HRACUITY®

SIXTH ANNUAL

Employee Relations Benchmark Study
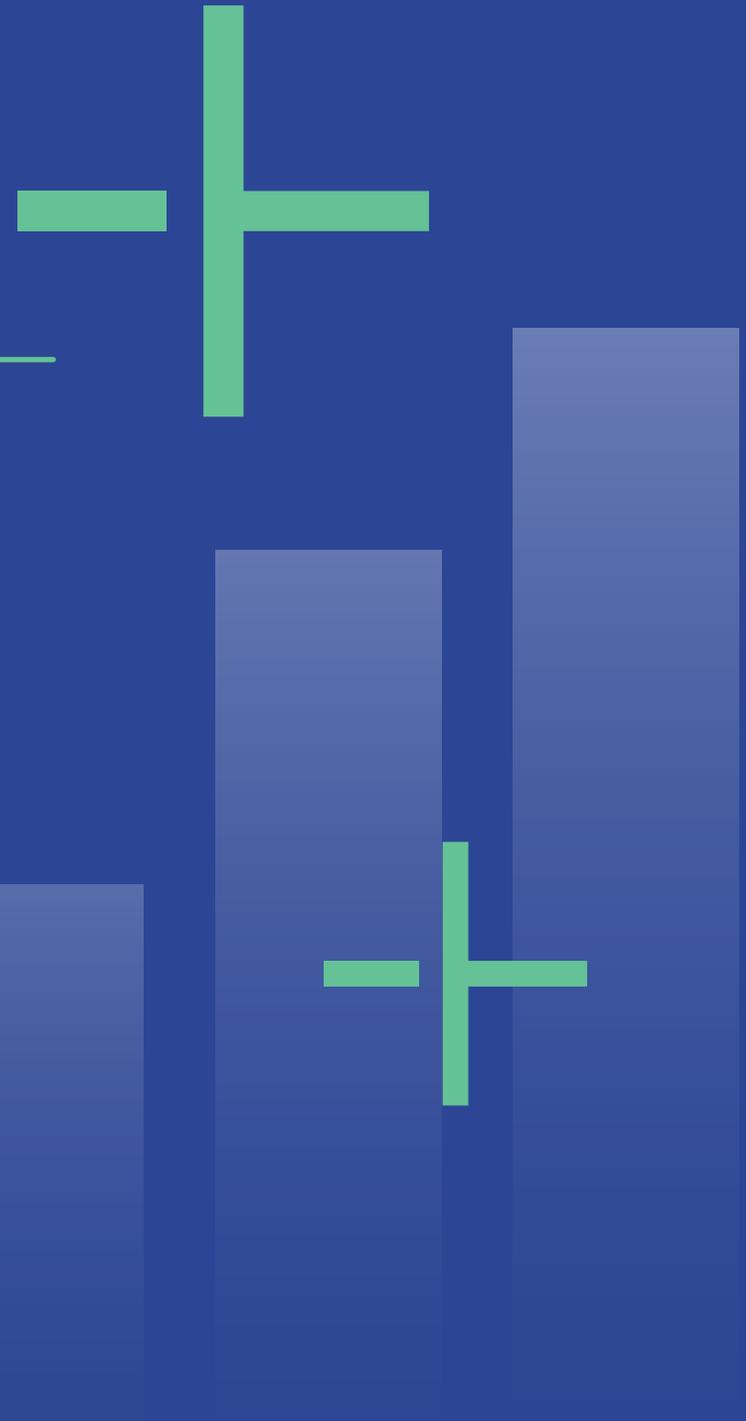
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A Message from the CEO

The results of our *Sixth Annual Employee Relations Benchmark Study* don't shock me as much as they strengthen my resolve to continue growing our community's relevance and capabilities. This data by itself doesn't reveal dramatic spikes and unforeseen trends (that was so 2020). Instead, it feels like a distress signal coming from the community I love. While there are a few encouraging upticks in the findings, I'm compelled to shout a wake-up call to our ER community: this is the precise moment when our role is more important than it has ever been, and we are missing the mark. We can do better.

Employees expect us to lead now.
The parallel pandemic and social justice movements of 2020 upended the status quo and laid the groundwork for even higher employee expectations. Unsurprisingly, our community needed some time to pivot, prioritize and process. Fast forward to 2022 and employees are done giving us a grace period. They expect more of our organizations and leaders right now—and they aren't waiting around for us to catch up—queue "The Great Resignation."

Employees expect our support when moments that matter go wrong. The processes we follow and the tools we give our people leaders to handle each moment either build or break trust. Employees want to work in organizations they trust. If we aren't building it, they won't stay. Indeed, they are flocking to organizations that put values such as transparency, fairness and inclusion into action. They are watching how investigations are run. They are noticing whether the outcomes are fair and equitable. They are talking about how their manager handled a bad situation. They are telling their friends and co-workers 'what happens behind closed doors.'

The groundswell around ER will not slow down.
Higher expectations for Employee Relations are a natural reaction to our accelerated pace of change. Look how quickly we went from COVID-19 panic, to BLM protests, to amending the Federal Arbitration Act. To keep pace, every ER organization needs to have the basics running like a well-oiled machine. People leaders need to be consistently trained. Escalations need to feel safe. Investigation processes need to be tight and transparent.

Documentation needs to be even tighter. Without the basics working on autopilot, there is no time left for training waves of new people leaders, identifying potential hotspots, and proactively mitigating harmful trends. Certainly, there is no time left for gathering and analyzing feedback that can elevate our function and improve our impact.

Looking at this year's data my heartbeat sank with every flatline. The 2020 decline in the use of required investigation processes, the low frequency of investigation training and decline in sharing outcomes was disheartening enough.

To see no bounce back felt bleak. After all, these practices are how we put action behind our values, and for employees our actions speak louder than words.

You are the community that can raise the bar.
As always, I'm humbled by the community we have gathered. Every year you shoot straight and help us collect the data we need to report back with an honest state of employee relations—even when that state needs work. Thank you for your continued honesty, collaboration and commitment to the truth. I love that you don't sugar coat it, and that's why we can use this setback as a setup to raise the bar. No one cares more about the employee experience than the people in employee relations—it's why we're here, right?

I want to hear from you. I invite you to explore the data, let me know what you see and let's talk about how we can help each other move forward from here.

Deborah J. Muller
CEO, HR Acuity® | 888.598.0161 | dmuller@hracuity.com

RESPONDENT PROFILE

This year's Benchmark Study participants included CHROs, Heads of HR, Vice Presidents, Global and Regional Employee Relations Leaders, Senior Directors, Directors, Senior Managers and HRBPs, with 67% of respondents at the director level or higher and one submission per organization.

The findings include input from 155 organizations, representing approximately 5.3 million employees globally.

