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SAP SuccessFactors 



CHRO Report

Facts & Analysis



HUMAN
RESOURCES



CHRO Report

Chief Human Resources Officers keep the pulse of their companies. When adding the complexities of a twenty-first century work environment and workforce, these senior corporate executives are pulled in many different directions. Whether through recruiting or determining benefits and compensation, Chief HR Officers are charged with finding the right balance that allows the company to retain top talent while fostering an environment of innovation and growth. The following report was designed to provide greater insight to this group of executives.

Survey Structure & Methodology

Consero's 2017 Chief Human Resources Officer Report, developed in partnership with SAP SuccessFactors, was created in connection with its 2017 CHRO Executive Roundtable and Forum. The events counted on the participation of senior-level Human Resource executives. Consero conducted a 14-question survey at the forum, collecting 64 responses that provide a window into the priorities and challenges facing Chief Human Resources Officers today.

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The Top Priorities for CHROs Are Talent Recruiting, Development, And Retention

The Chief HR Officer must coordinate various ongoing efforts to manage an organization's most important resource—its employees. The survey responses show that human resource departments are focused mainly on talent development and retention in the next 12–18 months, with a resounding 86% of executives naming it a top priority in the near future. This focus area was followed by recruiting and hiring for 73% of respondents, benefits and compensation for 53%, and HR technology management for just under half of those surveyed. The data indicates that while talent development and retention is a main priority for HR executives, companies are also focusing on the practice of recruiting and hiring top talent.

CHROs surveyed named a lack of qualified talent to meet their company's hiring needs (27%) and a talent gap within the HR department (23%) as the greatest impediments to the HR department's progress. Lack of talent available in the marketplace provides context as to why CHROs are focused heavily on recruiting and developing talent in the next 12 months. Other impediments to the HR function included a lack of access to budgetary resources (23%) and frustration with current HR technology infrastructure (18%).

Figure 1: What are your top priorities for the next 12–18 months? (Select all that apply.)

