

HRACUITY®

SEVENTH ANNUAL

# Employee Relations Benchmark Study



# Table of Contents

<b>1</b>	A Message from the CEO	<b>3</b>
<b>2</b>	Methodology and Terminology	<b>5</b>
<b>3</b>	Established Norms	<b>6</b>
<b>4</b>	Key Findings	<b>7</b>
<b>5</b>	Organizational Resources	<b>10</b>
<b>6</b>	Managing Cases	<b>16</b>
<b>7</b>	Issue Trends	<b>26</b>
<b>8</b>	Metrics and Analytics	<b>32</b>
<b>9</b>	About the Study	<b>39</b>

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# A Message from the CEO

The results of our Seventh Annual Employee Relations Benchmark Study are a clear signal that Employee Relations has not only arrived as a full-fledged function, but it also faces a critical moment to grow in its leadership. As you'll read in this report, established ER norms are validating our scope and benchmarking our maturity. As the annual data builds, we're strengthening our case for dedicated budget, specialized technology and powerful analytics on par with traditional HR categories including recruiting and learning.

Aside from bolstering confidence in the employee relations function, this year's data provides a striking reminder that living through times of great change requires courageous leadership. While we've emerged on the other side of the pandemic, the impact on employees' mental health is far-reaching. We are the leaders charged with pulling our people and organizations through this plight. Simultaneously, as younger generations transform the demographics of our workforce, we are leading at a time when expectations for transparency and accountability are at the highest levels ever seen.

## Let's figure out how to navigate the surge in mental health issues.

In the post-pandemic, hybrid work era, ER professionals are facing a sharp rise in mental health related issues. This is the first year we've measured mental health case volumes and the results deserve our attention. Two-thirds of organizations saw an increase in mental health cases in 2022. To address pervasive mental health concerns, employee relations professionals will have to tighten investigative processes, improve anonymous reporting technology, invest in better aftercare processes and upskill team members. What's more, employee relations teams must commit to non-negotiable values including transparency, empathy and fairness if they want to build trust during what is sure to be a sensitive time to lead.

## ER silence is going to backfire.

The data around ER transparency signals a widespread fear of sharing aggregated outcomes with the workforce. The lack of transparency excuses accountability and weakens employee trust that the organization takes concerns and issues seriously.

While sharing aggregated outcomes is more common among the Fortune 100 than organizations overall (27% vs. 17%), data sharing across the board has remained low for the past three years. This won't age well. With younger generations demanding more transparency, it's imperative that employee relations leaders find the courage to guide their organizations in a thoughtful approach. The benefits of sharing aggregated outcomes data will most certainly outweigh the risks.

As you dig into the new data, I encourage you to take an honest look with your team at your function's practices and processes. Where are you with respect to these benchmarks? Where do you want to be? Review these insights with your organization's leadership and decide where to invest your resources.

Employee Relations has arrived because of the smart, vibrant community we've built together. Every year you all have the courage to self-reflect, stretch and grow as leaders. This year's Benchmark Study feels like a rallying cry to keep pushing forward. Our people need courageous leadership. It's time for us to embrace the lead.



**Deborah J. Muller**

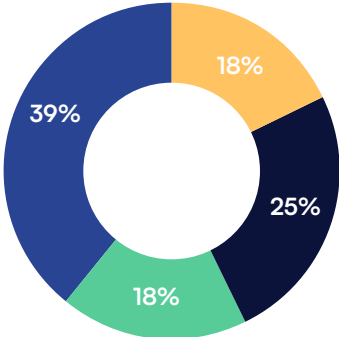
CEO, HR Acuity® | 888.598.0161 | [dmuller@hracuity.com](mailto:dmuller@hracuity.com)

# RESPONDENT PROFILE

The majority of survey respondents (60%) were at the Director level or higher, including CHROs, Heads of Human Resources, Global Heads of Employee Relations, Regional Employee Relations Leaders, Senior Directors, Directors, Senior Managers and HRBPs.

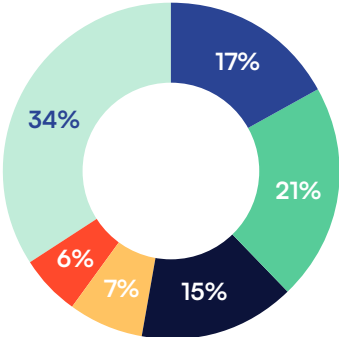
The findings include input from 190 organizations representing more than 6.3 million employees globally, including 19 Fortune 100 companies and 82 Fortune 500 companies.

By Size



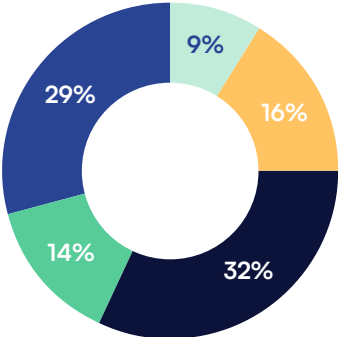
- 1,000 - 3,499
- 3,500 - 9,999
- 10,000 - 19,999
- 20,000+

By Industry



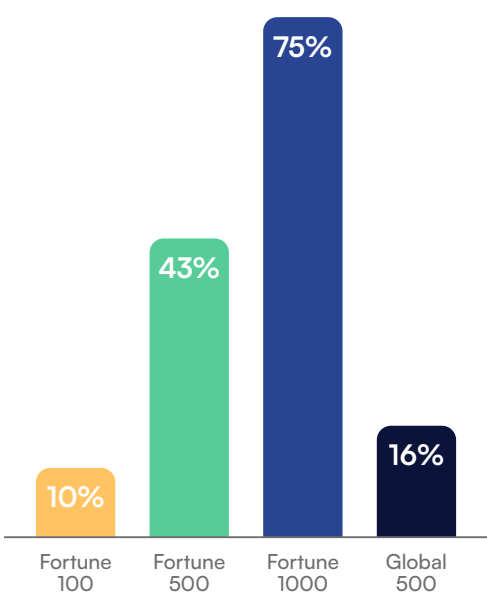
- Financial Services / Insurance
- Technology
- Healthcare / Hospitals
- Pharma / Medical Devices
- Retail / Wholesale
- Other

By Revenue



- \$100 million or less
- \$101 - \$999 million
- \$1 - \$5 billion
- \$5.1 - \$10 billion
- More than \$10 billion

By Fortune List



# Methodology & Terminology

HR Acuity, in partnership with Isurus Market Research, fielded an online survey via email and social media targeted at employee relations professionals at enterprise organizations based in the U.S. with at least 1,000 employees. Participants included employee relations leaders from 190 organizations, representing 6.3 million employees globally. The data collected was from the calendar year 2022 with one submission per organization. The research was conducted between January 11 and February 27, 2023, and has a confidence level of +/- 7.1 percentage points. Only year over year changes that are statistically relevant in the results are highlighted in the report.

## Terms Used Throughout the Study

### Employee Relations Professionals

Individuals who are dedicated to managing or working on employee relations matters

### HR Business Partners or Generalists

Individuals who provide strategic or operational human resources support to business or functional areas

## Employee Relations Organizational Models

### Centralized

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

### Mixed

Centralized team for managing some or most of the employee relations cases and investigations but field resources (HRBPs/Generalists and/or managers) still manage some employee relations issues

### Decentralized

Employee relations issues are managed within the specific lines of business by HR Business Partners/Generalists or Employee Relations Professionals; Employee Relations matters are not centralized

## Acronyms Used Throughout the Study

### CHRO

Chief Human Resources Officer

### COE

Center of Expertise

### EEOC

Equal Employment Opportunity Commission

### ER

Employee Relations

### ERP

Employee Relations Professional

### FTE

Full-Time Equivalents

### HR

Human Resources

### HRBP/G

Human Resource Business Partner/Generalist

### HRIS

Human Resource Information System

# Established Norms

Moving beyond the pandemic and the groundswell of political and social justice activism of the past few years, 2022 ushered in fresh challenges for organizations, employees and employee relations professionals. Uncertainty about the economy, coupled with struggles to strike the right balance for hybrid return-to-work environments, have challenged employee relations professionals to stretch in unfamiliar ways. For example, they are now taking the lead on the employee mental health crisis.

The unprecedented surge of mental health issues in the workplace is requiring employee relations to expand its scope once again in the name of employee support. Many employee relations teams are now triaging mental health issues, conducting threat assessments and evaluating security risks; all of which require upskilling in order to do so effectively. The striking conclusion is that employee relations has a unique value proposition. With deep insight into workplace culture, employee experience and well-being, the employee relations perspective can benefit the broader HR function. When shared and embraced to foster collaboration, employee relations can drive positive change in organizations.

Now in its seventh year, the Employee Relations Benchmark Study monitors emerging and established norms for employee relations and reveals new insights to keep organizations informed. Stable patterns have emerged in several areas based on consistent data year over year, further validating the maturity of the employee relations function.

## Employee Relations Norms - Consistent since 2016



### Centralized/Mixed Organizational Model

- Used by 94% of organizations
- Centralized ER or shared services group with additional field resources



### Resource Allocation (median / 1,000 employees)

- ER Professionals — 0.6
- HRBPs/Generalists — 2.5
- In-House Lawyers — 0.2



### 7 Core Employee Relations Case Types

- Policy violations
- Behavioral issues
- Harassment (sexual and non-sexual)
- Retaliation
- Discrimination
- Performance
- Time and attendance



### Scope of Responsibilities

- Employee relations analytics
- Proactive employee relations training
- Policy oversight/governance
- Policy development or benchmarking



### 4 Core Metrics Tracked

- Issue type
- Issue by location
- Issues by department/function
- Issue disposition

# Key Findings



Employee relations professionals face challenges as resources remain flat amid rising case volumes.

- **Employee relations staffing ratios remained unchanged again** this year, despite increased case volumes, which have rebounded from pandemic era decreases in major categories. Performance issues, policy violations and behavioral issues are at their highest levels since 2019.
- **Case volume trends were seen as increases or stable across all issue types with one exception:** a steep decline in COVID-related policy violations. As in 2021, the greatest increases occurred in accommodation requests, unprofessional conduct/policy violations and job performance issues. Non-sexual harassment allegations have risen steadily since 2020, and union organizing and incidents of theft and fraud also rose in 2022.
- **Sexual harassment and workplace bullying case volumes**, which grew at a slower rate when remote work was prevalent in 2020, **returned to pre-pandemic levels in 2022.**
- **The findings reveal strong correlations between higher productivity and a centralized approach - as well as the use of employee relations technology.** In addition to increased efficiencies, investing in streamlined processes and technology enables employee relations to better handle rising caseloads with existing resources and achieve better outcomes for employees and organizations.

## Revolutionizing Employee Relations Processes with Technology

Our system fulfills the needs of ER by **streamlining and standardizing processes**, allows us to customize templates, store and easily retrieve case documentation and review analytics.

We are able to **determine the workload for each employee relations team member** to ensure that no single member of the team is taking on an undue burden of cases.

# Key Findings



The mental health crisis calls for investments in training and resources for employee relations to provide necessary support for employees.

- **Mental health issues were the most significant driver of increased employee relations case volumes in 2022**, with 67% of organizations citing case increases. An additional 15% of organizations lacked clarity on the extent of mental health issues experienced, indicating a gap in tracking, analysis or a potential blind spot for some organizations in this important trend.
- While the pandemic continues to affect mental health, other factors such as **return to office, layoffs or reductions in force (RIFs), increased performance expectations and broader economic challenges are also contributing** to the mental health issues in the workplace.
- Addressing the mental health crisis among employees **may require greater investments in investigation aftercare, additional training** for employee relations professionals **and** possibly additional employee relations **resources**.



Tracking employee relations and investigations data is near universal, but many companies struggle to leverage the data to inform business decisions.

- **Nearly one in five organizations collects but does not use employee relations data and metrics.** These organizations are missing the opportunity to both demonstrate to leadership the value of employee relations practices and to unlock additional resources and build greater trust.
- Despite well-documented labor and skills shortages impacting various industries, **most organizations (75%) aren't using employee data to inform staffing needs.** With ER staffing levels expected to remain flat, using data to justify additional headcount will be critical to keep pace with the growing caseloads. Employee relations data can also provide insights into case trends to help the broader organization predict staffing shortages, proactively address retention, turnover, engagement and improve workplace culture.
- **One-third of organizations do not utilize employee relations data to identify training needs.** Examining the data to identify patterns and hotspots can help organizations develop targeted training programs to enhance performance and prevent future issues.
- Integrating employee relations and investigation data with demographics, performance, turnover or engagement data has declined. **Combining this information provides a more complete picture** about what's happening across the organization and helps guide strategic business decisions.



# Key Findings



Organizations have made efforts to improve employee experience and culture, but many still engage in employee relations practices that undermine transparency and trust.

- **Nearly all organizations (91%) provide a tool for employees to anonymously report issues or concerns.**
- Fortune 100 respondents are leading the industry as 26% shared aggregated, anonymous investigation and employee relations data with employees in 2022. Overall, and consistent with the past three years, **only 17% of organizations share investigation outcomes with employees**, a rate of 10 points below that in 2019.
- **Just over half of organizations (56%) who share aggregated investigation outcomes** with employees do so **once a year or more**. This lack of transparency can create barriers to accountability, and employees may believe that their concerns and allegations are not taken seriously.
- For the third straight year, **fewer than half of organizations (45%) use a required, structured process for conducting investigations**, which can have serious implications for any brand. Thorough, consistent and fair investigation processes help build a culture of trust with employees and drive accountability. While the Fortune 100 respondents are on an uptrend, with 58% using required investigation processes, there is significant room for improvement.

- **Approximately half of organizations lack access to case substantiation data** for cases resulting in an investigation. This is a red flag for employee relations, as employee confidence deteriorates when investigation outcomes are unknown. Planning and executing effective follow-up and aftercare is also more difficult without substantiation data.