By Size

- 25%
- 33%
- 22%
- 21%
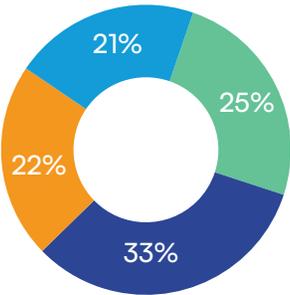
Legend:
- 1,000-3,499
- 3,500-9,999
- 10,000-19,999
- 20,000+

By Industry

- 16%
- 15%
- 15%
- 8%
- 8%
- 38%
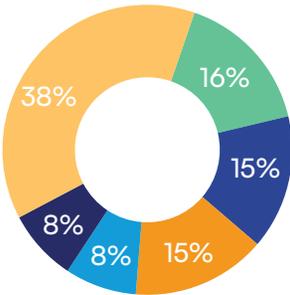
Legend:
- Financial Services/Insurance
- Technology
- Healthcare/Hospitals
- Pharma/Medical Devices
- Retail/Wholesale
- Other

By Revenue

- 8%
- 21%
- 27%
- 14%
- 32%
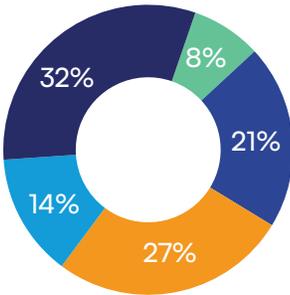
Legend:
- $100 million or less
- $101-999 million
- $1-$5 billion
- $5.1-$10 billion
- More than $10 billion

By Fortune Lists

- Fortune 100: 12%
- Fortune 500: 45%
- Fortune 1000: 72%
- Global 500: 14%
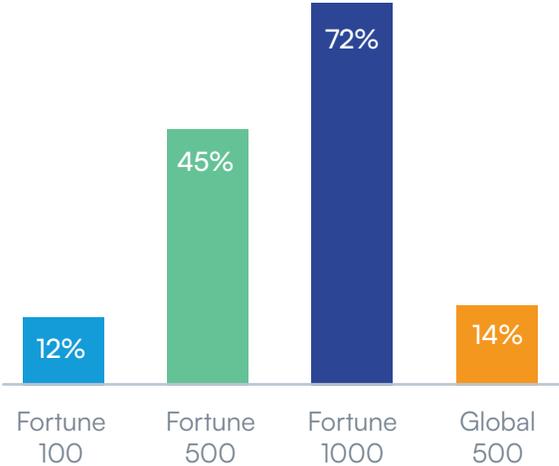
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Methodology & Terminology

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 United States with at least 1,000 employees. Participants included employee relations leaders from 155 organizations, representing 5.3 million employees globally. The data collected was from the calendar year 2021.

The research was conducted between February 15 and March 23, 2022, and has a confidence level of +/- 8.2 percentage points. The report highlights yearly changes only when statistically significant.

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 (HR Business Partners/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

Key Findings

As the pandemic continued to dominate headlines and disrupt life in 2021, the impact on organizations and their employees persisted. The Great Resignation took hold, and policy violations and unprofessional conduct increased, while employers and workers continually recalibrated expectations and priorities based on the dynamic public health situation. During this time a paradigm shift has occurred, blurring the lines between the outside world and the inside workplace. Another unpredicted outcome, this new environment will no doubt continue to change the employee relations landscape in many ways. Organizations are recognizing the need to evolve and create more diverse, equitable and inclusive work cultures.

This year's Benchmark Study findings echo this ongoing interruption. Several of the trends in the 2021 data mirror 2020's results. The results raise a big picture question: Are employee relations (ER) practitioners and their organizations still experiencing the lingering effects of the pandemic, or have they settled into a new post-pandemic normal?

Among the consistencies in these findings, many practices, such as using a centralized model and tracking employee data, have become commonplace. Conversely, structured investigation processes, training frequency and sharing of employee relations outcomes continue to lag which is counter to building trust with employees.

The transformation seen in employee relations that helped to elevate the function and position ER as a strategic partner in driving business decisions is in jeopardy. There is still a high degree of variability in how the function is viewed and structured, as well as a need for greater consistency. We will have to wait until next year to see whether employee relations processes and practices have in fact stabilized or if, as the acuteness of the pandemic continues to fade, organizations will return their focus to ER activities and invest more time and resources in the function. The key findings from the research are below.

Several previous employee relations trends have been embraced as standard practices.

- Defining employee relations: ER professionals typically handle a wide range of employee issues, from time and attendance, performance concerns and policy violations to allegations of harassment, discrimination and retaliation. Over the past few years, the scope of employee relations has continued to expand and now routinely includes ER analytics (85%), proactive ER training (77%), policy development (68%), policy oversight (67%) and required employee training (66%).

- Centralization continues to be the dominant model: Centralization has been a best practice organization model for employee relations since 2016 with the vast majority of respondents (88%) using a centralized or mixed model.

- Technology in Employee Relations maintains a stronghold: Seventy-two percent (72%) of respondents use some sort of employee relations and investigation technology platform for tracking employee relations data.

- Data drives decision-making: Nearly all (92%) of employee relations teams that rely on metrics track an average of nine (9) different ER metrics for insights. Two-thirds (67%) of ER teams continue to share metrics directly with senior leadership indicating the importance of this data in shaping business decisions.

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Key Findings

While the COVID-19 pandemic continues to exert its influence everywhere, the impact of social and political activism on employee relations caseloads significantly declined in 2021.

- The majority of participants attributed increases in case volumes in 2021 to COVID-19 (85%).

- About one-half of respondents reported that the political landscape (49%) and social movements like Black Lives Matter (48%) caused increased caseloads, a significant decrease from 2020 data. In 2021, social movements contributed to caseloads at the same rate as other issues such as organizational change and The Great Resignation.

- The increasing importance of Environmental, Social, & Governance (ESG) departments can be seen in increased business expectations (36%), which in turn drives caseloads.

- 61% of respondents reported an increase in the number of accommodation requests (up 12 points over 2020), likely due to COVID-19 vaccine-related requests.

Momentum has stalled from pre-pandemic levels regarding staffing resources and commitments vital to improving employee relations processes.

- Only 43% of organizations indicated they follow a required process for investigations. The absence of a structured investigation process can have far-reaching implications for organizations because thorough and consistent investigations are central to building trust with employees.

- Two-thirds of organizations (65%) are not training their investigators or do so only as-needed. This is troubling, as the work environment has changed significantly in the past few years. Investigators must adapt their skills to ensure they are conducting best-practice investigations in this new environment to help minimize risk to their organizations and brands.

- Fewer than 1 in 5 organizations (17%) share aggregated, anonymous investigation or employee relations data with employees. Of those that do, only half share it once a year. This is concerning, as transparency drives accountability and shows that employee issues and allegations will be taken seriously.

- Employee Relations resources remained flat in 2021 and most organizations (59%) expect them to remain flat in 2022. As organizations concentrate on efforts to retain talent, as the pandemic recedes, they may realize that ER professionals are essential to this effort and recommit to adding resources and enhancing the ER function.

- Only half of organizations (47%) use a case management solution to store documentation related to employee relations and investigations, consistent with the past few years. This means that many organizations continue to store this documentation using methods that can increase litigation risks, compromise consistency and security and provide little opportunity for reporting insights.

OVERALL PERFORMANCE

To assess how ER professionals feel they are handling different aspects of the Employee Relations function, we asked participants to rate the activities and abilities of the ER team, people leaders and the organization regarding employee matters.

Few ER professionals saw room for improvement in how they conduct investigations. ER professionals tend to control these activities and view them as core competencies. A small but meaningful number of respondents admitted that their organization needs to improve the consistency and effectiveness of their ER processes and systems. Most ER professionals felt their people leaders fall short in handling employee concerns and issues effectively.

Overall, how would you rate your current organization's ER processes and activities in the following areas?