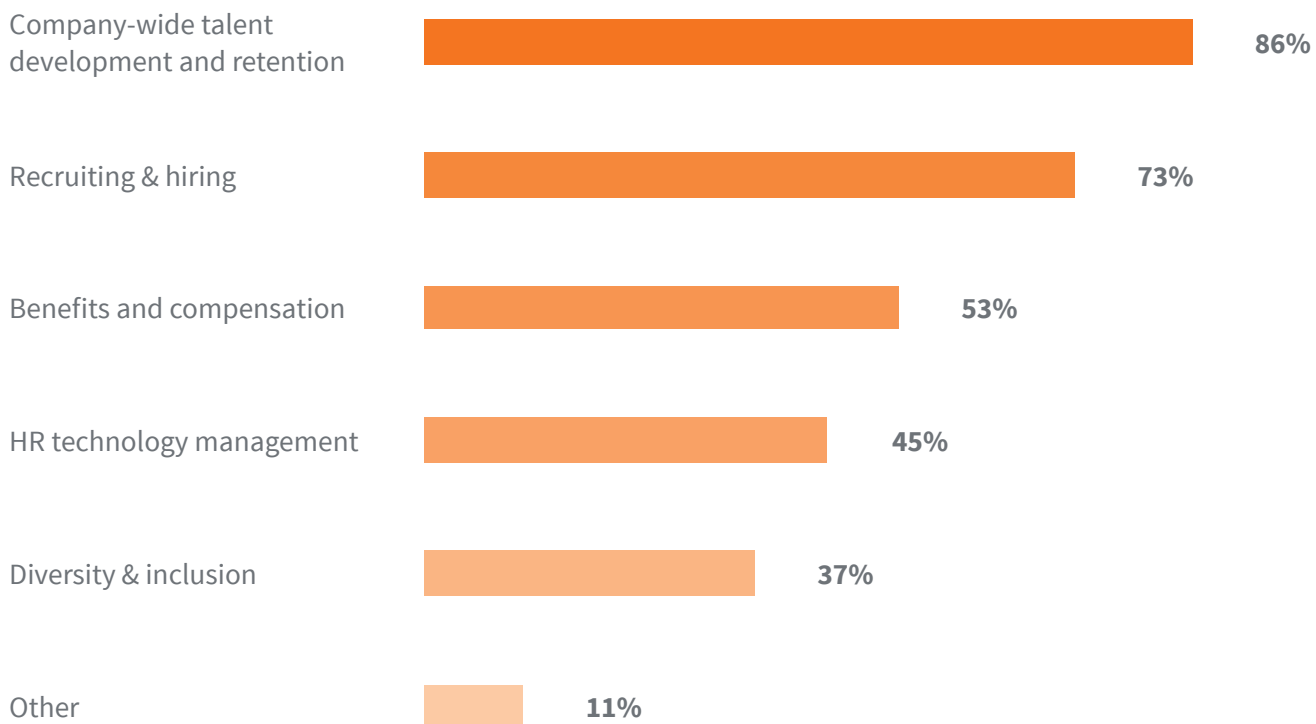
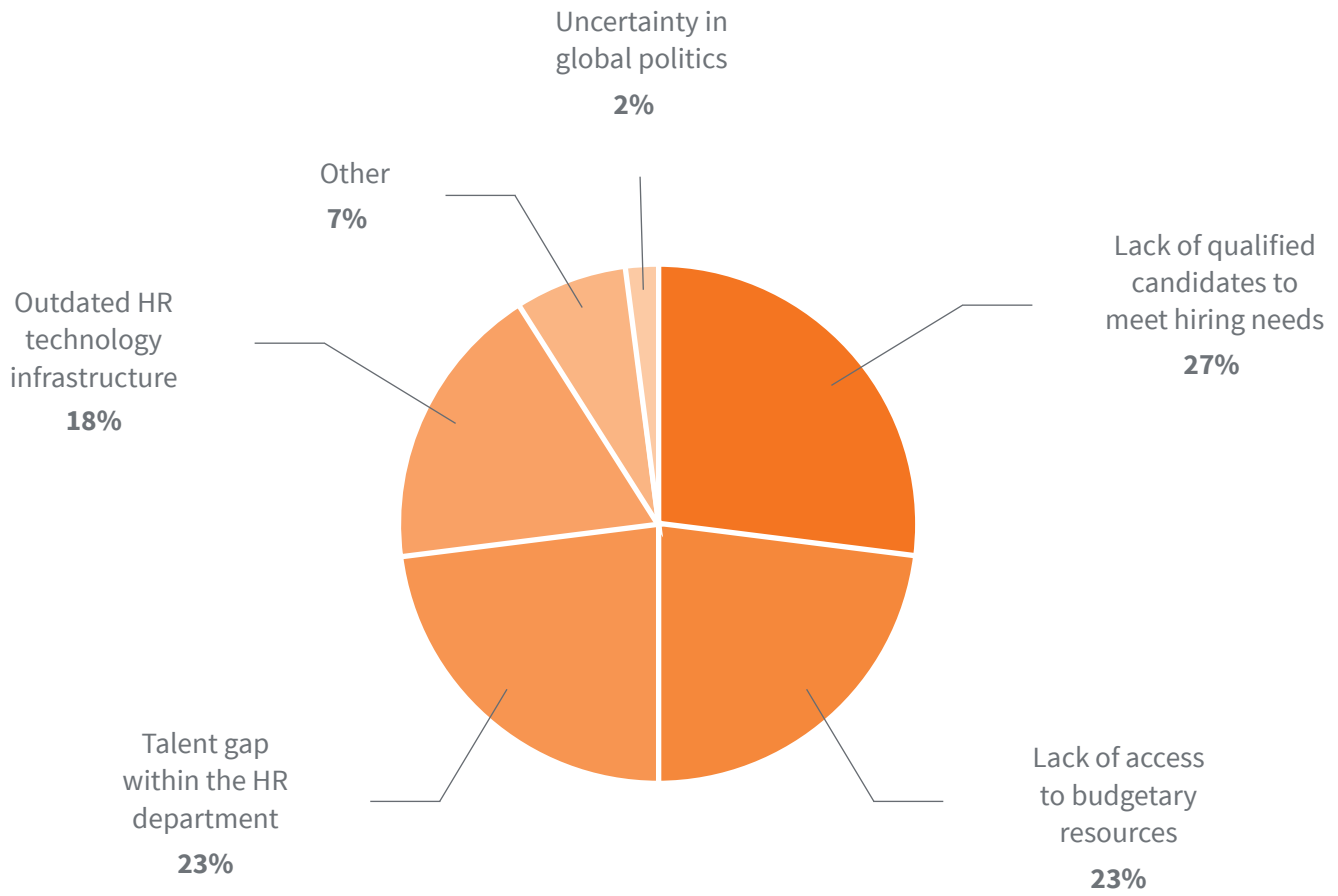




Figure 2: What would you describe as the greatest impediment to your department's progress?