## Real World Data Applications

“We compare data for employees who leave without sufficient notice and have/had performance issues that were being addressed at the time they quit.”

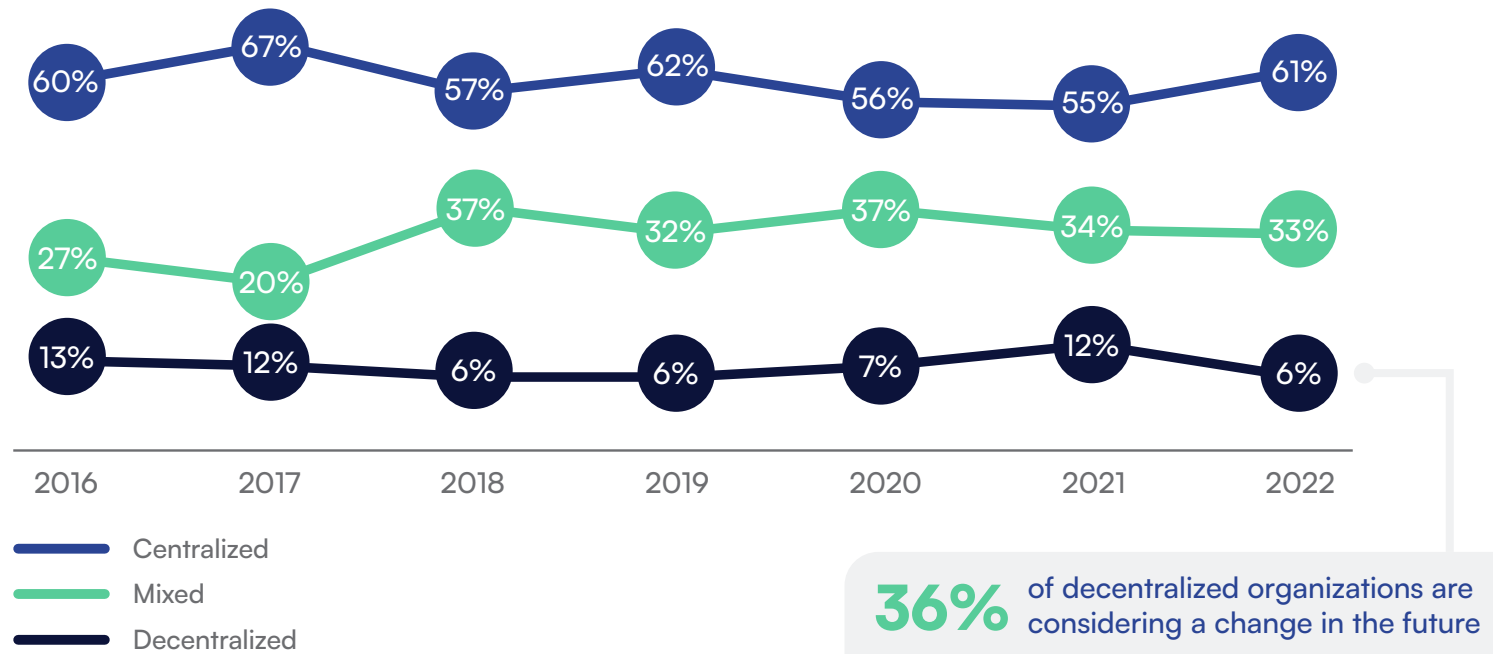
“Typical data reporting includes charts/graphs for investigation rates (number of investigations vs. number of employees in various areas), **top 5 matters investigated**, substantiation rates, and **story telling around (anonymized) investigations**.”



## ORGANIZATIONAL MODEL

Organizing and managing the employee relations function using some form of a centralized model is a standard best practice. Sixty-one percent (61%) of organizations use a centralized approach while another third of organizations rely on a mixed model which includes a Center of Expertise (COE) or Shared Services. A small minority use a decentralized model, with one-third of this year's respondents planning a future change in their organizational structure.

### Current Employee Relations Model

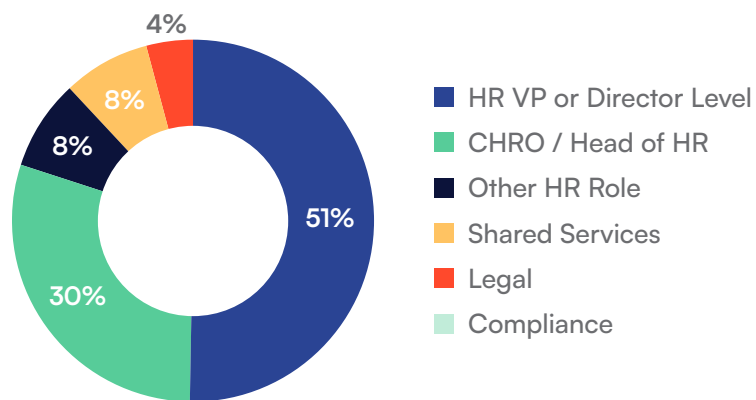




## REPORTING STRUCTURE

A standard has emerged with employee relations typically reporting to the highest levels of Human Resources — either to the Vice President of HR or to the Chief Human Resources Officer (CHRO) or Head of HR. Elevating employee relations to be on par with other HR functions signals the function’s maturity and demonstrates that organizations finally recognize the strategic importance of this work.

### In the U.S., to whom does the Employee Relations team report?



## STAFFING RESOURCES

Employee relations leaders face ongoing challenges to appropriate adequate resources to effectively and promptly resolve employee issues and address rising case volumes. Centralized organizations tend to have more employee relations professionals (ERPs) and fewer HR generalists than other organizations, suggesting a reallocation of headcount to prioritize employee relations. Larger organizations require fewer overall resources than smaller organizations, indicating economies of scale.

*To provide useful benchmarks, the data is normalized and uses the median number of resources per 1,000 employees.*

### Staffing ratios by organizational model

(FTE per 1,000 U.S. employees — median)

Organizational Model	ER Professionals	HRBPs / Generalists	In-House Lawyers
CENTRALIZED	0.73	2.29	0.24
MIXED	0.44	2.61	0.23
DECENTRALIZED	0.22	2.53	0.34
<b>ALL</b>	<b>0.64</b>	<b>2.47</b>	<b>0.24</b>

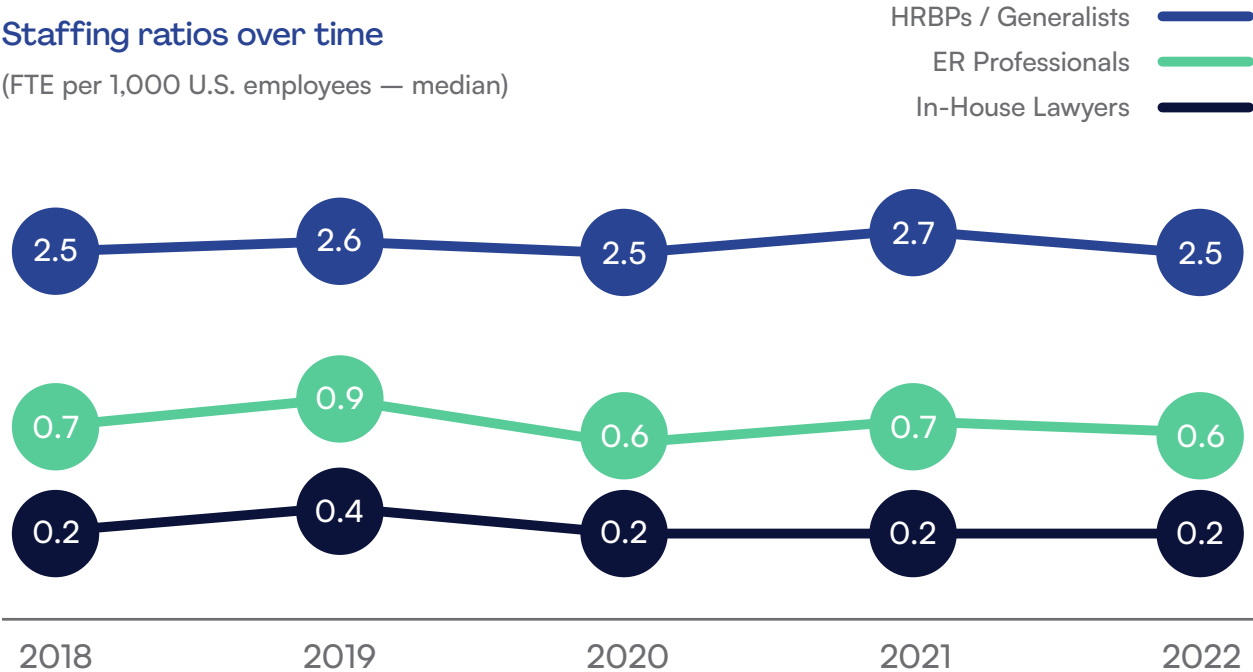
### Staffing ratios by number of employees

(FTE per 1,000 U.S. employees — median)

Number of U.S. Employees	ER Professionals	HRBPs / Generalists	In-House Lawyers
1,000 - 3,499	1.47	3.57	0.59
3,500 - 9,999	0.68	2.75	0.28
10,000 - 19,999	0.54	2.50	0.26
20,000+	0.53	1.99	0.17
<b>ALL</b>	<b>0.64</b>	<b>2.47</b>	<b>0.24</b>

# STAFFING RESOURCES (continued)

Staffing ratios allocated for employee relations resources have remained consistent over the past five years. Looking ahead, a large majority of organizations expect their employee relations resources to remain flat in 2023. This is not surprising given the current state of the economy, but it is something to monitor, given the significant increase in mental health and other types of issues employee relations is handling now.

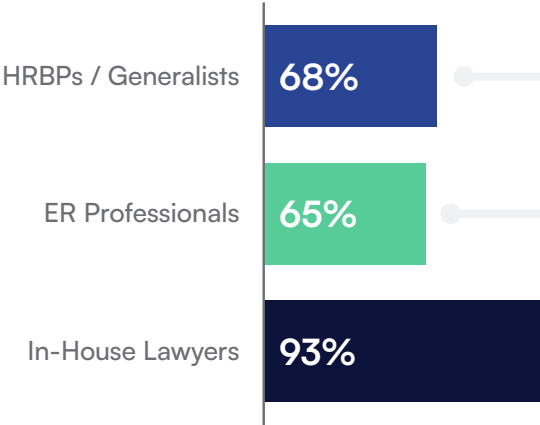


# STAFFING PROJECTIONS

Despite the fact that most organizations predicted that their employee relations people resources will remain flat in 2023, a closer look at the data by company size reveals some differences. Organizations with 20,000 or more employees are far more likely to downsize the number of HR business partners or generalists. This may be due to layoffs or reductions in force (RIFs), but organizations of this size often have more mature centers of expertise (COEs), potentially allowing them to broaden the employee populations their HRBPs or generalists support. The question is whether employee relations professionals will be tapped to take on additional work if HR business partner or generalist resources are reduced.

The findings also suggest that organizations with 10,000 - 19,000 employees are focused on building and scaling their ER function. To meet their employee relations needs, these companies expect to add more ER professionals and HR business partners or generalists in 2023.

## 2023 projections: Organizations expect resources to remain the same



## A closer look at staffing projections

Company Size*	HRBPs / Generalists	Company Size*	HRBPs / Generalists
3,500 - 9,999	<b>81% SAME</b>	1,000 - 3,499	<b>38%</b> (vs 22% avg.) <b>INCREASE</b> ↑
10,000 - 19,999	<b>60% SAME</b>	10,000 - 19,999	<b>31%</b> (vs 22% avg.) <b>INCREASE</b> ↑
	<b>ER Professionals</b>	20,000+	<b>14%</b> (vs 22% avg.) <b>INCREASE</b> ↑
1,000 - 3,499	<b>74% SAME</b>	20,000+	<b>19%</b> (vs 10% avg.) <b>DECREASE</b> ↓
10,000 - 19,999	<b>54% SAME</b>		<b>ER Professionals</b>
		10,000 - 19,999	<b>46%</b> (vs 32% avg.) <b>INCREASE</b> ↑