Organizations that rated performance as good/excellent

88%
81%
74%
40%

- Conducting Thorough Investigations
- Applied Consistency of Steps and Processes
- Overall Effectiveness of Your Employee Relations Processes and Systems
- Overall Capability of People Leaders to Handle Employee Issues and Concerns Effectively

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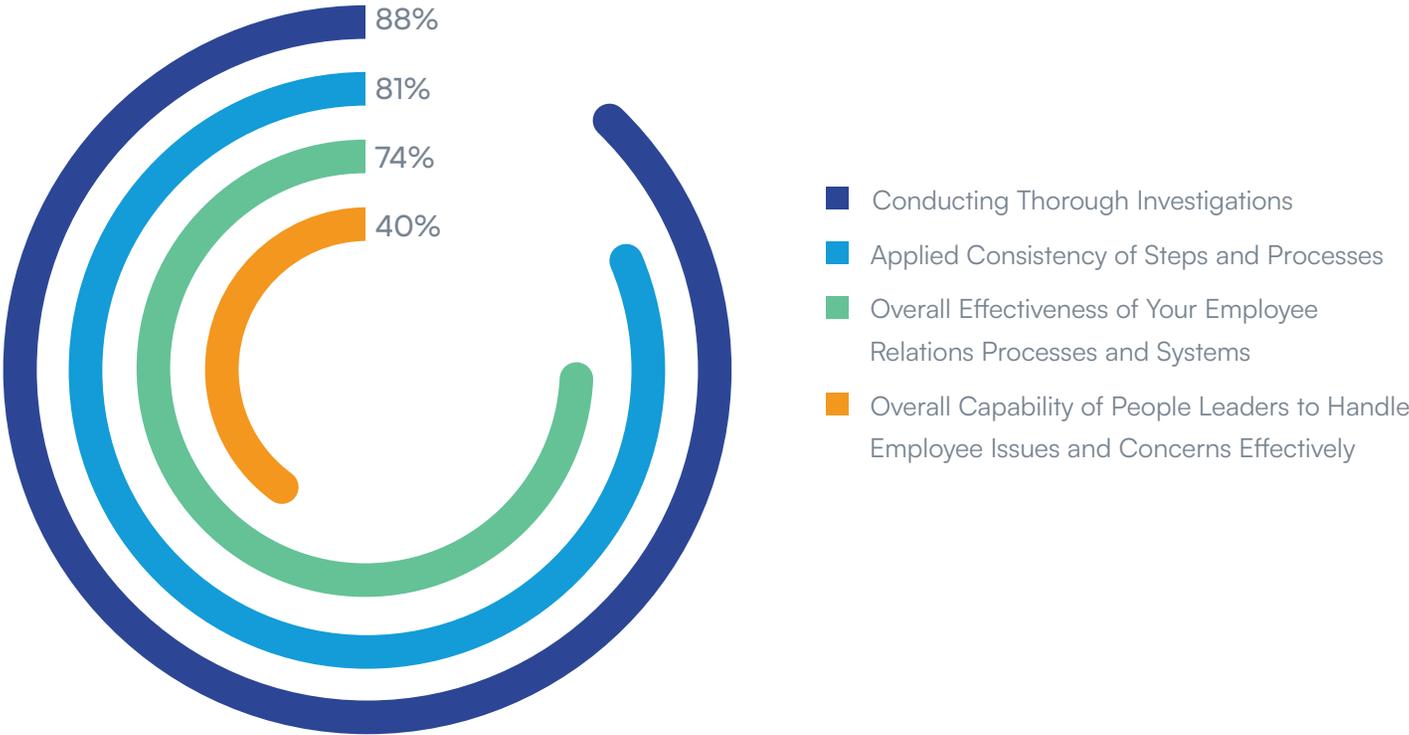
OVERALL PERFORMANCE (continued)

The data shows that using a centralized model or ER technology improves an organization's ability to conduct thorough investigations and apply consistency across all the steps in the process. These approaches result in an overall higher level of effectiveness and productivity. Organizational model did not influence ER professionals' opinions of their people leaders' capabilities. Those who use ER technology gave somewhat more credit to their people leaders—likely because those leaders have invested in ER solutions.

Overall Performance Measure	ORGANIZATIONAL MODEL		ER TECHNOLOGY USE	
	Centralized	Decentralized	Use ER Tech	Do Not Use ER Tech
Conducting thorough investigations	92%	72%	93%	85%
Applied consistency of steps and processes	89%	50%	87%	76%
Overall effectiveness of your employee relations processes and systems	84%	44%	83%	67%
Overall capability of people leaders to handle employee issues and concerns effectively	42%	44%	48%	33%

Organizational Resources

ORGANIZATIONAL MODEL

As in each of the past six years, centralization prevailed as the preferred approach and recommended model to organize and manage employee relations. A mixed model (which includes a Center of Expertise (COE) or Shared Services) has also held steady for one-third of organizations. A minority of organizations still use a decentralized model. Of these, one-third are considering a move to a centralized model.

Current Employee Relations Model

	2016	2017	2018	2019	2020	2021
Centralized	60%	67%	57%	62%	56%	55%
Mixed	27%	20%	37%	32%	37%	34%
Decentralized	13%	12%	6%	6%	7%	12%
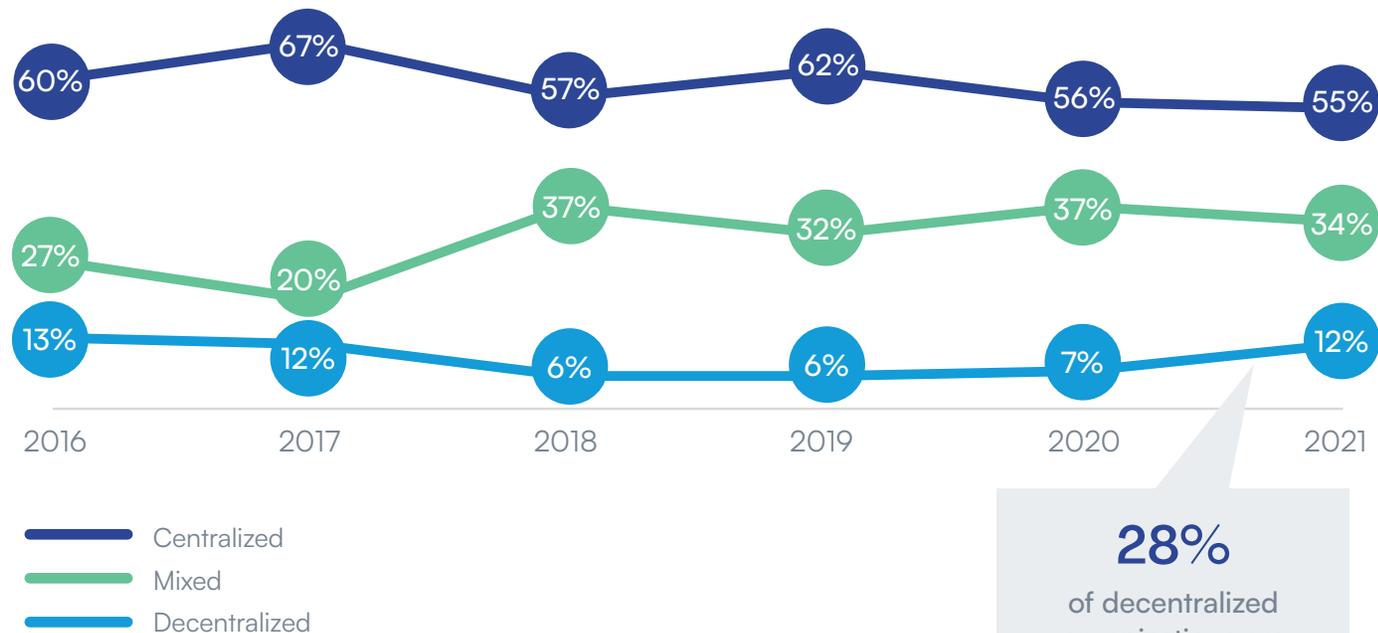
28% of decentralized organizations are considering a change in the future

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REPORTING STRUCTURE

The results showed that employee relations teams are reporting to the Vice President of Human Resources and to the Chief Human Resources Officer (CHRO) or Head of Human Resources at equal rates. While the number of teams reporting to the CHRO bounced back in 2021 after a significant drop in 2020, the number reporting to the CHRO is still 10 points below 2019.