Seventy-One Percent of CHROs Believe Their Employees Are Engaged In Company Culture

Part of recruiting and retaining top talent involves managing a competitive and comprehensive compensation and benefits package. There is an increased focus on work-life balance and corporate wellness in today's workforce, which signifies HR departments can find value in benchmarking against peers on how to remain competitive and what perks to offer to keep employees engaged. Fortunately, an overwhelming majority (82%) of CHROs believe their compensation and benefits package is competitive within their respective industries.

Health and wellness are top-of-mind for employees today, and corporate HR departments are looking for ways to help meet those needs. Paid paternity leave is one way that 44% of HR executives are accommodating an increased desire for work-life balance. This is an increase from 34% of respondents in Consero's 2015 CHRO survey.

Chief HR Officers were fairly evenly divided when asked how often they conduct employee engagement surveys—45% do so annually or more than once a year, and the other 55% conduct such surveys less than once a year or never. Carrying out employee engagement surveys is a tool HR departments can use to gauge their workforce's commitment to the organization and provide insight into what areas they can improve to increase that engagement. Fortunately, 71% of those surveyed agree that their employees are engaged or very engaged in their company culture.

CHROs are also charged with succession planning, which can help ensure continuity within an organization in the event of an executive's departure. Yet 44% of CHROs reported that they do not have an executive succession plan framework for their organization. This is a continuing area of concern given how succession planning can minimize disruption to organizational performance and growth.

Figure 3: How often do you conduct employee engagement surveys?

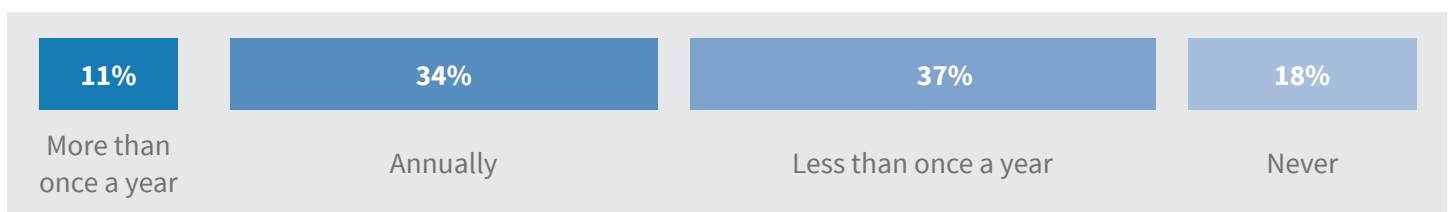


Figure 4: How engaged are your employees in your company culture?

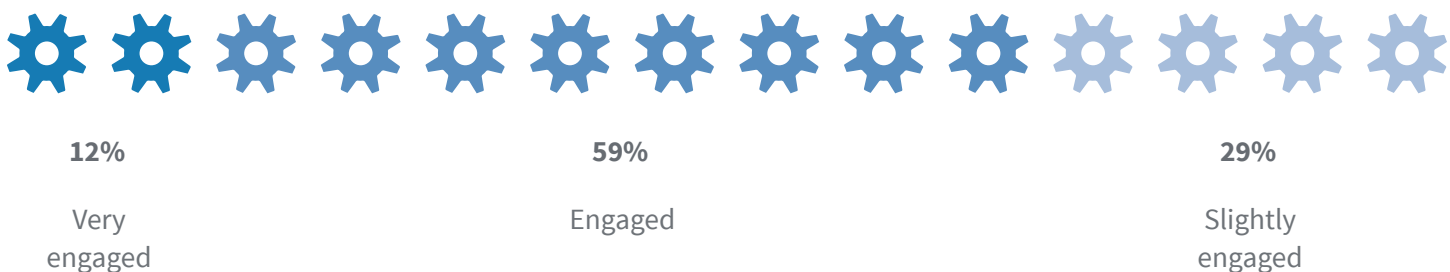




Figure 5: Do you believe that your compensation and benefits packages are competitive within your industry?