\* Number of U.S. employees

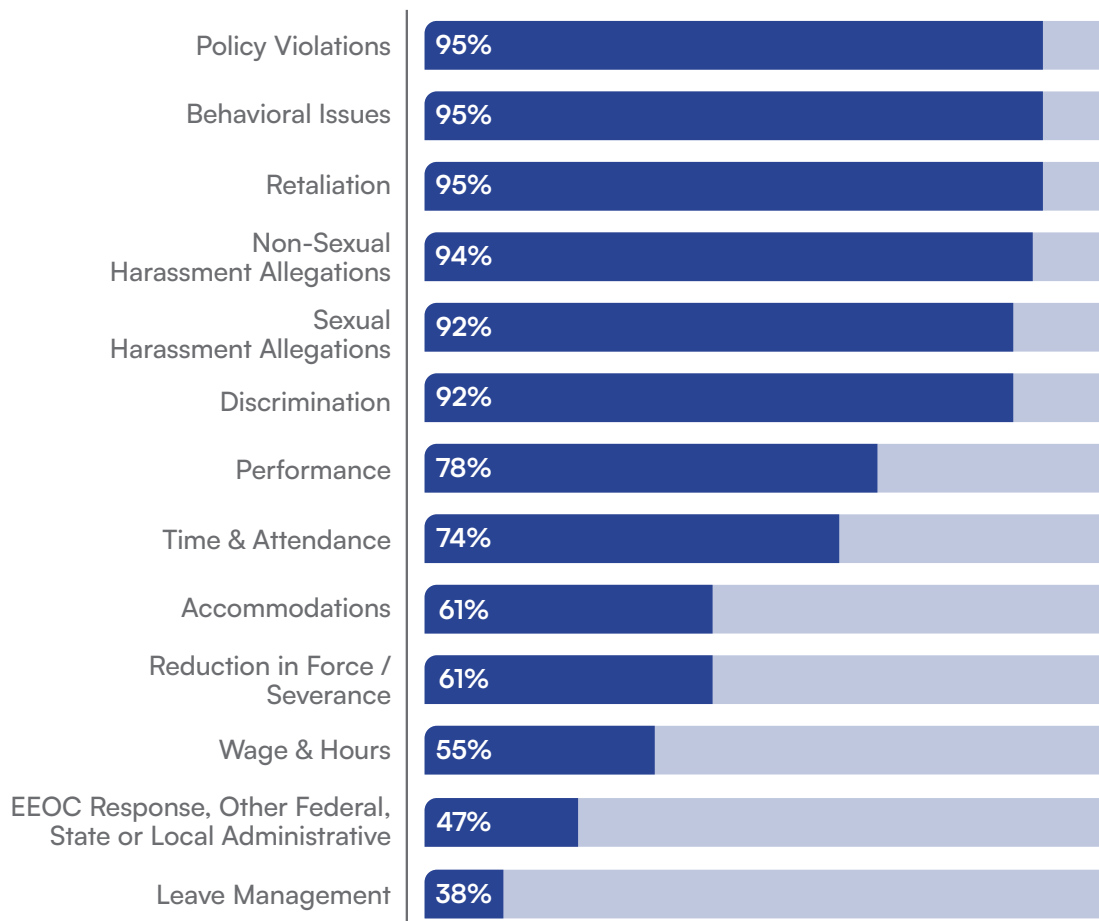
■ HRBPs / Generalists ■ ER Professionals

# SCOPE OF RESPONSIBILITIES



Based on relatively consistent data over the past five years, this year’s findings confirm that seven case types have emerged as a well-defined and consistent set of core responsibilities for employee relations teams. A large majority of employee relations teams manage policy breaches, behavioral concerns, allegations of retaliation and harassment (both sexual and non-sexual), discrimination and issues related to performance and time and attendance.

Which of the following types of cases generally fall within the scope of your employee relations team as a whole?



**FORTUNE 100**

SCOPE OF RESPONSIBILITY

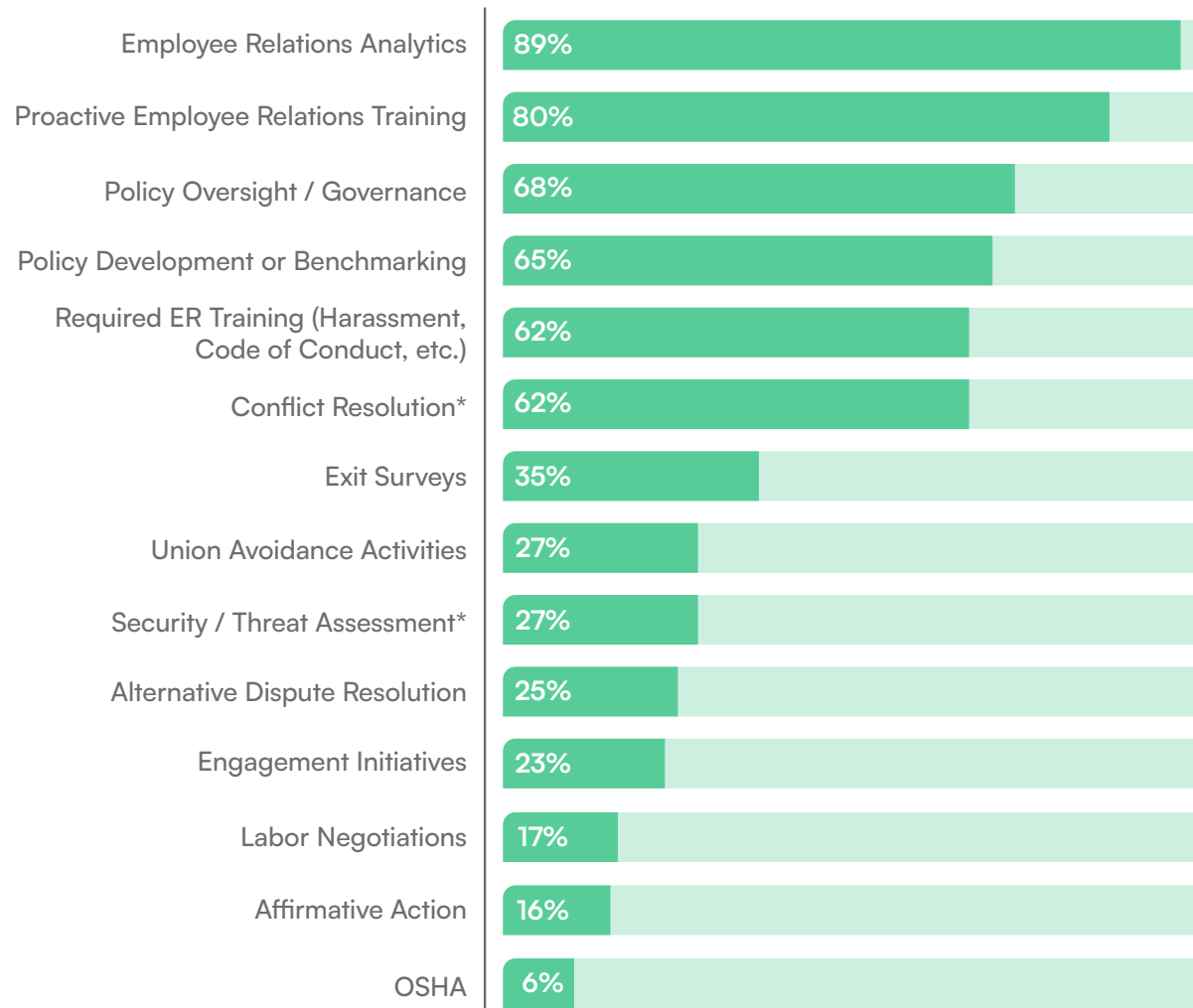
Slightly less likely to handle:

- Discrimination
- Accommodations
- RIF/Severance
- EEOC & leave management

# SCOPE OF RESPONSIBILITIES (continued)



## What additional functions are managed by employee relations?



\* New function added in 2022.

**FORTUNE 100**

ADDITIONAL RESPONSIBILITIES

More likely to handle:

- Policy Oversight / Governance
- Policy Development
- Union Avoidance
- Alternative Dispute Resolution
- Labor Negotiations

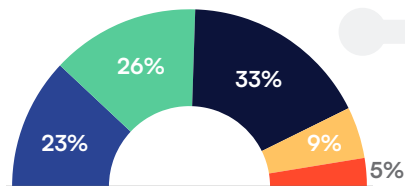
Also consistent with the last several Studies, a large majority of employee relations teams handle ER analytics and training, as well as policy governance and development. In addition, conflict resolution was added to the list of additional functions managed by employee relations this year, based on experiences of attendees at our 2022 Employee Relations Roundtable.

# Managing Cases

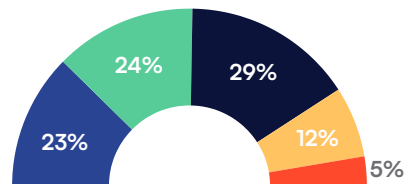
## CASE VOLUMES

Employee relations professionals typically handle six or more cases at a time. Historically, those who handle employee issues and conduct investigations had the heaviest caseloads.

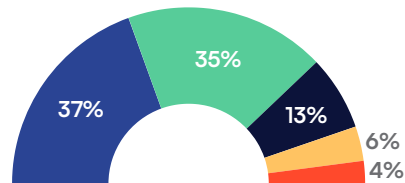
### Number of cases that ER professionals handle at once



All ER Issues and Conduct Investigations



ER Issues but Do Not Conduct Investigations



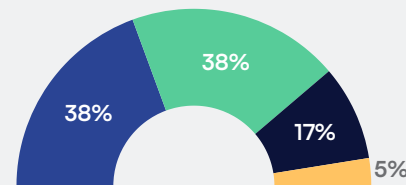
Only Conduct Investigations

This year, caseloads were similar for ER professionals who handle only employee issues but do not conduct investigations. The percentage of those who only conduct investigations and juggle 11 or more at one time dropped 11 points from 2021. This may be a result of efforts to monitor caseloads or use complexity scoring to cap case assignments. Caseloads tend to be heavier at larger organizations because they have fewer ER resources per 1,000 employees than smaller organizations. Utilizing employee relations technology and data and analytics is linked with higher productivity, as is a centralized model.

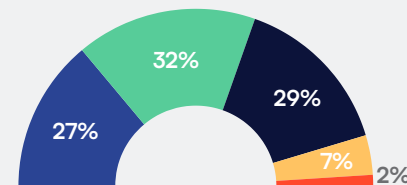
### A deeper look at the data\*

#### By Number of Employees

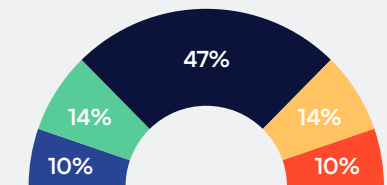
■ 5 or fewer ■ 6 - 10 ■ 11 - 25 ■ 26 - 35 ■ 36 or more



1,000 - 3,499 employees

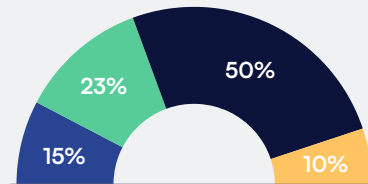


3,500 - 10,000 employees

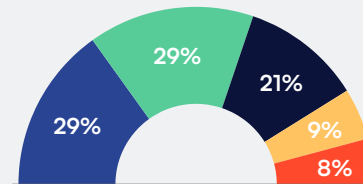


10,000+ employees

#### Impact of ER Technology



Use ER Technology

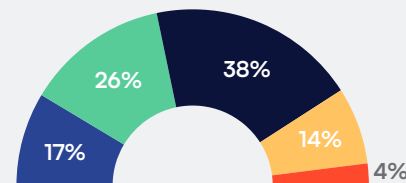


Do Not Use ER Technology

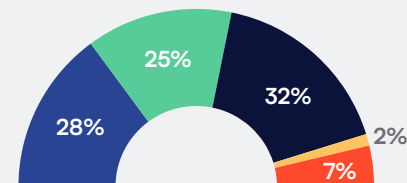
**60%** of those using ER tech handle 11 or more cases

**38%** of those without ER tech handle 11 or more issues at a time

#### By ER Model



Use Centralized ER Model



Use Mixed ER Model

**56%** of those using centralized models handle 11 or more cases at a time

**41%** of those using mixed models handle 11 or more cases at a time

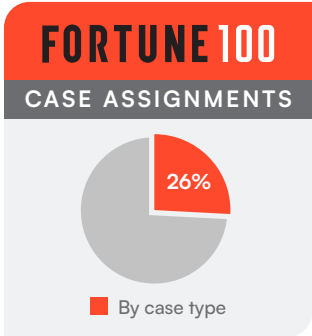
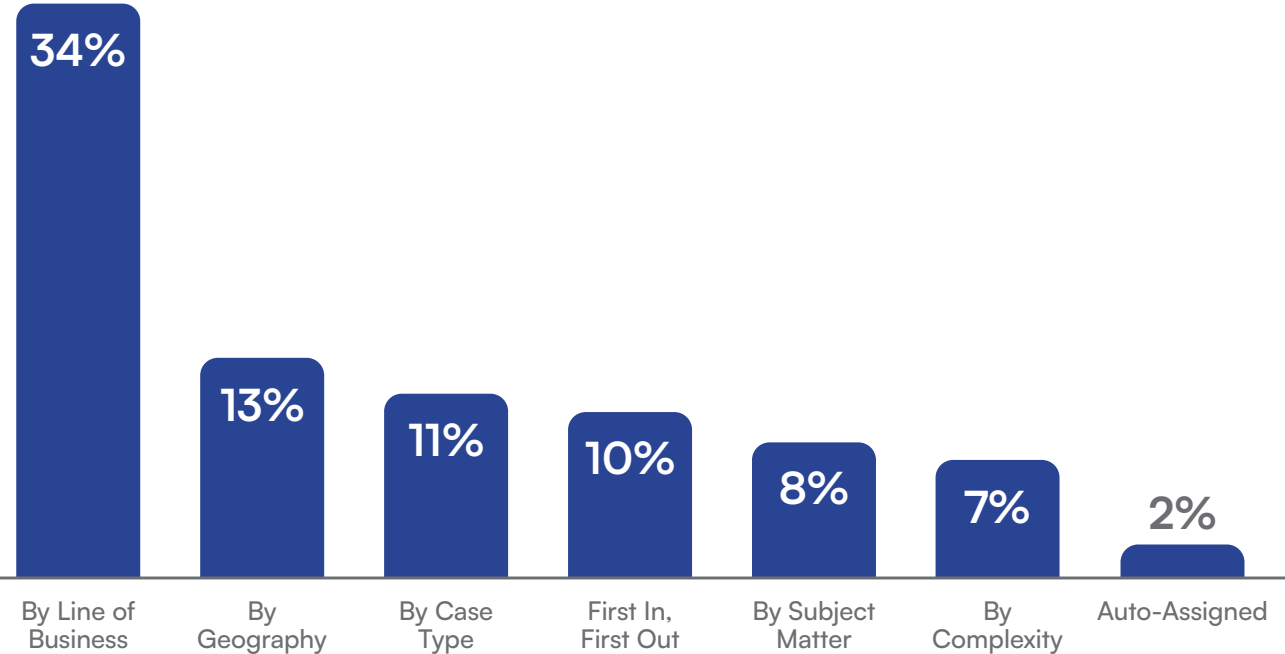
\* This data is for ER professionals who handle all ER issues and conduct investigations. Includes anonymous reporting, ticketing and HRIS systems.