This may signal that employee relations is maturing as an HR function. The data suggests that the elevation of employee relations in recent years and the increasing importance of employee relations data and insights have leveled off. As organizations develop more processes and procedures, employee relations activity may be managed effectively at the VP level, allowing the CHRO to turn their attention to other strategic issues.

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

All respondents reporting to Shared Services (7%) and to Legal (3%) were from large enterprise organizations with more than 10,000 employees

1%

5%

3%

7%

43%

42%

+9 points
but still
well below
2019

- VP HR (Director Level)
- CHRO / Head of HR
- Shared Services
- Other
- Legal
- Compliance
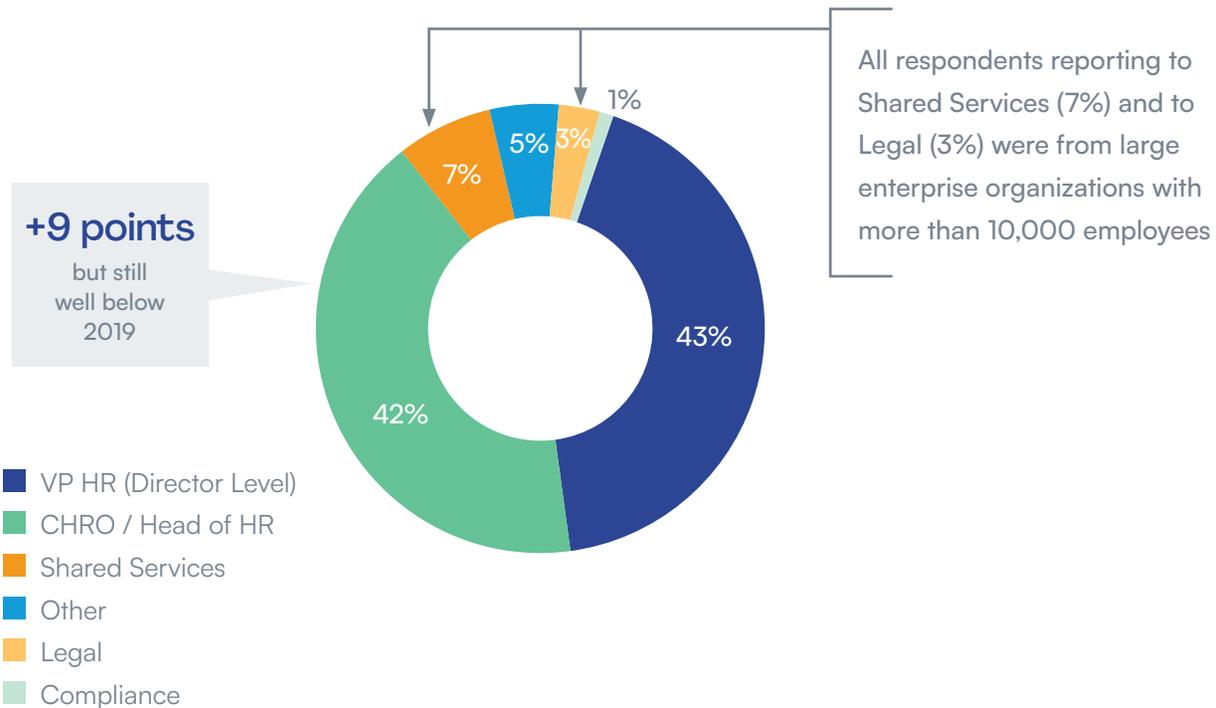
STAFFING RESOURCES

One of the constant challenges ER leaders face is determining the appropriate number of Employee Relations professionals (ERPs) needed to handle employee issues effectively and efficiently. To help organizations benchmark resources based on organizational size, we normalize the data and use the median number of resources per 1,000 employees.

Year over year, the data consistently illustrates economies of scale. Large organizations require fewer overall resources than smaller organizations. The data also repeatedly confirms that organizations using a centralized or mixed model require far fewer HR Generalists/Business Partners.

Staffing ratios by organizational model

(FTE per 1,000 employees - median)

Organizational Model	Employee Relations Professionals	HR Generalist/ Business Partners	In-House Lawyers
CENTRALIZED	0.74	2.19	0.20
MIXED	0.50	2.74	0.20
DECENTRALIZED	0.23	4.81	0.23
ALL	0.67	2.65	0.20

Staffing ratios by number of employees

(FTE per 1,000 employees - median)

Number of U.S. Employees	Employee Relations Professionals	HR Generalist/ Business Partners	In-House Lawyers
1,000 - 3,499	1.00	4.00	0.39
3500 - 9,999	0.68	2.67	0.23
10,000 - 19,999	0.56	2.86	0.20
20,000+	0.50	2.08	0.15
ALL	0.67	2.65	0.20

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STAFFING RESOURCES (continued)

The 2021 results show that organizations using a centralized approach for employee relations have twice as many ER professionals. This reflects the level of priority these organizations place on employee relations relative to those that follow a decentralized model.

Although there has been some variation over the years, the ratios have held steady over the past four years. As predicted in last year's report, most resources were flat in 2021 and a majority of organizations expect staffing to stay flat in 2022. It is possible that on the backside of the pandemic, organizations will restaff their HR departments. We will have to watch to see if there is an uptick in ER professionals in 2022.

Staffing ratios over time (FTE per 1,000 employees - median)

— HR Generalists
— ER Professionals
— In-House Lawyers

	2018	2019	2020	2021
HR Generalists	2.5	2.6	2.5	2.7
ER Professionals	0.7	0.9	0.6	0.7
In-House Lawyers	0.2	0.4	0.2	0.2
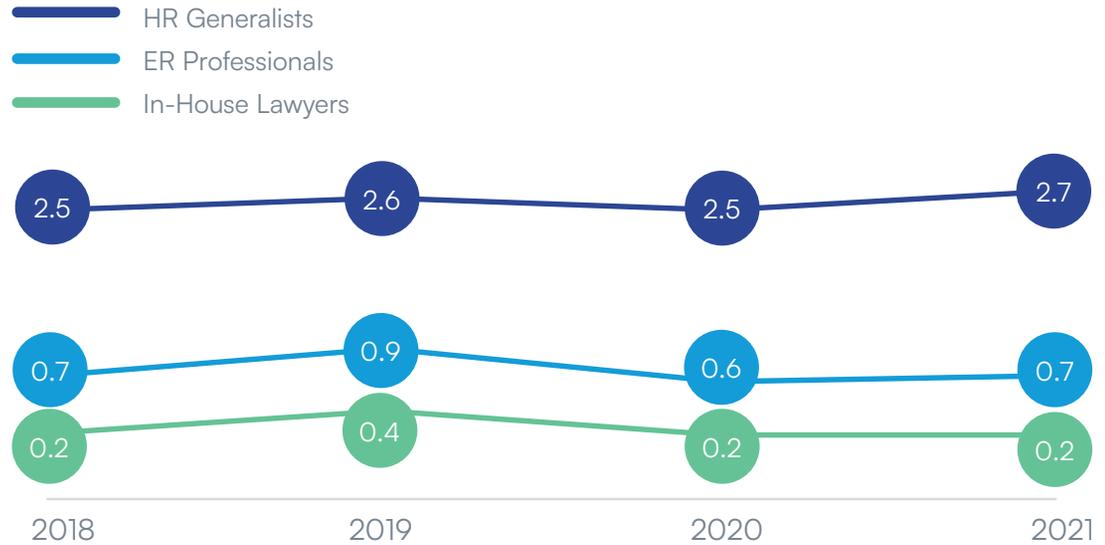
2022 projections: Organizations expect resources to remain flat