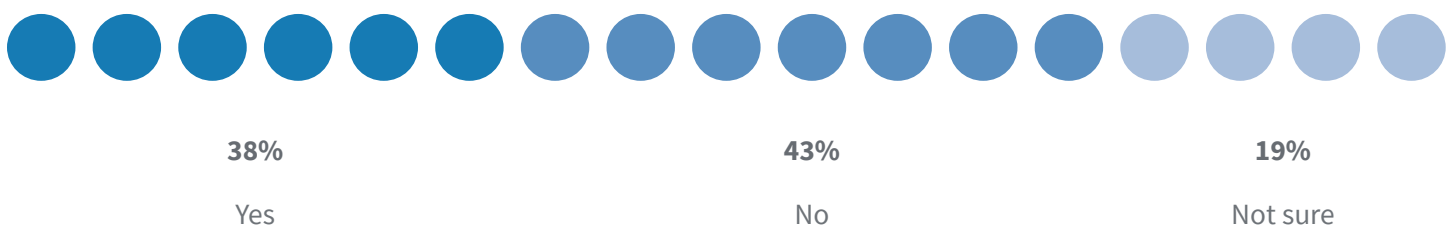
Figure 6: Does your organization offer paid paternity leave?



Figure 7: Does your organization have an executive succession framework in place?



Figure 8: Does your rate of turnover among Millennials exceed your turnover rate for non-Millennials?





Fifty-Eight Percent Of HR Executives Are Unsatisfied With Their HRIS

Technology, data, and analysis play an important role in facilitating employee management for the HR department. The CHROs surveyed were asked if their current HR Information System met the needs of their HR operations, and fifty-eight percent responded in the negative. Only 42% felt as though they were getting the most out of their HRIS. Finding a proper HRIS that can help the HR function drive success within their organizations will be critical for this group of executives moving into 2018.

In addition, a significant majority of respondents indicated either that their current HR analytics strategy does not meet the needs of their operation (44%) or they do not have an analytics strategy at all (23%). These figures are concerning as analyzing data to drive actionable results can help HR manage a company's employees more efficiently, and play a role in managing and retaining existing top talent. The metric that CHROs reported as most effective in supporting HR operations is turnover (72%), followed by employee engagement (52%), and compensation or benefit ratio (30%). All of these metrics speak to the common theme of this survey, which is HR's focus on hiring and retaining talent. Yet a small number of respondents have yet to employ value modeling and predictive analytics within their HR departments—83% of respondents have not done so, however 55% of HR executives noted that they are considering using predictive analysis. With a continued focus on gathering data and extracting actionable insights from these metrics, HR executives will be in a better position to manage their operations more effectively.

Figure 9: Are you satisfied with your HR Information System?

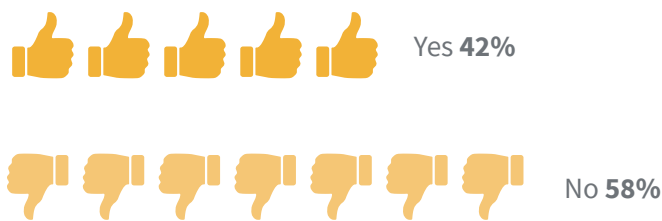


Figure 10: Does your current HR analytics strategy meet the needs of your operation?