# CASE ASSIGNMENTS

Assigning cases by line of business remains the most prevalent approach again in 2022. This likely reflects the wide range of control that lines of business have over their operations. The only notable difference is that for 26% of Fortune 100 organizations case assignment by case type is common. This case assignment method may also increase efficiency and effectiveness, as the employee relations professionals are already familiar with all aspects of the business operation including culture, the various roles, processes and other nuances. This allows interactions and solutions to be tailored to the unique needs of the business, resulting in better outcomes overall.

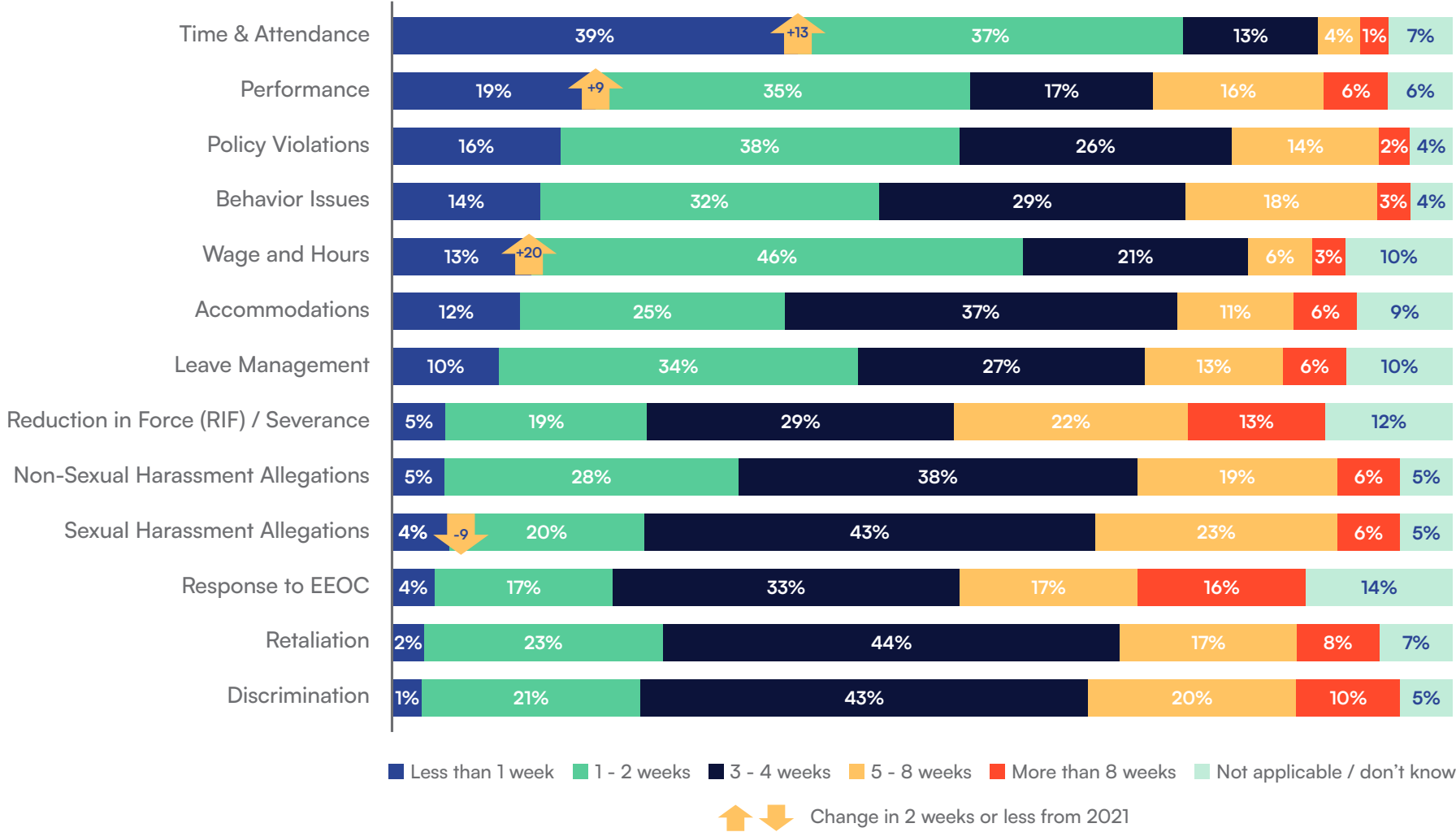
Primary method for assigning cases on the employee relations team



# TIME TO CLOSE

Organizations seem to have recovered lost ground since the pandemic, when many cases remained open longer. In 2022, time to resolution for time and attendance issues was two weeks or less for 76% of organizations, and over half of organizations closed performance and wage and hour cases within two weeks. Sexual harassment cases were the exception, with 24% of organizations closing these cases in two weeks or less, compared to 33% in 2021. This is good news as more time is often needed to make a quality determination regarding allegations of sexual harassment.

Length of time cases are typically open



## TIME TO CLOSE (continued)

Typical Case Resolution Timeframes\*

Case Type	Typical Time to Close
Time and Attendance	0 - 2 weeks
Performance	0 - 2 weeks
Wage and Hours	1 - 2 weeks
Policy Violations	1 - 4 weeks
Behavioral Issues	1 - 4 weeks
Accommodations	1 - 4 weeks
Leave Management	1 - 4 weeks
Non-Sexual Harassment Allegations	1 - 4 weeks
Sexual Harassment Allegations	3 - 4 weeks
Retaliation	3 - 4 weeks
Discrimination	3 - 4 weeks
Reduction in Force (RIF) / Severance	1 - 8 weeks
Response to EEOC	1 - 8 weeks

\*Length of time cases typically remained open for at least 50% of organizations.

While time to resolution varies by case type and across organizations, the chart below highlights the most prevalent timeframes for closing cases in 2022. The data also shows that in general, issues take longer to close in larger organizations. Case complexity can also impact time to close.

The data provides a basis to reflect on the appropriate amount of time to resolve cases. These norms serve as guidelines to help set expectations for case resolution and to help employee relations professionals prioritize work, measure performance and strike a balance between conducting a thorough examination and efficiency.

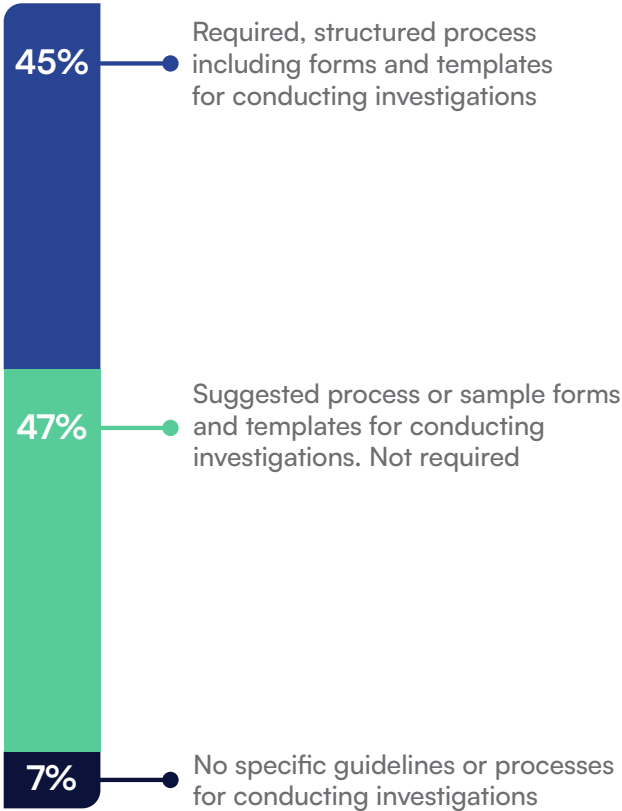
# INVESTIGATION PRACTICES

The data strongly suggests that the 2019 spike in the use of required investigation processes was a response to the #MeToo movement and the end of a four year upward trend disrupted by the pandemic. The number of organizations using required investigation processes has remained virtually flat, at fewer than one-half, for the past three years.

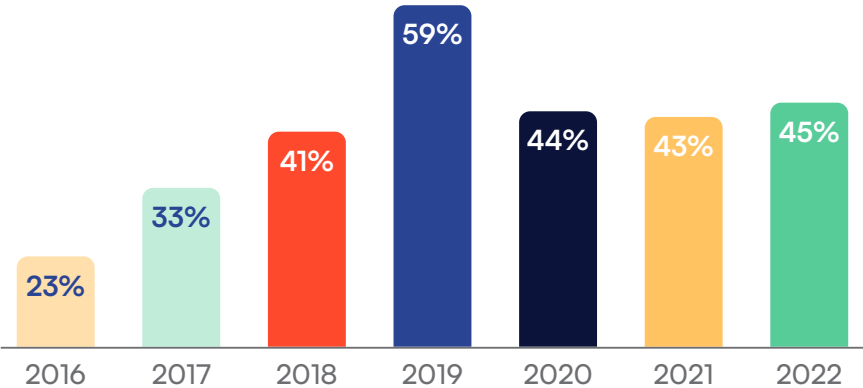
Required processes are essential to ensure that investigations are conducted thoroughly, consistently and fairly and support involved employees following investigations. Organizations looking to build trust with employees, improve culture and retain top talent will want to re-evaluate and refine their investigation processes. However, there is some good news: Fortune 100 organizations are leading the industry and are more likely to use required investigation processes (58%). This may be because damaging headlines can have far-reaching consequences for these well-known brands.



## Method that best describes how investigations are conducted within organizations in the U.S.



Use of required processes for conducting investigations



# INVESTIGATION TRAINING

Routinely scheduled formal training on proper investigation techniques is not a priority for most employee relations teams. Unfortunately, the 2019 spike of organizations training investigators once a year or more frequently has completely reversed. In 2022, 57% of organizations reported training investigators on an as-needed basis not holding formal trainings. Those who train investigators at least annually also dropped significantly (25 points) since 2019.

This change may be partially due to the increased focus on threat assessment and mental health, which has no doubt also encroached on training time and budget. However, ongoing investigation training is important to ensure comprehensive, consistent and unbiased investigations and hone investigator’s skills for the ever-changing work environment.



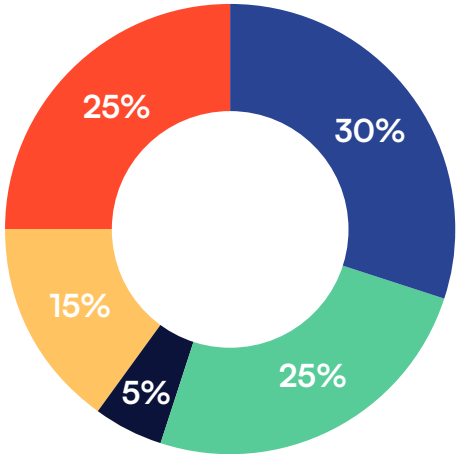
# INVESTIGATION AFTERCARE

This year's Study explored another important aspect of the investigation process called aftercare. Most organizations (75%) have some sort of aftercare. However, the approach used ranges widely and is most often left to managers. This is problematic as the [Sixth Benchmark Study](#) revealed that 60% of employee relations leaders reported that their people leaders fall short in handling employee issues and concerns effectively.

Very few organizations (5%) have a well-defined process to proactively manage aftercare, and employee relations professionals at only one in four organizations follow up with involved parties following an investigation. This lack of process runs counter to the widely touted intention by organizations to focus on employee experience to improve retention.

Organizations must establish consistent aftercare processes to support and provide closure to employees involved in an investigation, instill trust in the investigative process and prevent retaliation. Appropriate aftercare can also re-engage employees and help retention.

Which statement best describes how the organization handles aftercare following an employee relations investigation?



- Managers are responsible for any aftercare recommended at the close of the investigation
- Employee relations checks in with involved parties a few months after the investigation to see how they are doing
- We have a well-defined process to reach out to involved parties proactively and to monitor our data for any signs of retaliation before they become issues
- Another approach to aftercare\*
- Aftercare is not currently part of our employee relations processes

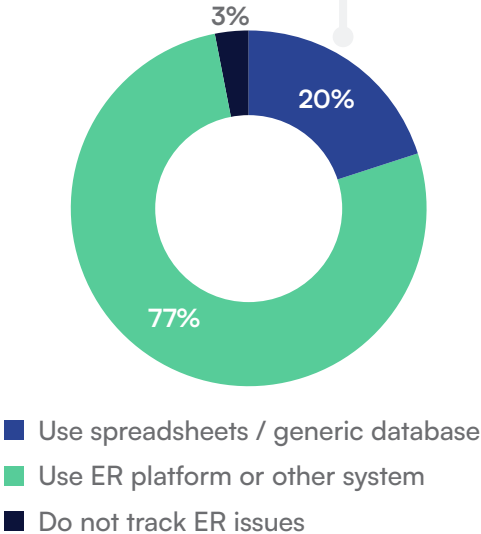
\*Other approaches include aftercare managed by HRBPs or decided on a case-by-case basis.