ER Professionals	59%
HR Generalists	61%
In-House Lawyers	23%
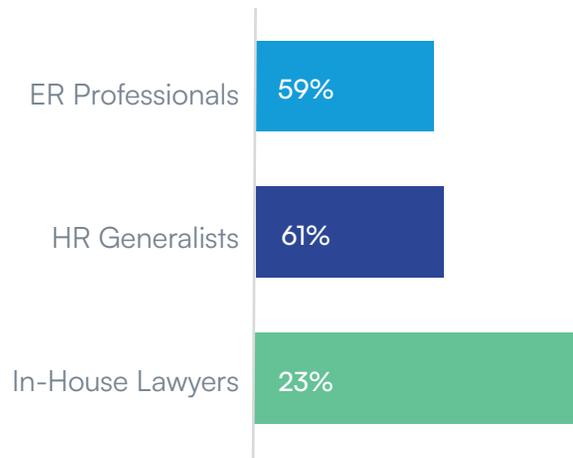
SCOPE OF RESPONSIBILITIES

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

Category	Percentage
Non-Sexual Harassment Allegations	97%
Policy Violations	95%
Behavioral Issues	94%
Retaliation	92%
Sexual Harassment Allegations	91%
Discrimination	91%
Performance	81%
Time and Attendance	74%
Accommodations	62%
Wage and Hours	61%
Reduction in Force (RIF)/Severance	55%
Response to EEOC or Other Federal, State or Local Administrative Agency	50%
Leave Management	34%
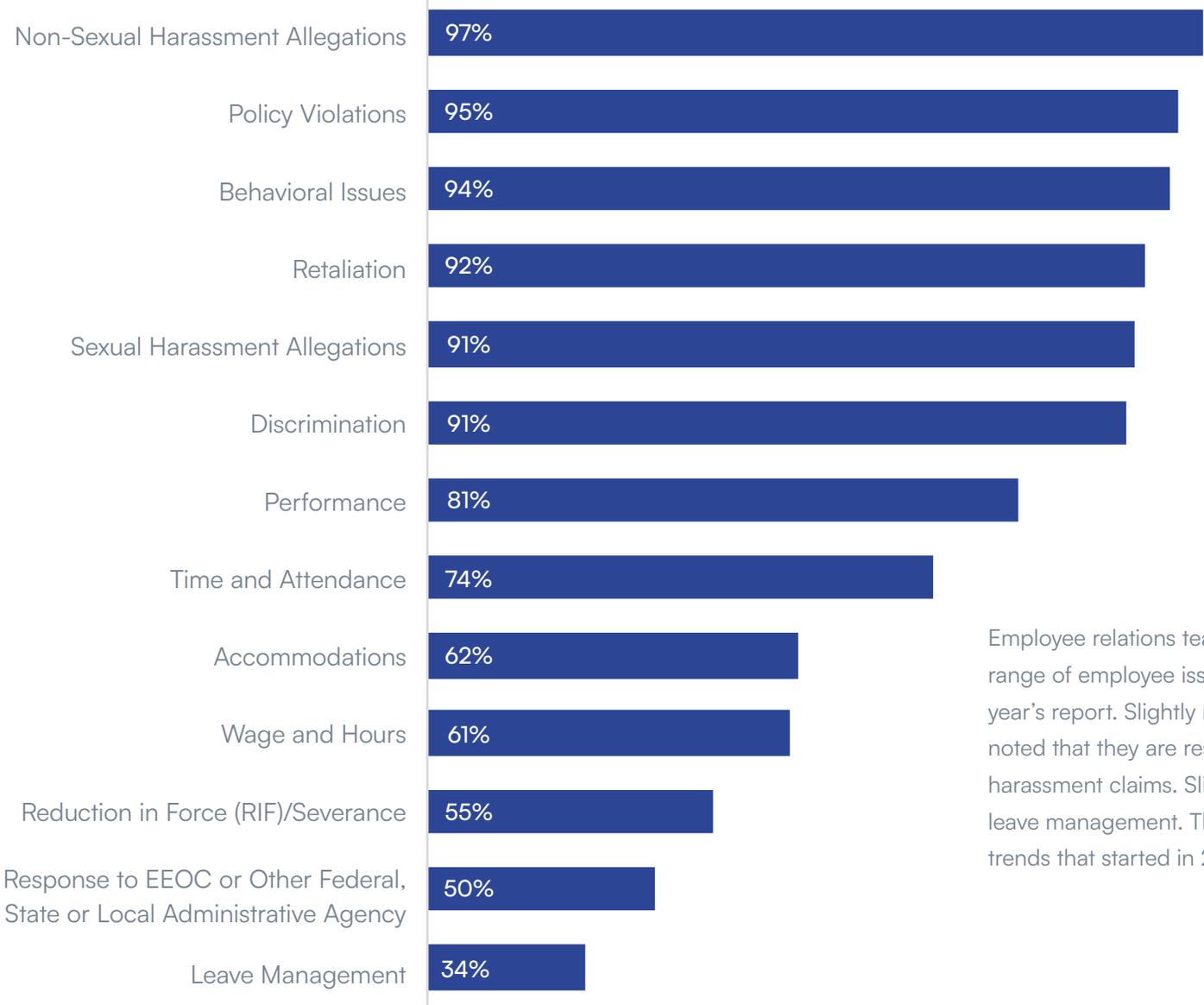
Employee relations teams continue to handle a wide range of employee issues with little change from last year's report. Slightly more of the 2021 participants noted that they are responsible for non-sexual harassment claims. Slightly fewer said they handled leave management. These two changes continue trends that started in 2019.

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SCOPE OF RESPONSIBILITIES (continued)

What additional functions are managed by employee relations?

Function	Percentage
Employee Relations Analytics	85%
Proactive Employee Relations Training	77%
Policy Development or Benchmarking	68%
Policy Oversight/Governance	67%
Required Employee Relations Training (Around Harassment, Code of Conduct, etc.)	66%
Exit Surveys	39%
Alternative Dispute Resolution	31%
Engagement Initiatives	29%
Union Avoidance Activities	26%
Affirmative Action	20%
Labor Negotiations	15%
OSHA	11%

+10 from 2020

Employee relations analytics, training, policy development and governance continue to be core responsibilities of the employee relations team. The increase in responsibility for managing activities related to unions reported in 2021 was likely due to increasing interest among employees in certain industries to organize. It will be interesting to see how this trends in the future.

Managing Cases

CASE VOLUMES

Case volume data across the board was nearly identical to the findings in last year's report. Most employee relations professionals continue to handle six or more issues at any given time. The employee relations professionals who handle all employee issues *and* conduct investigations experience the heaviest caseloads.