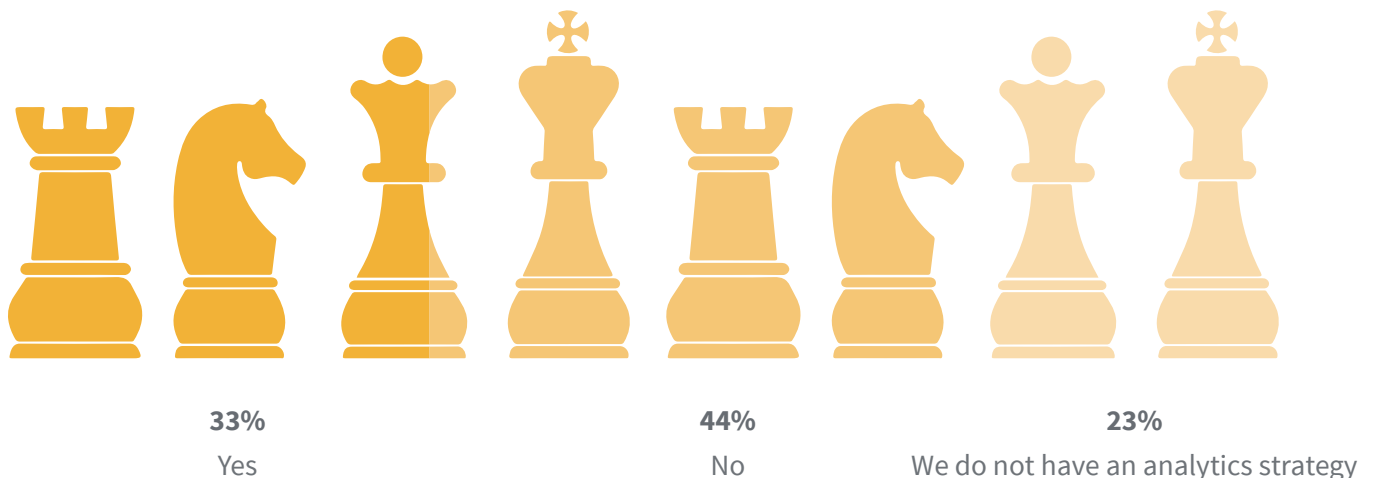




Figure 11: What metrics have you found most effective in supporting your HR operations? (Select all that apply.)

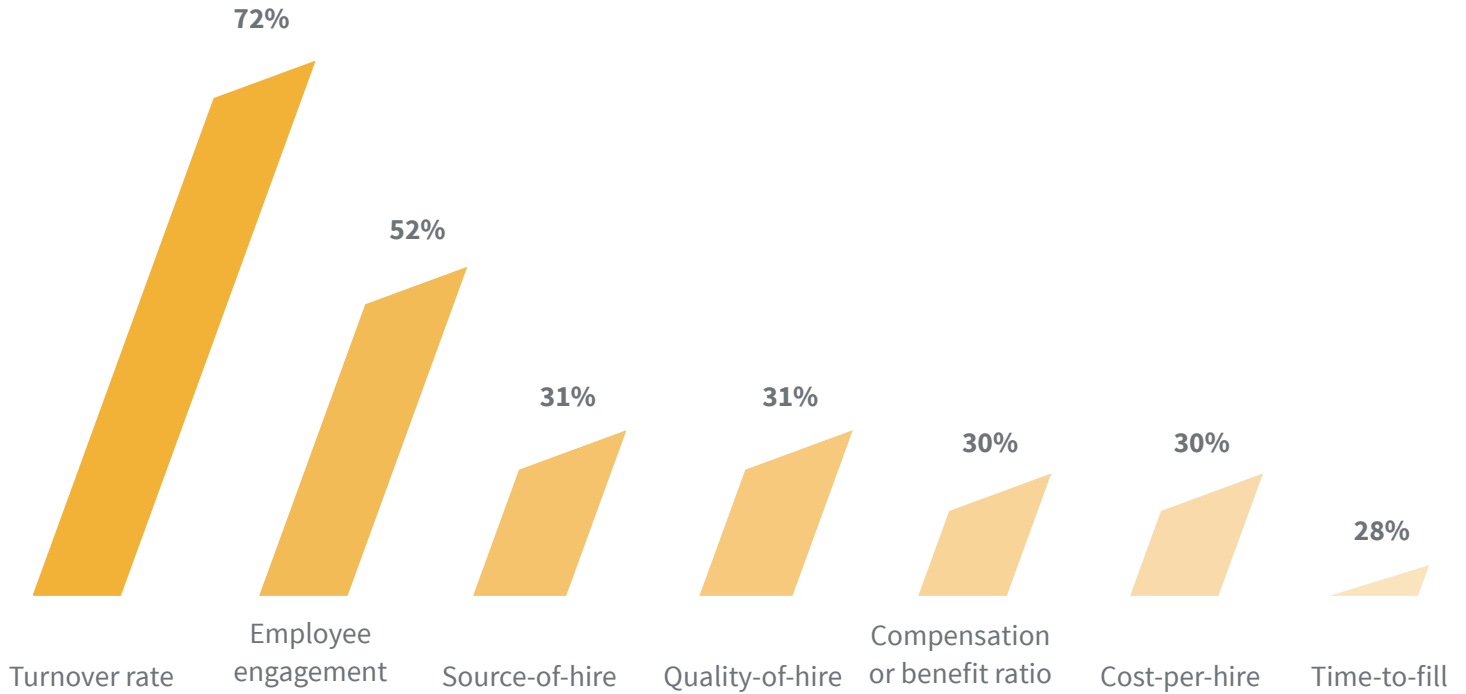


Figure 12: How would you describe the use of predictive analytics within your HR department?

