week, Urban Mobility Report, Family and Work Institute, Centers for Disease Control and Prevention and New York Times



# Low Employee Engagement



According to Gallup in their 2011 Employee Engagement Index:

Fewer than 30% of the employees surveyed were fully engaged in their work, while 71% were not engaged or were knowingly disengaged costing US businesses \$350 billion every year.

According to PEW Research, 52% of employees surveyed would rather lose their nose than Facebook. Yet 73% of employers do NO social media training.

# 84%

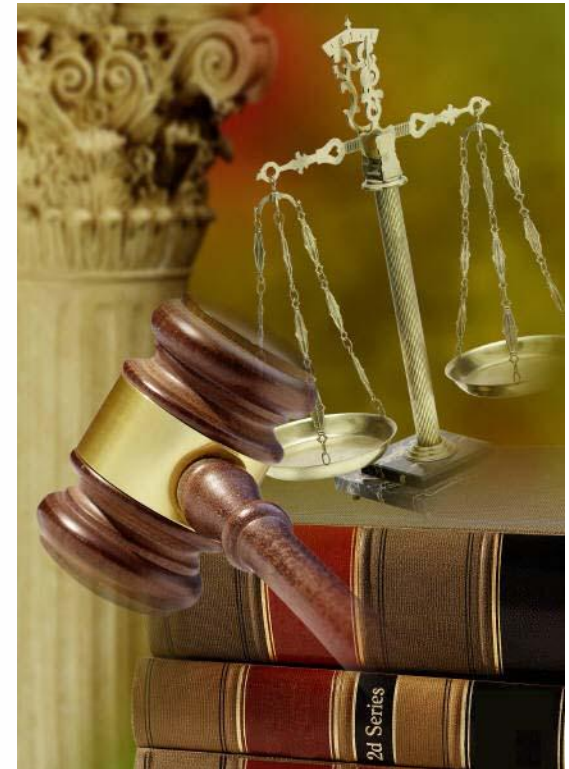
The number of employees that Right Management Reports will be leaving their employers this year!

- #1 Legal headache for US Businesses: Employment Law Disputes
- Employers have less than a 48% chance of winning an employment law dispute at trial – even less in California

*Source: Jury Verdict Research*

- California, Illinois, Massachusetts, and Minnesota top the list of States with the highest number of Wage and Hour Lawsuits.

*Source: Manpowergroup*





**SHRM**<sup>TM</sup>

SOCIETY FOR HUMAN  
RESOURCE MANAGEMENT

## 10 Game Changers in the HR Space

# Possible Game Changers in the HR Space

- New employment legislation
- Global trends in education
- Low employee engagement
- Global demographic shifts
- Values and attitudes towards work/life balance
- Women and People of Color: education and workforce participation
- Improvements in HR technology and Social Media
- Rising benefit costs
- Talent needed vs. Talent available
- Push for more talent innovation and creativity



## Key Business Questions

- What are the business implications of certain scenarios for my organization and its strategies?
- What capabilities do we need to build or acquire?
- Which competencies will I need to prepare for the future?
- What current resources or investments made by my organization will be less valuable in the future?
- What legal risks will we face in poaching talent?
- Do we have the necessary legal expertise to recruit globally?
- Should we consider a long-term incentive plan (LTIP) to ensure the “stickiness” of our best employees?
- What is the feasibility of implementing some type of flexibility program for our employees?

## Key Business Questions

- Is it too risky to use social networks for recruiting talent?
- Should we avoid checking credit scores as a screening tool?
- How difficult will it be for my company to recruit the top talent it will need to compete as the economy recovers during 2011-2015?
- Do we have strong non-disclosure policies to minimize risk of losing confidential information with departing employees?
- Should we take advantage of the abundant talent to bolster our affirmative action program?
- What legal steps can we take to minimize potential lawsuits by disgruntled employees?

What happens if we just do nothing?



**SHRM**<sup>TM</sup>

SOCIETY FOR HUMAN  
RESOURCE MANAGEMENT

5 Simple Steps to Success

## 5 Simple Steps to Success

1. Assess Business Core Competencies for Opportunities
2. Business Goals vs. External Climate
3. Perform A Cultural Readiness Assessment
4. Conduct Your Gap Analysis
5. Build Business Scenarios to Enable Higher Quality Strategic Thinking