ER professionals at larger companies have heavier caseloads, most likely because these organizations have fewer employee relations resources per 1,000 employees than smaller companies.

The findings suggest that both technology and data analytics help practitioners effectively handle higher volumes of cases, as caseloads are repeatedly higher at organizations that use an employee relations platform.

Legend:
- 5 or fewer
- 6-10
- 11-25
- 26-35
- 36 or more
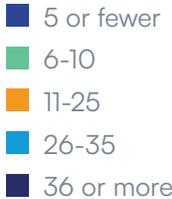
Number of cases that ER professionals handle at any one time

All ER Issues and Conduct Investigations
- 23% (6-10)
- 31% (11-25)
- 21% (5 or fewer)
- 9% (26-35)
- 11% (36 or more)
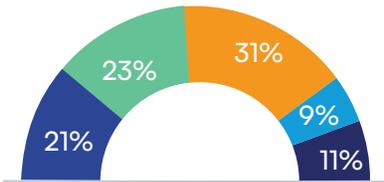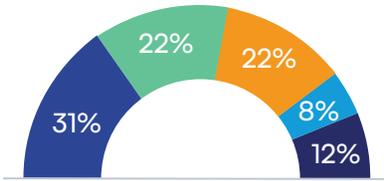
ER Issues but Do Not Conduct Investigations
- 22% (6-10)
- 22% (11-25)
- 31% (5 or fewer)
- 8% (26-35)
- 12% (36 or more)

Only Conduct Investigations
- 19% (6-10)
- 25% (11-25)
- 42% (5 or fewer)
- 4% (26-35)
- 6% (36 or more)
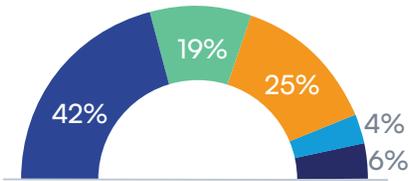
A Deeper Look at the Data*

By Number of Employees

1,000-3,499 Employees
- 23% (6-10)
- 26% (11-25)
- 40% (5 or fewer)
- 9% (26-35)
- 3% (36 or more)

3,500-10,000 Employees
- 30% (6-10)
- 26% (11-25)
- 22% (5 or fewer)
- 9% (26-35)
- 7% (36 or more)
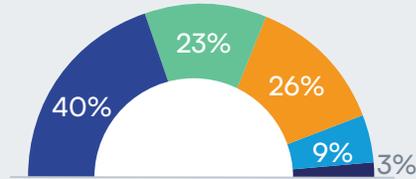
10,000+ Employees
- 38% (11-25)
- 17% (6-10)
- 9% (5 or fewer)
- 10% (26-35)
- 19% (36 or more)
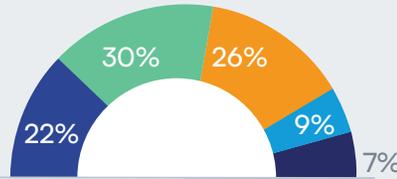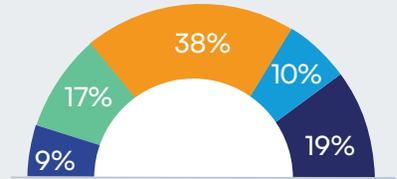
Impact of ER Technology

Use ER Technology
- 20% (6-10)
- 35% (26-35)
- 19% (5 or fewer)
- 10% (11-25)
- 12% (36 or more)

Do not use ER Technology
- 32% (6-10)
- 21% (26-35)
- 26% (5 or fewer)
- 5% (11-25)
- 5% (36 or more)
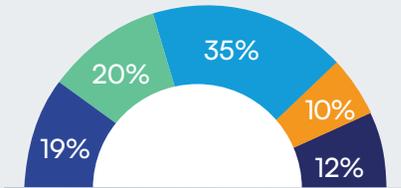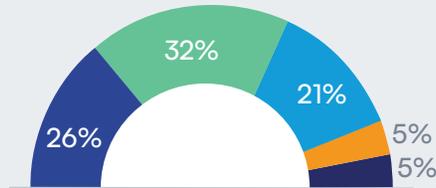
* This data is for ER professionals who handle all ER issues and conduct investigations.

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CASE ASSIGNMENTS

The most common approach for assigning cases again in 2021 was by line of business.
This likely reflects the wide range of control that lines of business have over their operations.
This trend is steady regardless of the employee relations organizational model used.

Primary method for assigning cases on the employee relations team

By Line of Business	By Geography	By Case Type	First In, First Out	By Complexity	By Subject Matter	Auto-Assigned
35%	14%	14%	11%	9%	7%	1%
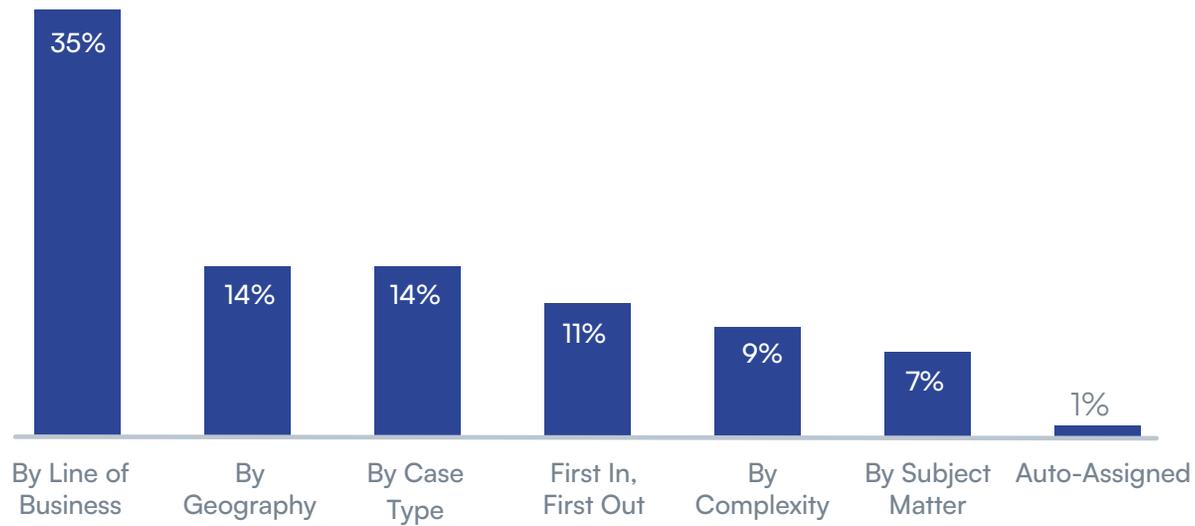
TIME TO CLOSE

Last year's Study showed that cases in every category were open longer than prior to the pandemic. The 2021 data echoes those findings, with one exception—slightly fewer time & attendance cases were resolved within a week. This is likely due to pandemic-related issues and ongoing remote work.