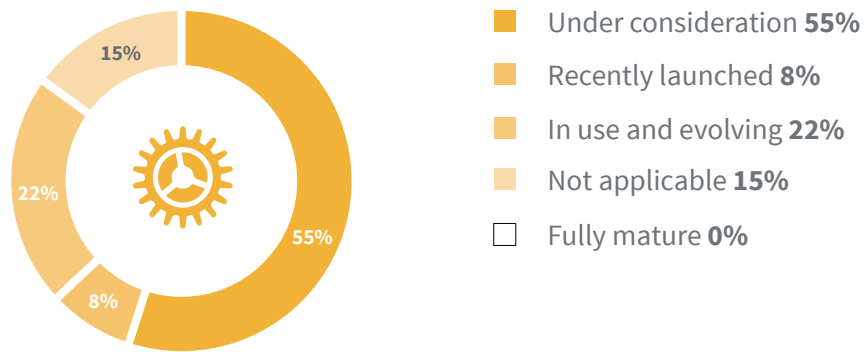
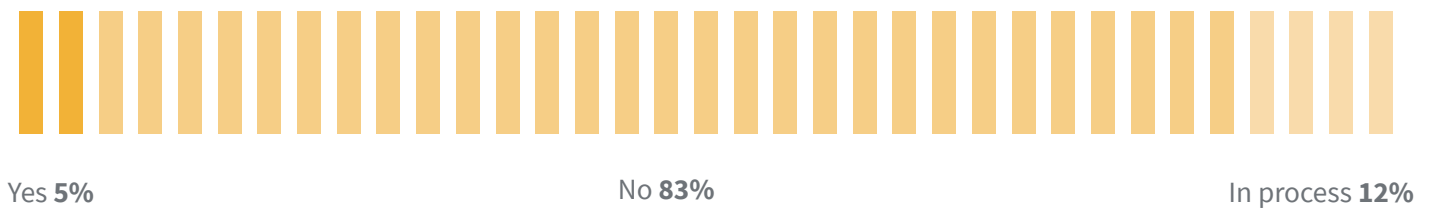


Figure 13: Have you used value modeling and predictive analytics to improve your HR operations?



Lessons For The Industry

Consero's 2017 CHRO Report found that the main priority and focus of CHROs continues to be recruiting, developing, and retaining top talent. In order to stay ahead of the changing workforce demographics and increase employee engagement, HR departments will have to keep their compensation and benefits packages competitive within their industries. Using the right technology tools and deriving actionable insight from company data will allow CHROs to set their organizations apart and find the right talent that will help drive the success and growth of their companies.

About SAP SuccessFactors

SAP SuccessFactors provides the leading cloud-based human capital management (HCM) suite, which helps HR drive business execution with solutions that are complete, beautiful and flexible enough to start anywhere – optimizing your workforce today and preparing them for tomorrow. SAP SuccessFactors solutions are supported by a global partner ecosystem and the experience and commitment of SAP. With over 45 million subscription seats globally, we strive to delight our customers by delivering innovative solutions, content and analytics, process expertise and best practices insights from serving our broad and diverse customer base. Today, with more than 6,000 customers, we serve organizations of all sizes across more than 60 industries in more than 177 countries using our application suite in 42 languages.

About Consero Group

Founded in 2010, Consero Group is an international leader in creating function-specific events for senior-level executives in industries that include Legal, Compliance, Brand Protection, Customer Experience, HR and Procurement, among others. Based in Bethesda, Maryland, Consero is best known for transforming the executive experience through intimate, invitation-only programs in a sophisticated learning environment with high-level content. For more information on Consero, please visit www.consero.com.

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UPCOMING EVENT

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September 23–25, 2018

The Langham Huntington | Pasadena, CA