# EMPLOYEE RELATIONS TRACKING

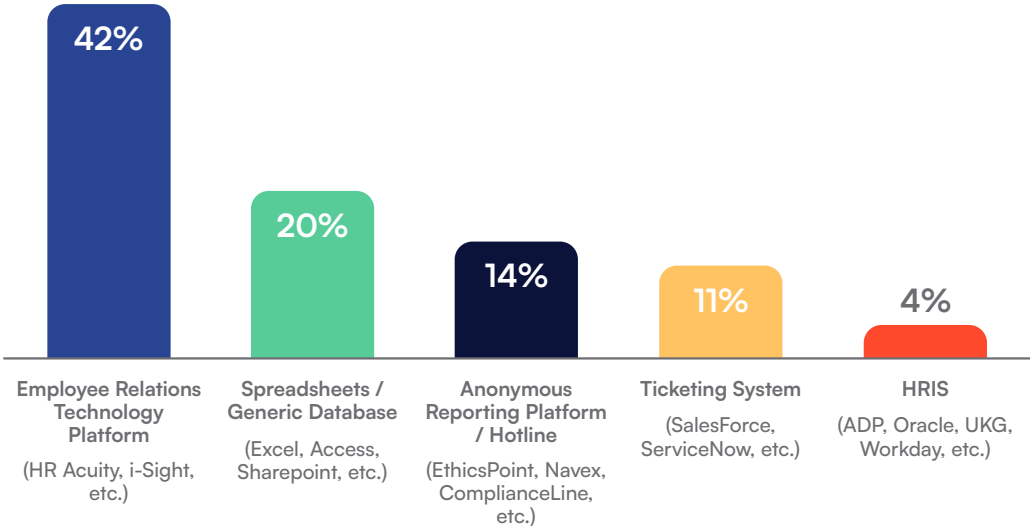
Most organizations (77%) rely on some type of technology to track employee relations issues and investigations. Among these organizations, use of employee relations technology is far more prevalent than other methods as the primary tracking method. Two-thirds of the organizations that rely on spreadsheets, generic databases or don't track employee relations issues are planning to implement employee relations technology in the next 12 months. This signals the growing importance of access to reliable data to mitigate risk, proactively manage employee issues, improve employee experiences and build trust with employees.

Surprisingly, Fortune 100 respondents seem slower to adopt solutions specifically designed for employee relations, as 26% primarily use ticketing systems to track ER issues and investigations. This may be due to a long-standing misconception that all HR needs can be met with a single technology platform. The nuances of managing employee relations issues and investigations effectively calls for technology specifically designed to meet employee relations' needs, and to protect both organizations and their employees.

**66%** are likely to transition to an employee relations case management system in the next 12 months



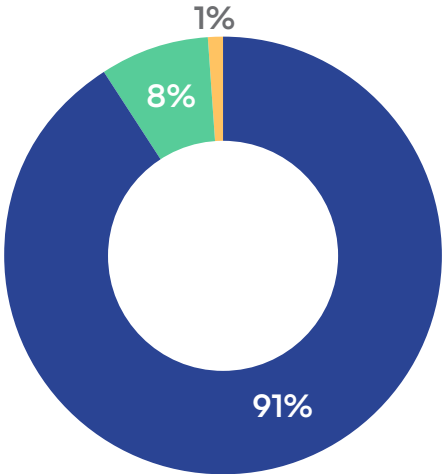
How does your organization primarily track employee relations issues and investigations?



# EMPLOYEE RELATIONS TRACKING (continued)

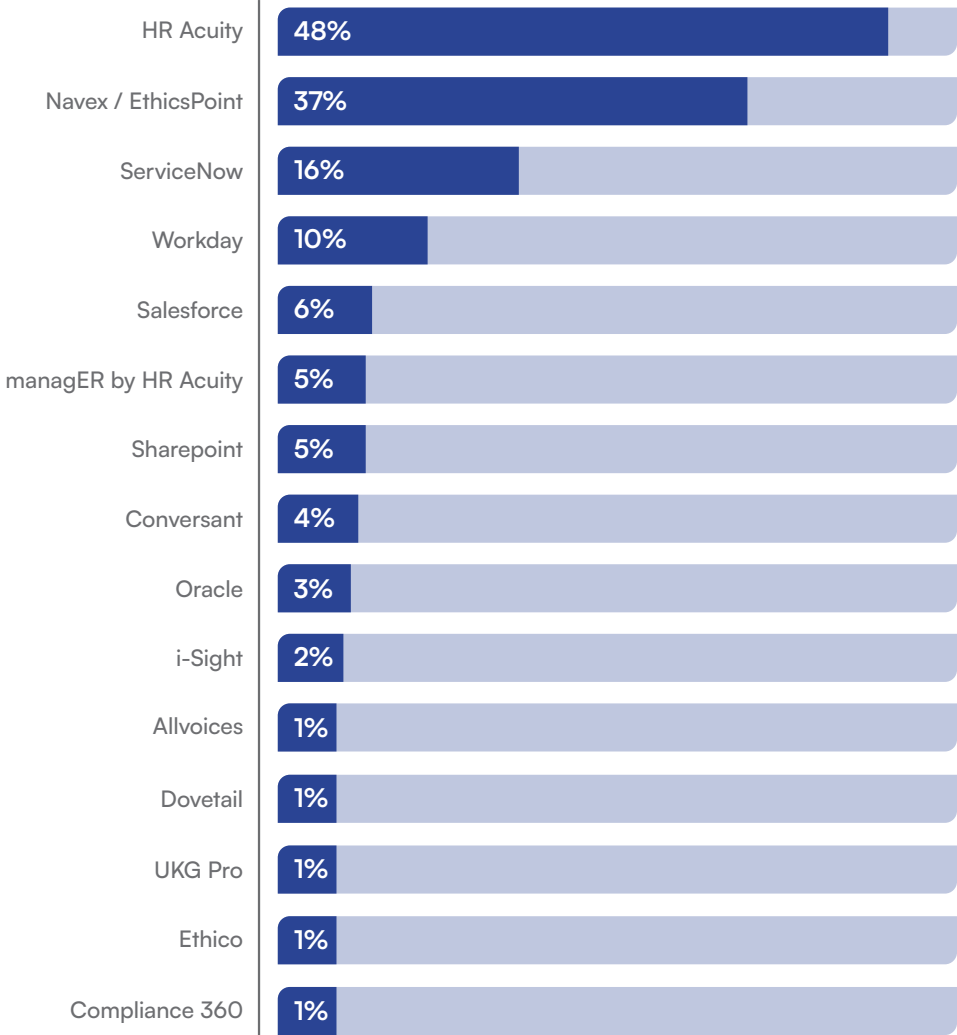
Participating organizations included 37% HR Acuity customers and 67% non-customers.

Does your organization use a tool for employees to anonymously report issues or concerns?



- Yes
- No
- Don't know

What specific technology platform does your organization use for managing employee relations and conducting investigations?\*



\*No respondents reported using Infor, D3, SAI Global, Vault or LaborSoft. Data total exceeds 100% as multiple responses were accepted.



## Describe the biggest benefits of the platform you use for employee relations management.

- + Allows our global team to collaborate on case work in one central platform, regardless of their location. Having all case files stored in one place with access to metrics has been a great benefit to our team.
- + Centralized records, integration with workforce management system, integration with NAVEX, consistency of records and analysis of case volumes and trends.
- + Can easily refer back to the issue, keeps all attachments and provides reporting.
- + It's helpful that the reporting tool and all of the information is accessible and in one place.
- + Consolidated data and easy trending/reporting.
- + Easy access to employee case history and trends to identify hotspots before they became major issues.
- + An established process globally for recording all disciplinary, termination and other ER matters so the organization can gain insight into employee matters and concerns.
- + Able to easily share with Compliance since data is in one system vs. two.
- + Ability to gather and track allegations from employees; ability to report anonymously; ability to assign and track cases from beginning to end.
- + Visibility of data, shared case management across different locations; ability to report on data trends; helps with case consistency.
- + Efficient, effective and dynamic reporting; provides a comprehensive history of related tickets.
- + Consistent record keeping and ease of data/finding records as needed for legal proceedings or reporting.
- + It's user-friendly and enables us to provide in-depth data about what is happening in the organization.
- + Helps us capture all activity for reference, build reporting and integrate data with our people metrics data to articulate a more in-depth story.
- + Ability to review dashboards weekly and call attention to trends sooner rather than later.
- + Easy to see an employee's prior history; also helps us be more consistent in our approach.

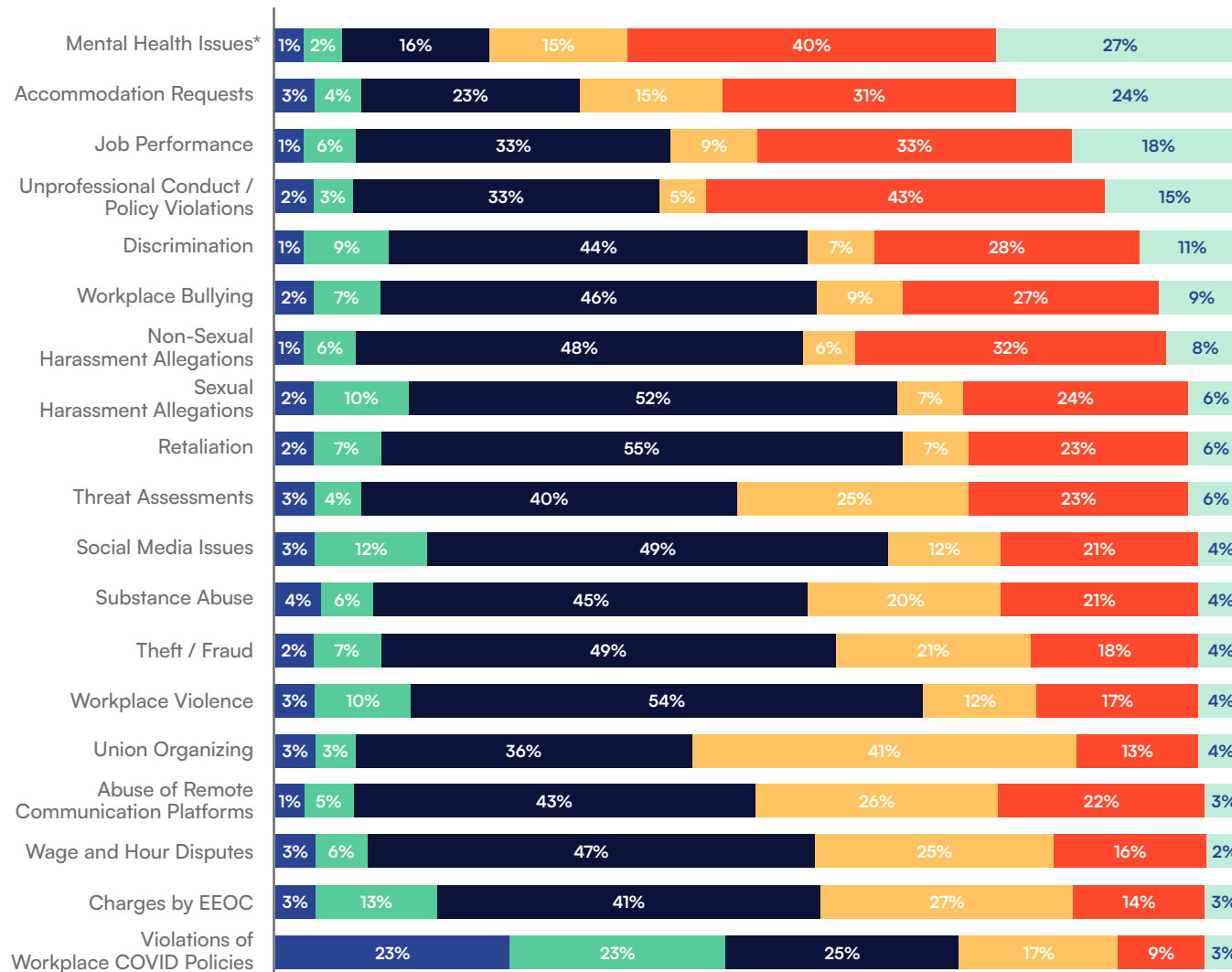
“

Allows us to record, audit and store necessary documentation from the initial complaint through completion of investigation or ER issue.

”

# Issue Trends

Case volume by case type



\*New issue category added this year

## ISSUE VOLUME

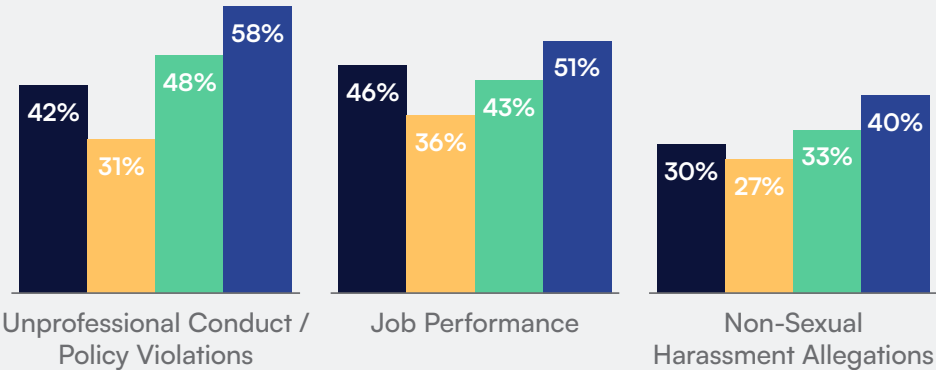
Two new issue categories were added this year based on experiences shared by senior leaders at the 2022 Employee Relations Roundtable: mental health issues and threat assessment. The findings confirmed our prediction that mental health issues are pervasive, as this category topped the list of causes for increased case volume. An additional 15% of organizations were unsure how mental health issues trended in 2022, suggesting a gap in tracking or analysis of mental health issues.