Length of time cases are typically open

Category	Less than 1 week	1-2 weeks	3-4 weeks	5-8 weeks	More than 8 weeks	Not Applicable/Don't know
Time & Attendance	34% (-8 from 2020)	29%	14%	7%	6%	11%
Policy Violations	18%	34%	30%	9%	5%	5%
Performance	14%	31%	23%	15%	13%	5%
Wage and Hours	13%	26%	31%	6%	7%	17%
Leave Management	13%	24%	28%	9%	15%	11%
Behavior Issues	9%	40%	28%	13%	5%	5%
Reduction in Force (RIF)/Severance*	9%	11%	33%	19%	16%	12%
Accommodations	8%	35%	32%	11%	8%	5%
Response to EEOC	6%	21%	27%	24%	13%	13%
Non-sexual Harassment Allegations	6%	26%	38%	17%	13%	5%
Sexual Harassment Allegations	3%	30%	34%	19%	13%	3%
Discrimination	3%	23%	43%	13%	15%	2
Retaliation	2	31%	37%	13%	12%	5%

Legend: ■ Less than 1 week ■ 1-2 weeks ■ 3-4 weeks ■ 5-8 weeks ■ More than 8 weeks ■ Not Applicable/Don't know

* New case category added this year

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INVESTIGATION PRACTICES

The steady and significant four-year upward trend in the use of required investigation processes was disrupted in 2020 and persisted in 2021. It is unclear whether the spike in 2019 was an anomaly in the wake of #MeToo, or if the downturn and plateau were due to an ongoing shift in priorities related to managing workforces during the pandemic. Either way, it signals concerns about the risk of process stagnation. Required investigation processes are critical to conducting thorough investigations, which in turn, build trust with employees. Organizations will need to refocus on this important practice to continue improving workplace culture.

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

43% — Required, Structured Process, Including Forms and Templates, for Conducting Investigations

49% — Suggested Process/sample forms and Templates for Conducting Investigations, Not Required

8% — No Specific Guidelines or Processes for Conducting Investigations
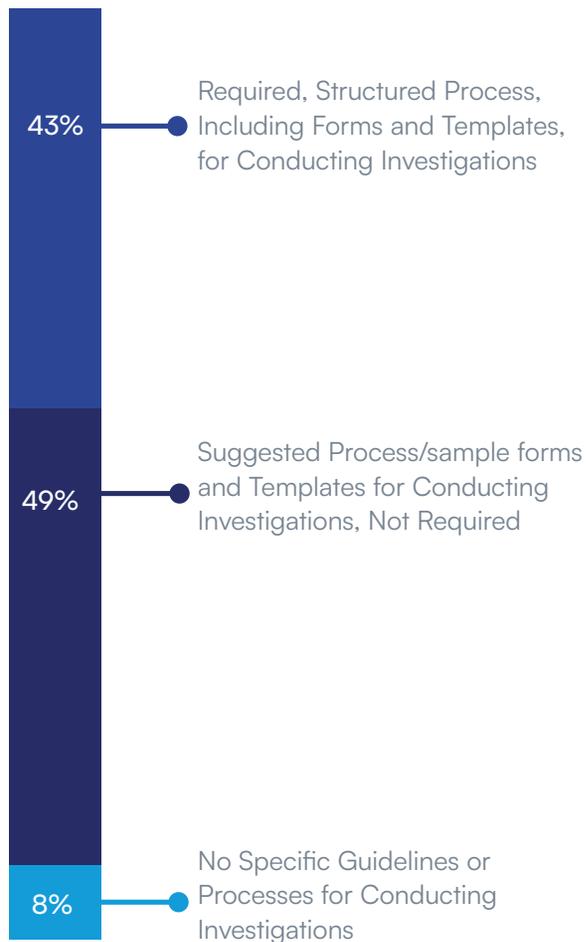
Use of required processes for conducting investigations

2016	2017	2018	2019	2020	2021
23%	33%	41%	59%	44%	43%
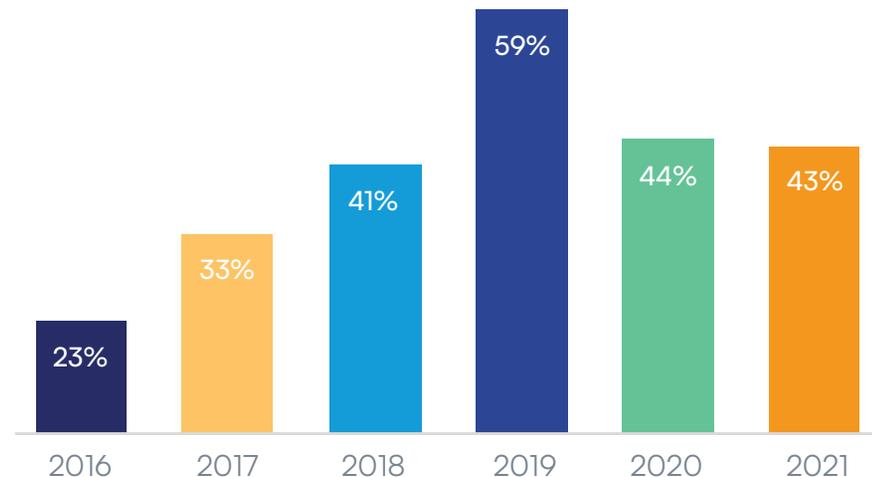
INVESTIGATION TRAINING

Organizations continue to train investigators less frequently than they did a few years ago. Similar to the 2020 findings, only 28% of organizations reported training investigators once a year or more. Two-thirds of organizations (65%) have no formal training for investigators or provide investigation training on an as-needed basis or less than every two years. This is concerning, as the workplace has changed dramatically in the past few years. To keep pace, it's important for investigators to refresh their skills and adapt their approach to the changing work environment to ensure investigations are conducted in a thorough, consistent and compliant manner.

- ■ More than once per year
- ■ Once a year
- ■ Once every two years
- ■ Less than every two years
- ■ As needed, not according to any formal schedule
- ■ No formal trainings are held

How often are investigators trained on proper investigation techniques?

More than once per year
- 2021: 9%
- 2020: 13%
- 2019: 21%

Once a year
- 2021: 19%
- 2020: 16%
- 2019: 36%

Once every two years
- 2021: 8%
- 2020: 4%
- 2019: 7%

Less than every two years
- 2021: 3%
- 2020: 2%
- 2019: 2%

As needed, not according to any formal schedule
- 2021: 48%
- 2020: 56%
- 2019: 28%