**SHRM**<sup>TM</sup>

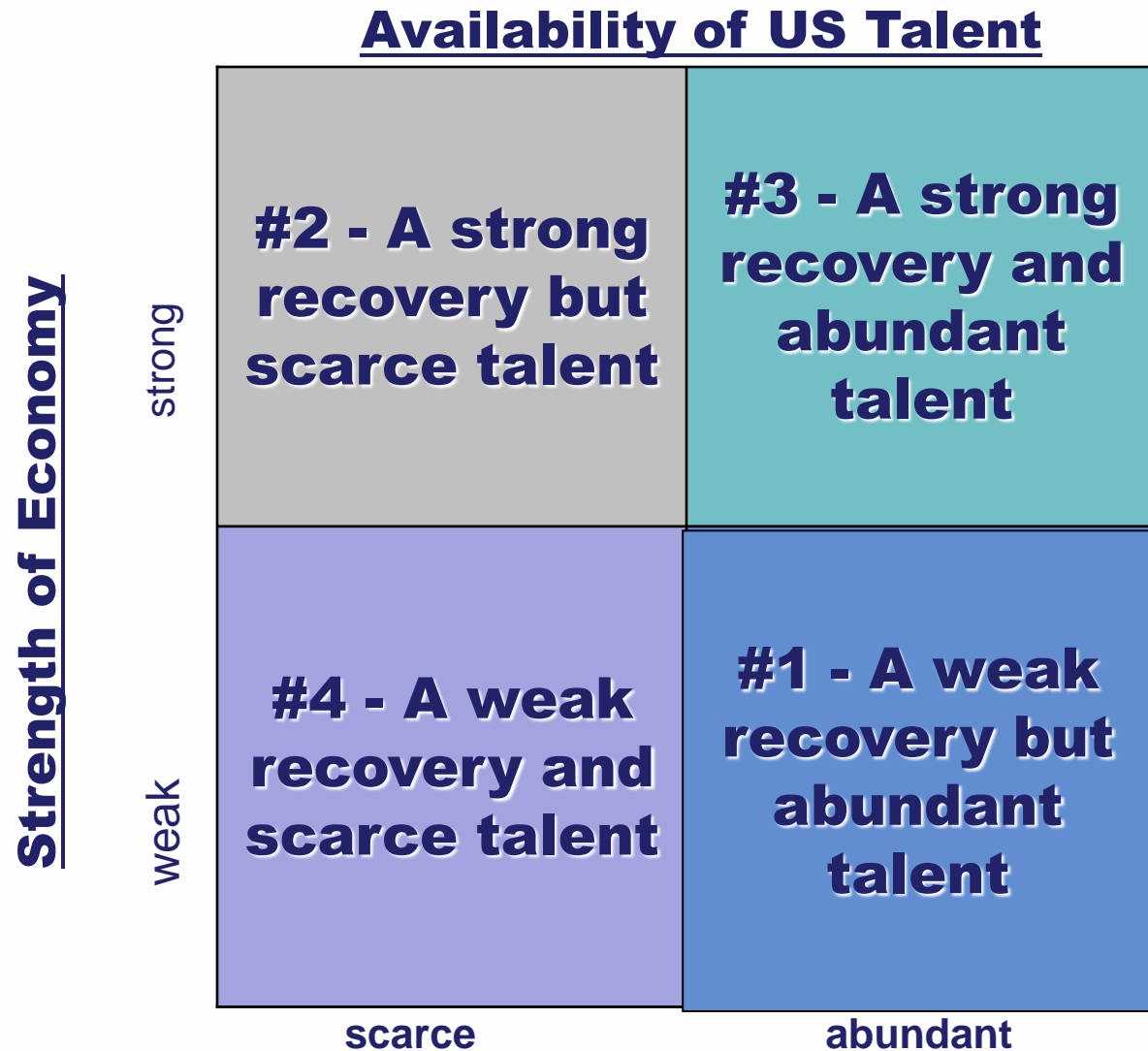
SOCIETY FOR HUMAN  
RESOURCE MANAGEMENT

Potential Solutions

## A. Putting Scenario Planning into Practice

- The goal of the Scenario Planning model is to enable higher quality strategic thinking among business leaders.
- Scenario planning is NOT about predicting the absolute future.
  1. Develop credible scenarios
  2. Then identify success factors or competencies for your organization to flourish in each scenario
  3. HR and top management should then focus resources on developing these competencies

# Four-Scenario Matrix



## B. Introduce Flexibility

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



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



## C. Implement Strategic Workforce Planning



SWP evaluates future critical talent needs through systematic workforce assessment

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

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

HR will need to be creative to implement a strategic workforce planning program with reduced resources and personnel



## AARP-SHRM free online Workforce Assessment Tool

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



### Workforce Assessment Tool

Co-sponsored by AARP and SHRM



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

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

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

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

#### Getting started

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

#### Sign In

Email Address

Password

[Forgot password?](#)

Log in

New to the site?

Register!

# SHRM's 2005 Scenario Planning Report



- In 2004 SHRM worked with Decisions Strategies International on a scenario planning project.
- GOAL: Help HR professionals by allowing them to live in potential scenarios for the future of HR management
- **2015: Scenarios for the Future of Human Resource Management** was published in 2005

### Things are starting to look better

#### Top of the Heap

Job board CareerCast released a list of the best jobs of 2012

#### BEST JOBS OF 2012

#### MIDLEVEL INCOME



HR was as hard hit as other professions by the downturn

Job openings posted on SHRM's HR Jobs web site in 2011 increased by 70% compared to 2009

HR Manager ranked #3 on CareerCast.com top jobs in 2012 list

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

## Losers:

- Encyclopedia Britannica
- Blockbuster
- Hostess
- Lady GaGa

## Winners:

- Deloitte
- Ryan LLC
- Zappos
- SAS

## Thank You

### Email:

[Pamela.Green@SHRM.org](mailto:Pamela.Green@SHRM.org)

*(Please note that these slides are copyrighted material and may only be distributed to an audience at a SHRM speaker presentation. Further distribution is not allowed, except with permission by SHRM.)*