- Significant decrease
- Some decrease
- The same
- Don't know
- Some increase
- Significant increase

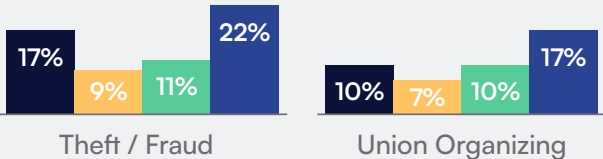
# ISSUE VOLUME TRENDS

Looking back at the fluctuations in issue volume increases and decreases, the impact of the pandemic and the social and political climate is clear. As organizations moved to remote work environments in 2020, issue volumes dropped for many categories, but have now rebounded. After a significant drop in unprofessional conduct/policy violations, job performance issues and non-sexual harassment allegations, these issue volumes have climbed steadily since 2020 and are above pre-pandemic levels. Similarly, declines in sexual harassment and workplace bullying have now returned to pre-pandemic levels, but have increased at a slower rate. Smaller decreases in volume of theft/fraud and union organizing in 2020 increased to their highest levels in 2022, which may signal the start of new trends. Conversely, the increased volume of social media issues and discrimination claims, which spiked in response to social justice initiatives and political activism in 2020, have stabilized to pre-pandemic levels.

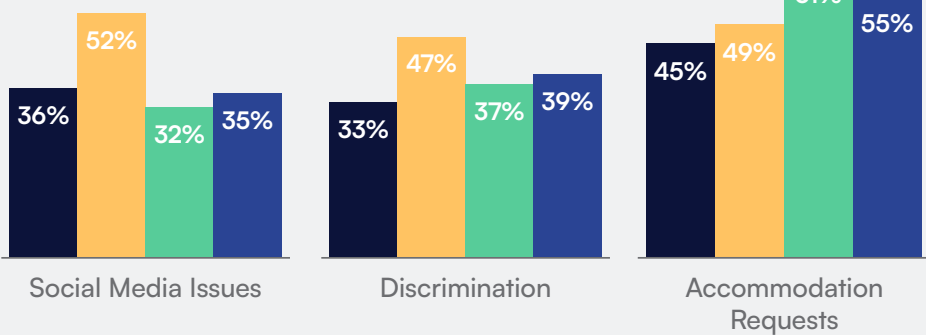
Trending up after drop in 2020



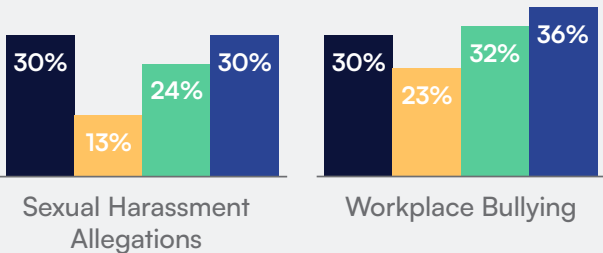
Trending upward in general



Stabilized after spike in 2020



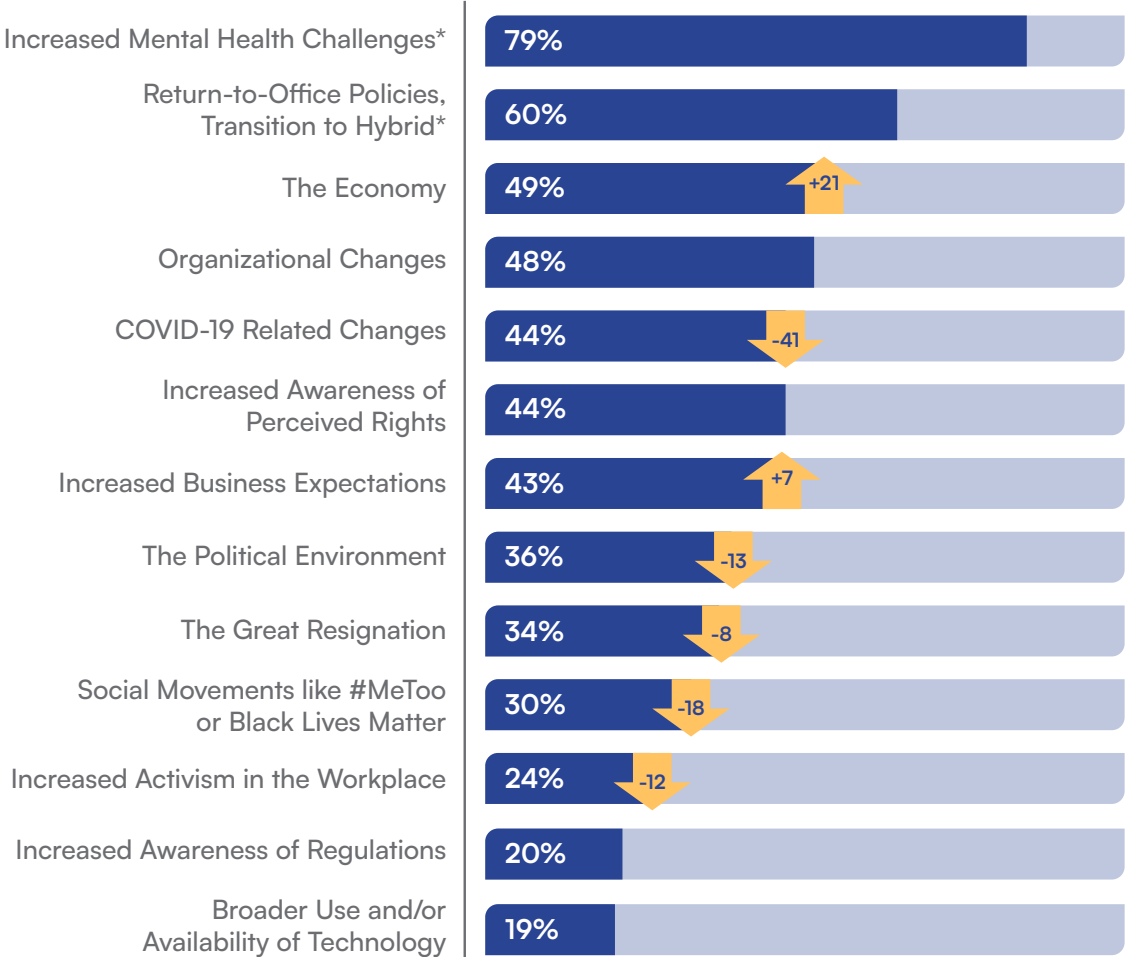
Stabilized after drop in 2020



■ 2019 ■ 2020 ■ 2021 ■ 2022

# ISSUE VOLUME (continued)

To what would you attribute the increase in employee-related events/issues over the course of 2022?



\*New issue category added this year

Change from 2021

The majority of respondents (79%) attributed increased issue volumes to the aftermath of the pandemic including increased mental health challenges, return-to-work policies and the transition to hybrid work environments. Unsurprisingly, due to rising inflation, fears of recession and reductions in force (RIFs), half of respondents cited the economy as a major cause of rising caseloads, resulting in a 21 point jump from 2021.

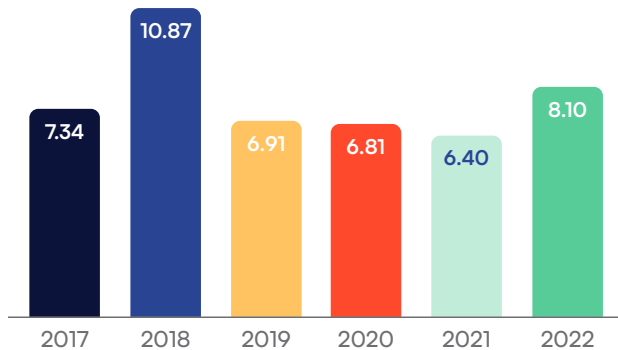
The significant downward trend in the influence of social movements and the political environment that started in 2021 continued, joined by declines in workplace activism and the Great Resignation. Combined with the two year uptrend in increased business expectations, it is likely that organizations are addressing these issues through diversity, equity and inclusion initiatives and culture changes.

# ISSUE VOLUME (continued)

Average number per 1,000 employees

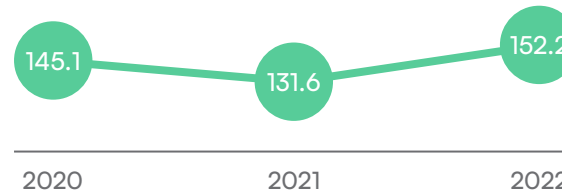
Case volumes rose across the board in 2022 led by discrimination, harassment or retaliation allegations and performance issues, which reached a four year high. Performance and policy issues remain the most common issue types handled. It is suspected that the increase in mental health-related issues is largely responsible for the uptick in overall issue volume.

Average number of discrimination, harassment and retaliation allegations per 1,000 employees



ISSUE CATEGORY	2019	2020	2021	2022
<b>Performance Issues</b> (such as performance counseling, coaching with manager or documentation, performance plan, performance rebuttal, etc.)	61.9	33.4	32.7	40.1
<b>Policy Violations</b> (such as potential or actual violations or infraction of company policies including code of conduct, conflict of interest, inappropriate use of social media, theft, fraud, substance abuse, etc.)	28.7	22.6	30.2	35.9
<b>Behavioral Issues</b> (such as issues or allegations related to unprofessional conduct, inappropriate behavior, bullying, insubordination, conflicts between co-workers, etc.)	20.1	18.0	16.2	22.4
<b>Discrimination, Harassment or Retaliation Allegations</b>	6.9	6.8	6.4	8.1
<b>EEOC or other Federal/State/Local Agency Charges</b>	3.2	0.6	1.3	1.8

Total number of ER cases in the U.S.\*



\*2019 data unavailable

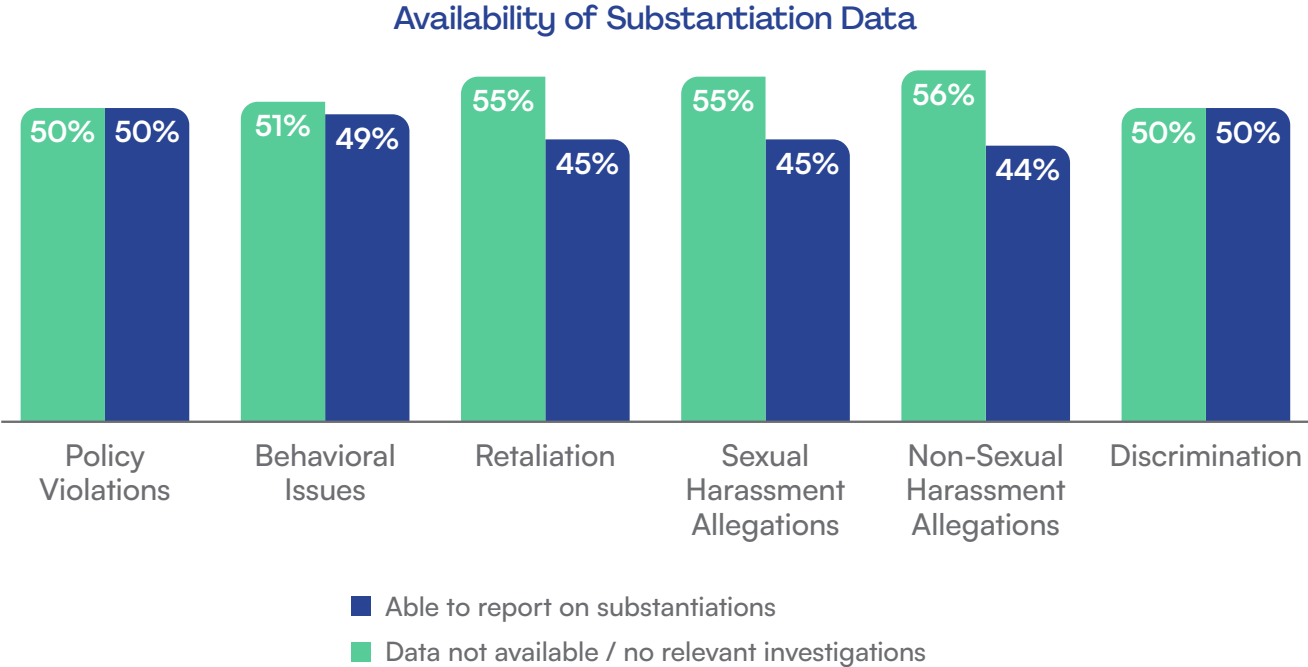


# SUBSTANTIATION RATES

New this year, based on requests from members of our Roundtable and [empowER community](#), organizations were asked to provide substantiation rates for issues that resulted in investigations. Respondents indicated substantiation based on legal definitions and/or violation of their organization’s policies.

About one-half of organizations did not have access to substantiation data. This highlights a significant gap in the overall effectiveness of employee relations teams, and presents an opportunity to focus on improving visibility into investigation outcomes.

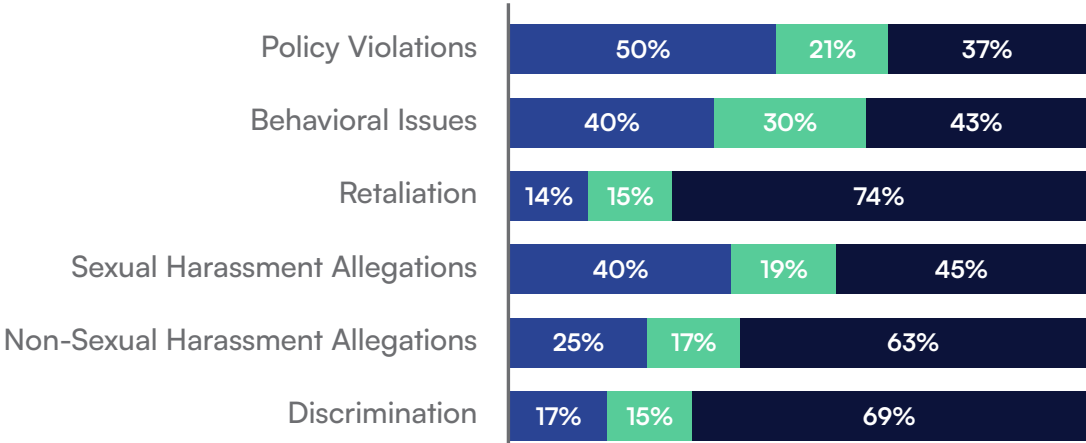
Without insight into investigation outcomes, employee relations has limited visibility to spot patterns or hot spots and address root causes of issues. It is critical for employee relation professionals to monitor substantiation rates to determine appropriate follow-up actions, implement consistent aftercare and work with cross-functional partners to prevent future issues. A lack of substantiation data also inhibits transparency and can erode, rather than build, trust and confidence in the investigations process.



