

Virtual Working Group: HR Operating Model - COVID Style

Key Takeaways

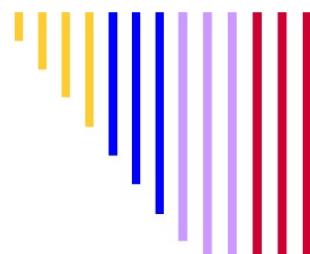
1. Major HR operating model shifts are not yet underway, but there are a number of HR practices that are transforming that could signal the start of larger changes.
2. Top-down, direct communication was necessary at the beginning of the crisis; however, companies are now beginning to transition to a combined top-down, bottom-up approach, reflecting and listening to employees, most commonly through ERGs (Employee Resource Groups) and surveys.
3. Leadership has changed its decision making criteria from business focus to primarily personal focus and will continue to do so as the pandemic continues.
4. Performance management has remained mostly unchanged. Some CAHRS companies have attached pandemic leadership response to performance rewards such as bonus payouts.
5. Flexible work arrangement policies are being evaluated now in order to prepare for post-COVID. Objective consideration of role requirements as well as company culture will determine how common remote work will be in the future.
6. Companies have taken multiple approaches to support their workforces from running online kids camps to bringing in external consultants and speakers to building committees to manage issues of mental health, wellbeing, and diversity and inclusion.

The most prevalent HR operating model has been in place for many years, using the same framework of HR shared services, centers of excellence and strategic HR business partnering. While COVID-19 regularly gets the lion's share of attention, the pandemic has been one of many destabilizing crises for CAHRS companies this year. Natural disasters, fake news, protests, and mental health have all affected employees. Despite these hardships, this year has also been one of rising to the challenge for companies through innovation, empathetic

September 2020

Participating Companies

Cigna
Estée Lauder
General Electric
Manulife
Medtronic
Microsoft
Prudential
Shell
Terex
Workday



leadership, and community support. Companies' approaches to their businesses and workforces have changed, necessitating HR to modify its approach and practices as well. While we are finding that major HR operating model shifts may not yet be underway, there are a number of HR practices transforming that could signal the start of larger changes.

Companies have had to adopt flexible, responsive, and transformative practices to adapt. Personal need has been the rule not the exception, as employers put the health and safety of their employees first. Looking forward, the focus is to transition from crisis to normalcy with long-term plans around diversity, mental health programming and an eventual return to business as usual once employees are safe to return to work. This CAHRS virtual working group saw frank and open conversation around communication, leadership, performance management, remote work, health and well-being, and inclusion.

Communication

Unsurprisingly, crises have made communication a challenge. Companies have struggled to find a balance between too much and too little communication, finding their staff overwhelmed with repeat messaging and over communication. Others have struggled to disseminate general information globally as countries are at different stages of lockdown and messages tend to become diluted as they are passed down. At the beginning of the crisis, many CAHRS companies focused on a top-down, direct communications approach and have now begun to shift to a bottom-up approach through ERGs. Frequent surveys are also common to better understand employee concerns. Higher frequency allows companies to quickly adjust questions to match changing circumstances.

Leadership

Leadership has been more important than ever. CAHRS companies have leaned into managers, training them to check in with their staff more frequently and to be more flexible. Many CAHRS companies have seen a leadership shift from a business first focus to a personal one, with an emphasis on empathy and compassion. Remote work has allowed leaders the opportunity to share more of their personal lives with their staff, showing emotional intelligence and creating greater authenticity. Further emphasis is needed on leader learning mindsets to adapt quickly to unforeseen challenges and for managers to find creative ways to support their staff and communicate company messaging effectively.

Performance Management

In terms of performance management, most CAHRS companies in attendance have left their processes largely unchanged. Some, due to financial constraints, will not be giving bonuses and as a result are working on maintaining morale and finding ways to communicate the continued importance of performance management. Others have adopted temporary additions such as flexibility and COVID-19 transition performance factors into their bonus payout decisions.



Remote Work During and After COVID-19

Most CAHRS companies have gone fully remote, however some in manufacturing have had to adjust and create safe working spaces for their employees to remain working onsite. There are some concerns for how to best build and maintain workplace culture, run onboarding processes, and manage performance in a remote working scenario. Additionally, those positions that require creativity, collaboration, or workplace equipment are experiencing difficulty working from home. In countries where COVID-19 cases have dropped, most workers have chosen to remain at home. Employers have begun to work on transition plans for what flexible work arrangements will look like post-COVID-19. Looking forward, HR leaders have been tweaking previous flexible work arrangement policies. Some have chosen minor changes such as removing the need for an employee explanation, others have been more extreme. One CAHRS company is in the process of evaluating all job positions in their company -- categorizing roles as fully remote, fully in-person or hybrid. In hopes to remain as objective as possible, they have engaged in conversations with their top leadership to develop strong reasons for when using office space is necessary and when it is not.

Health, Well-Being & Inclusion

From a health perspective, companies have struggled to create clear messaging around COVID-19 and health risks given the current external media environment. Some CAHRS companies have brought in speakers such as a previous surgeon general to explain the virus, but also to talk about issues like loneliness and mental health. Others have collaborated with companies to offer webinars on resilience, while still others saw the formation of employee-led mental health ERGs. On the policy front, flexible hours, extended leave, and help with childcare have all been common approaches to supporting staff. One CAHRS company went so far as to organize a virtual four-week summer camp for kids. ERGs have also been formed for parents and on topics of race and inclusion. CAHRS employers are looking to adapt inclusion and diversity policies in hiring and training in the long run. In the short run, their focus is to train managers by providing them the education necessary to be equipped to address these issues.



This Summary Report was prepared by Beth Flynn-Ferry and Reed Eaglesham for participants of the HR Operating Model - COVID Style Virtual Working Group.

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