# SUBSTANTIATION BY ISSUE TYPE

Across all six categories, a large portion of issues were unsubstantiated. This finding is most common for retaliation, non-sexual harassment allegations and discrimination cases. However, it is important to note that even when a case is unsubstantiated, disciplinary or corrective action may have been taken. For example, training or other steps may be assigned based on the investigation findings to provide an opportunity for an employee to correct conduct or improve work performance standards. Use of an employee relations technology platform correlates to better access to substantiation data, as well as lower percentages of unsubstantiated cases.

Substantiation Rates by Issue Type



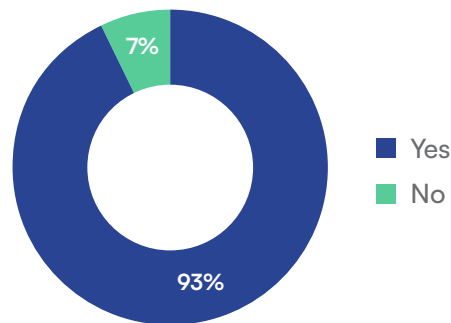
\*Totals may exceed 100% as issues can be substantiated with multiple findings.

- Substantiated based on legal definitions and/or organization's policies
- Substantiated with another finding\*
- Unsubstantiated

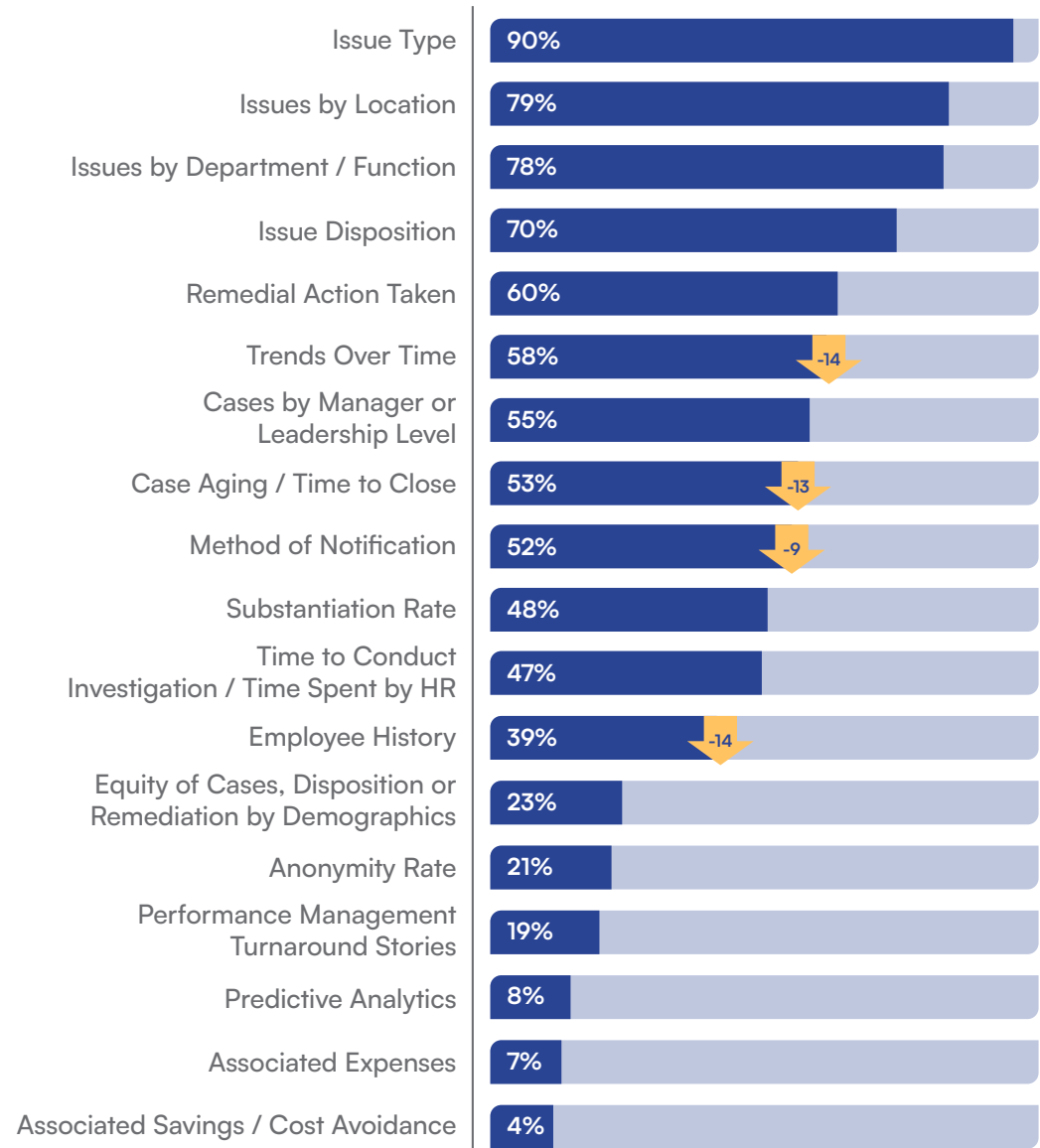
## EMPLOYEE RELATIONS TRACKING DATA

Tracking of employee relations data is a near-universal practice. Now laden with data, employee relations leaders are interested in telling meaningful stories to inform business decisions and strategically manage the function. A core set of metrics that consistently top the tracking list has emerged and includes reporting by issue type, issues by location, issues by department/function and issue disposition. In 2022, significantly fewer organizations tracked trends over time, case aging/time-to-close, employee history, method of notification or associated expenses, perhaps in favor of more meaningful metrics.

Does your organization track employee relations and investigation data?



What types of employee relations data does your organization currently track?



 Change from 2021



# Please share examples and best practices of how you are using employee relations analytics.

## Organization-wide reporting and comparisons

- + Flag high-risk areas based on activity, to benchmark against external companies, provide ER summary in annual report, measure employee health and wellbeing through trends.
- + Ensure global alignment of discipline and response and inform staffing needs and assignments.
- + Partner with the HR Analytics team to create predictive analytics and identify key areas/instances where we expect to see ER issues/escalations (e.g., manager change, etc.).
- + Share case volume (total and per 1,000 employees), case type and remediation by business unit and sometimes different views (e.g., by level, diversity); report status of employees who received lower performance ratings, in addition to voluntary exit data.
- + Track number of anonymous reporters which is “LOW” compared to an even lower participation rate for employees willing to complete engagement survey; trying to determine why employees may be comfortable identifying themselves when reporting an allegation compared to those who refuse to complete an engagement survey.
- + Create heat maps to identify areas that need more training and development (share out demographics to prevent inequity).

## Looking for trends to identify hot spots and focus areas

- + Present case trends by issue type to be able to offer appropriate trainings and documentation to best prepare or avoid further issues; identify proactive initiatives to improve company culture.
- + Assess high volume inquiries to HR and benefits to determine where process or training gaps that may result in a negative employee experience causing employees to reach to HR; also tracking turnover and exit survey data.
- + Analytics are leveraged by ER Partners and HR Business Partners to proactively lower risk through a variety of methods.

## Reporting to leadership

- + Guide business leaders on how to identify trends within their organizations and develop overall people strategy.
- + Report quarterly to senior leadership on ER and Diversity cases, with analysis of trends.
- + Report metrics to senior management to illustrate the amount of time/effort that goes into employee relations and to identify issues per location, as well as for the company overall.

## Informing training for people leaders

- + Offer proactive training with employees and supervisors in areas of concern identified in investigations; also using analytics to focus leadership on location needs, to give senior leadership an idea of where they may need to put more attention or have focus groups with employees.
- + Measure ER staffing needs and productivity, identify hot spots and areas that need performance and behavior management training; spot issues for employees newly promoted to manager roles.

## Help with retention and recruitment strategies

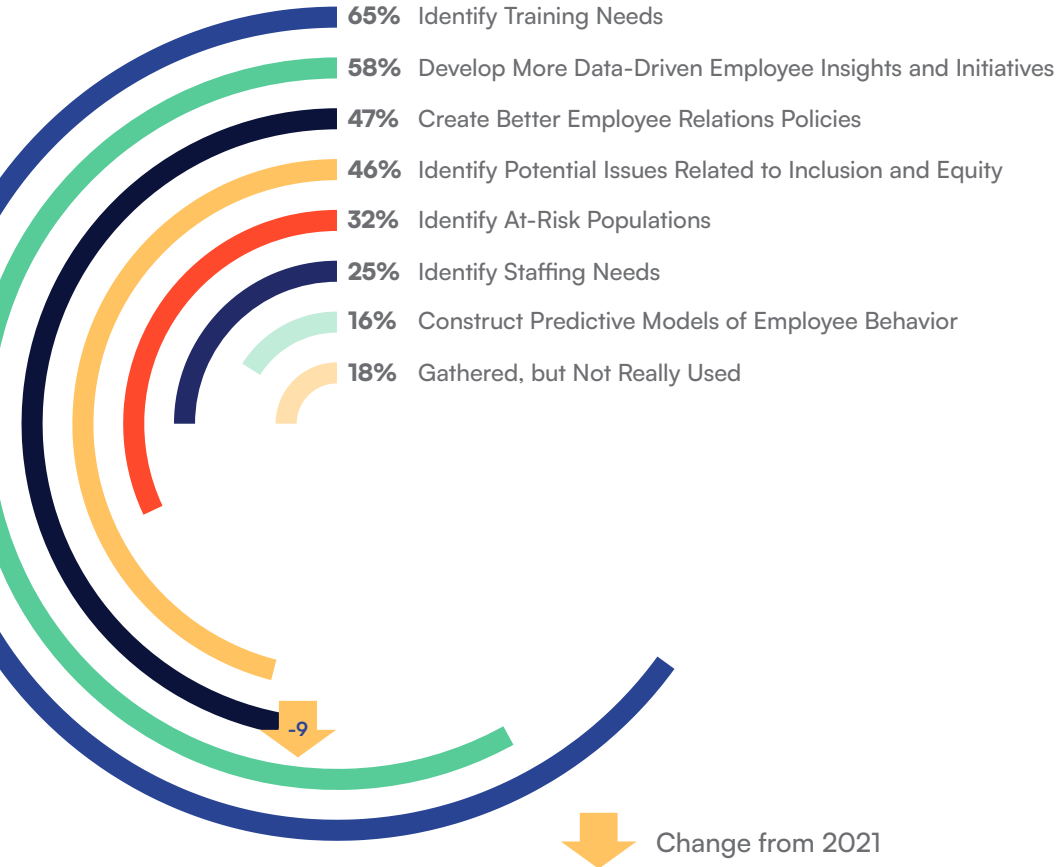
- + Develop retention strategies from data capture from our company-wide “hate to see you go” survey and our “you have a voice” platform.
- + Share involuntary turnover resulting from ER activity with Talent Acquisition to provide insight into effectiveness of new hires in first year; also share this data with our HRBPs to identify areas with high activity for further management development, policy training/reminders to employees and for improvements in engagement with employees.

“Update employment guidelines and practices based on insights gained from investigations cases; identify and support the need for additional training; recommend relevant actions for HR and Manager employees based on the trends that the data insights reveal.”

# METRICS REPORTING

Data and metrics continue to be most commonly used to identify training needs and to develop data-driven initiatives. One notable change in 2022 was a decline in using data to create better employee relations policies, possibly due to intense focus on policy development and revisions during the pandemic. Nearly one in five organizations (18%) admit that data is gathered but not really used. Overall, the reasons organizations track data are largely consistent with 2021 results.

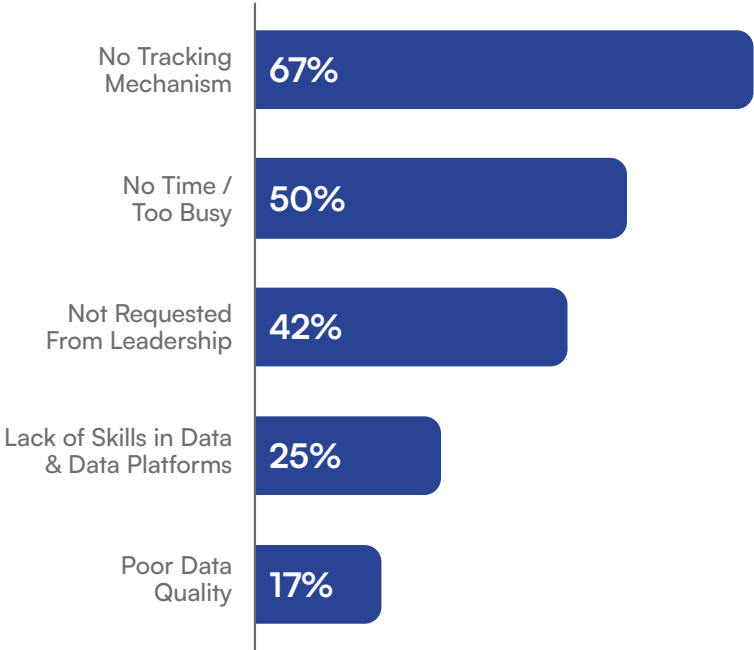
## How are metrics and data currently used within your organization?



# REASONS FOR NOT USING METRICS / ANALYTICS

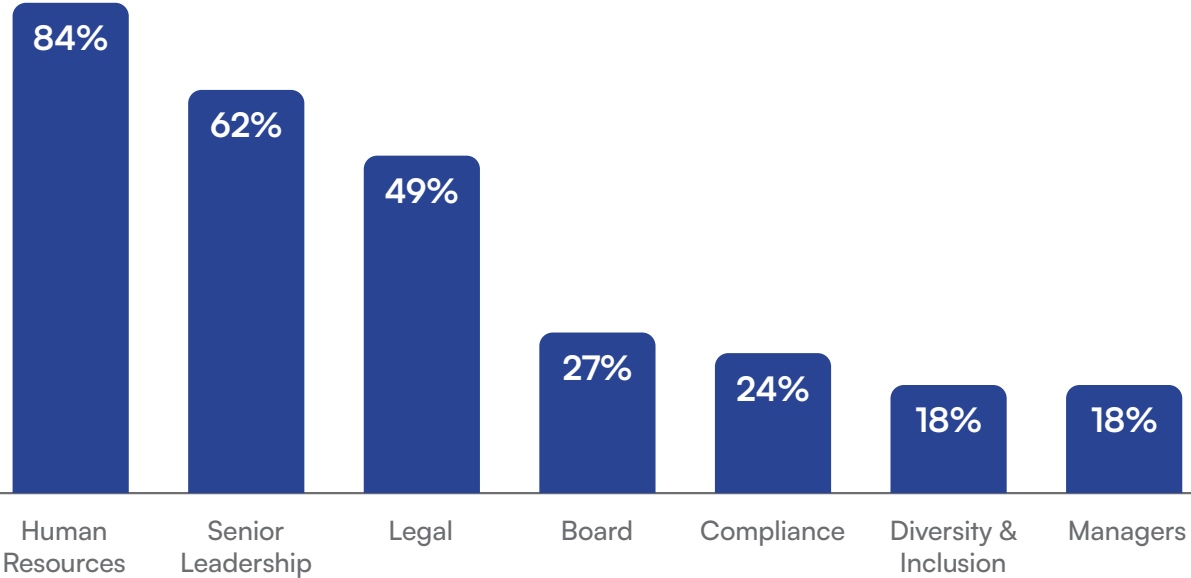
Among the small number of organizations not tracking employee relations data, most (67%) cite that they have no way to track the data. Others cite several factors ranging from being too busy to poor data quality to little support from management.

## What are the reasons you are not using employee relations metrics and analytics?



# METRICS REPORTING (continued)

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

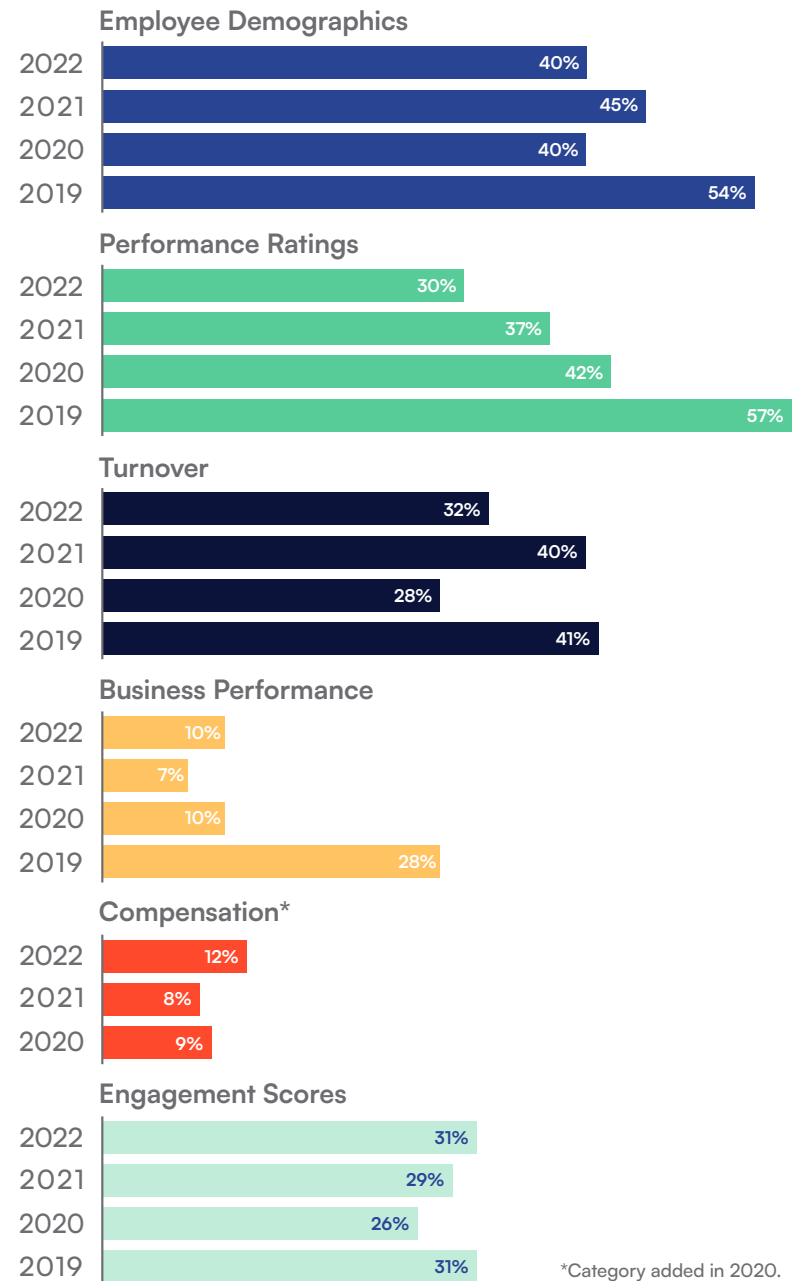


# INTEGRATION WITH ADVANCED ANALYTICS

Employee relations teams continue to integrate demographics, performance ratings, turnover and engagement scores with investigation data for deeper insights. However, fewer organizations across the board are combining this data than previously, possibly due to analytics challenges or greater focus on data categories that best fit their analytics and changing business needs.

**ALERT!**  
35% of organizations are not integrating employee relations data for deeper insights.

What other data, if any, do you integrate with employee relations investigation data for further analysis?



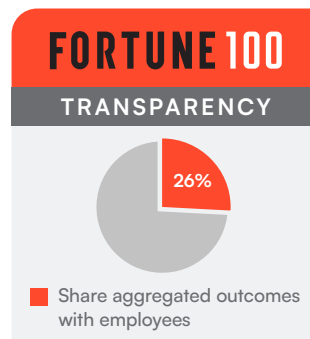
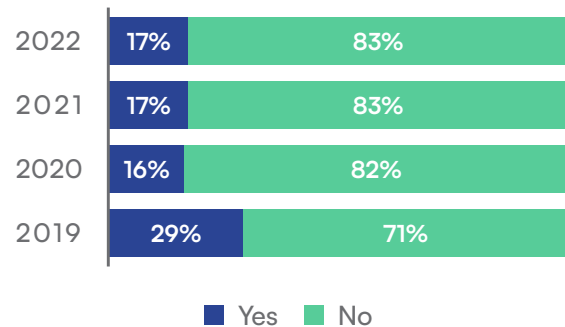
\*Category added in 2020.

# SHARING DATA ANALYTICS

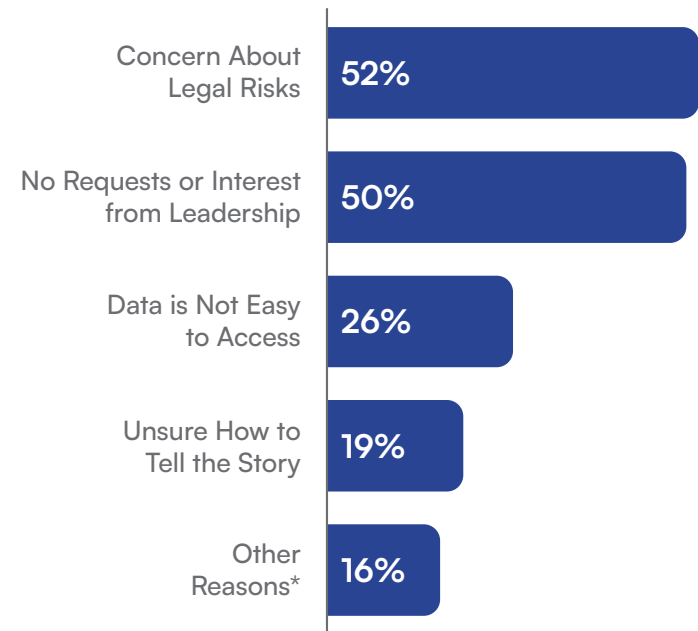
The vast majority of organizations (83%) are not sharing aggregated, anonymous investigation and employee relations information with employees. The spike in transparency seen in 2019 was clearly a response to the #MeToo movement and an anomaly as the findings declined sharply and have remained flat since 2020.

However, Fortune 100 organizations are making strides towards transparency by publishing investigation outcomes with employees to a greater degree than overall respondents. However, much room for improvement remains. Transparency is critical to drive accountability and let employees know that concerns will be taken seriously. Organizations that are committed to building trust with employees and protecting their people and their brand will want to thoughtfully consider how to adopt this practice.

## Do you share aggregated, anonymous investigation or employee relations data with employees in any format?



## What are the main reasons for not sharing aggregated, anonymous investigation or employee relations data with employees?

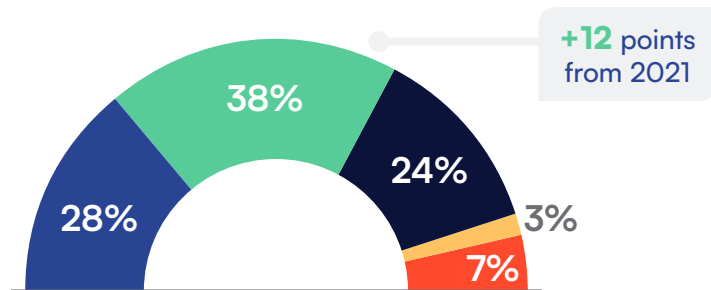


- \*Other reasons included concerns about:
- Accuracy of data
  - Just started tracking / not ready yet
  - Employee misinterpretation of the data confidentiality
  - Lack of understanding business case to support it / why it would be helpful
  - Not ready to do so / just started tracking

## SHARING DATA ANALYTICS (continued)

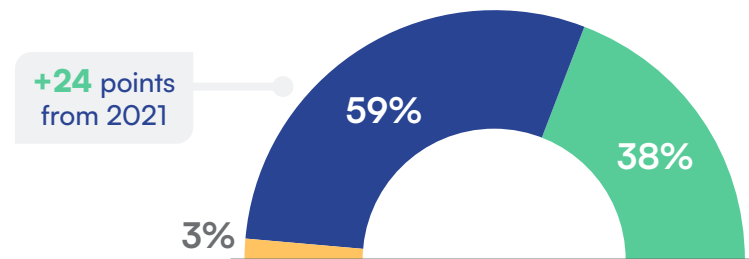
The small portion of organizations that share aggregated, anonymized investigation outcomes, primarily share the data with employees at least once each year (56%) as part of a Human Resources or Employee Relations update (59%). This significant change from 2021 is a trendline to watch as more organizations commit to sharing outcomes transparently with employees in the future. Surprisingly, among the Fortune 100, 40% share investigation data with employees only as-needed rather than on a regular schedule.

How often do you share investigation data with employees?



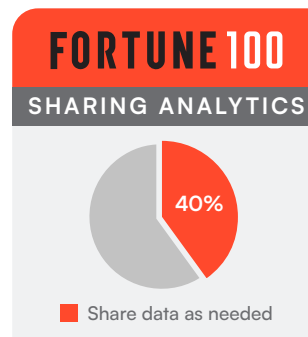
- More than once per year
- Once a year
- As needed, not according to any formal schedule
- Only upon request
- Don't know

In what format do you share investigation data with employees?\*



- Aggregated information as part of a human resources or employee relations update
- Aggregated information as part of a broader company update
- Employee-specific information only upon request

\*No respondents reported sharing aggregated information only upon request. This is down from 9% in 2021.



# About the Study

The annual HR Acuity Employee Relations Benchmark Study was launched in 2016 to identify and define best practices for employee relations management.

Organizations across a wide array of industries provide data on employee relations practices related to their organization model, case management processes, employee issue types, volumes, trends and internal data-driven metrics.

The Study continues to grow in breadth of topics and the number of participating organizations. We continue to work with participants and members of the HR Acuity Employee Relations Roundtable and empowER communities to refine and expand the instrument to include relevant topics on which practitioners seek benchmarking information.

The Study is the definitive resource for employee relations management and trends across the evolving landscape. The Study provides organizations with best practices and metrics to compare their organization's employee relations function with other similarly situated organizations.

Interested in participating in next year's Benchmark Study? Email us at [benchmark@hracuity.com](mailto:benchmark@hracuity.com) to let us know.

Level up your organization with HR Acuity's *complete solution* for employee relations and workplace investigations.

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HR Acuity is the only technology platform specifically built for employee relations and investigations management, helping organizations protect their reputations and build better workplaces.

We empower customers with built-in intelligence, templates and reporting so they can equitably and appropriately manage employee relations issues; uncover trends and patterns through forward-looking data and analytics; and provide trusted, consistent experiences for their people.

Welcome to the *next generation* of employee relations.

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