No formal trainings are held
- 2021: 14%
- 2020: 10%
- 2019: 6%

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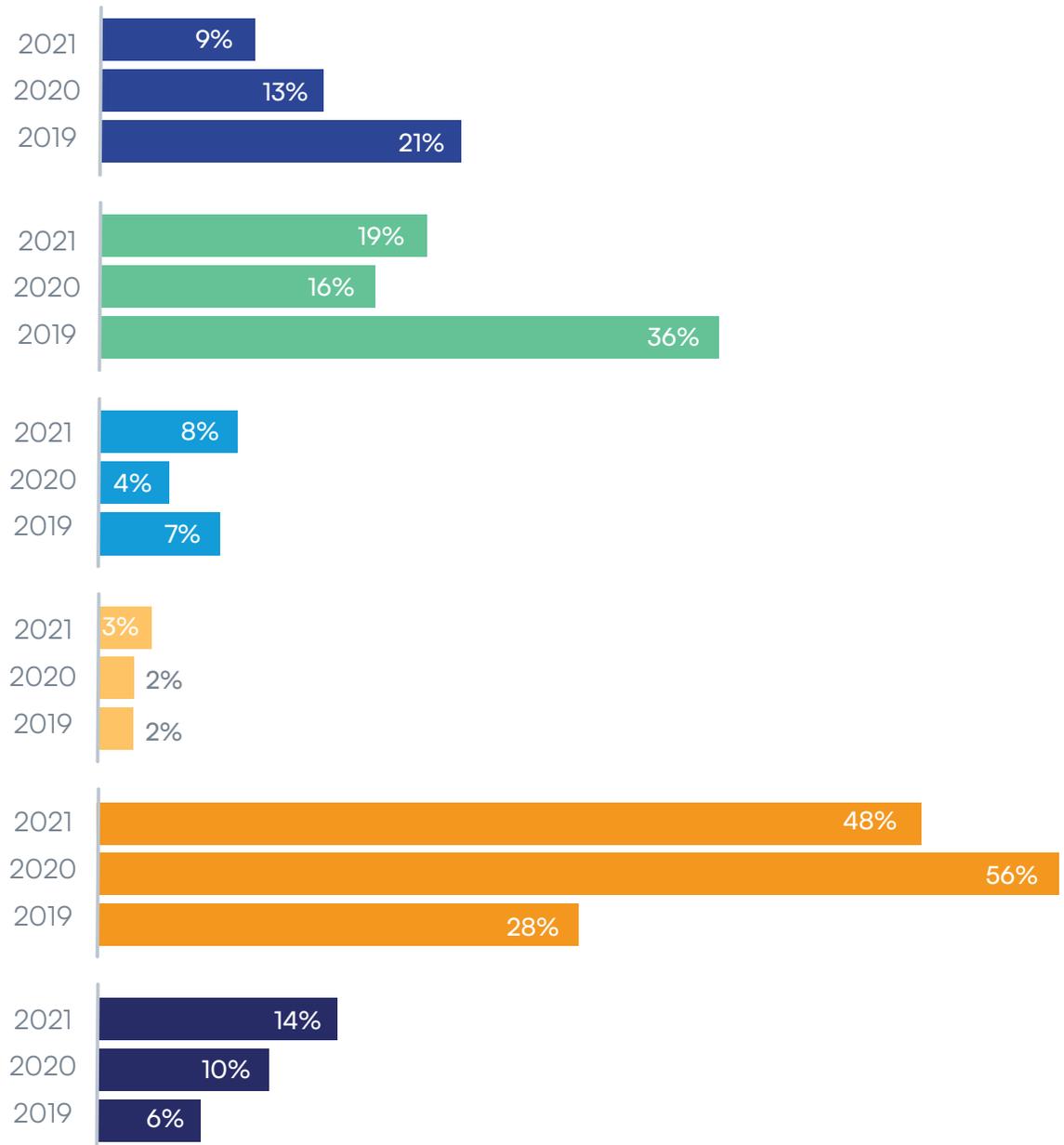
EMPLOYEE RELATIONS TRACKING

Does your organization use any sort of employee relations and investigation technology platform to track employee relations issues and investigations?

Yes
72%

No
28%
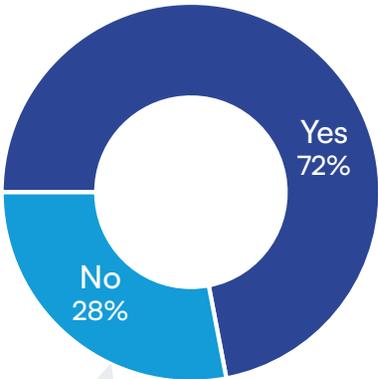
39%
are likely to transition to an employee or ER case management system in the next 12 months

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

46%	39%	32%	23%	18%

+9 from 2020

Employee Relations Technology Platform

(e.g., HR Acuity, I-Sight, etc.)

Hotline

(e.g., EthicsPoint, Navex, ComplianceLine, etc.)

Spreadsheets/ Generic Database

(e.g., Excel, Access, SharePoint, etc.)

Ticketing System

(e.g., Salesforce.com, ServiceNow, etc.)

HRIS

(e.g., ADP, Oracle, UKG, Workday, etc.)
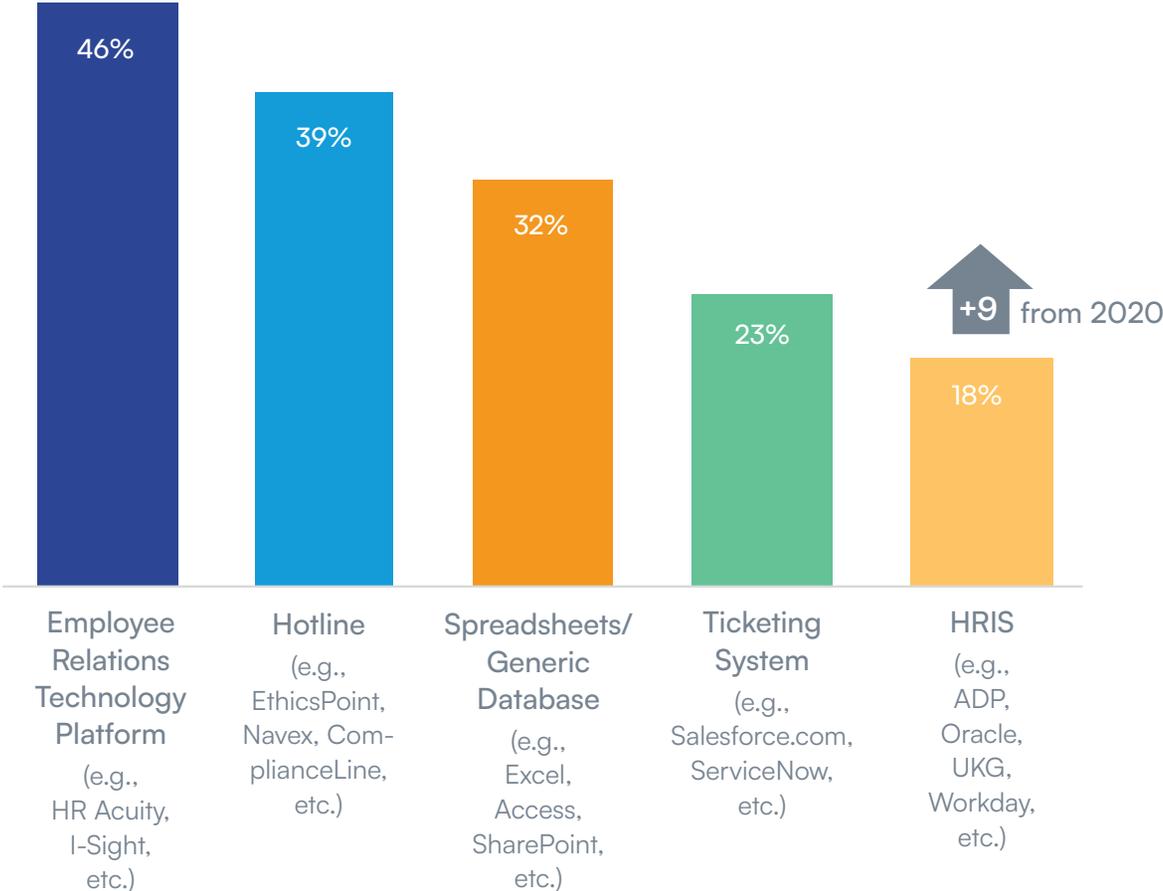
EMPLOYEE RELATIONS TRACKING (continued)

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

Platform	%
HR Acuity	74%
Navex/EthicsPoint	33%
ServiceNow	10%
i-Sight	7%
managER by HR Acuity	6%
SharePoint	4%
AnswerKey, ComplianceLine, Convercent, Dovetail, Infor, Salesforce, TIMS, ZenDesk	1% each
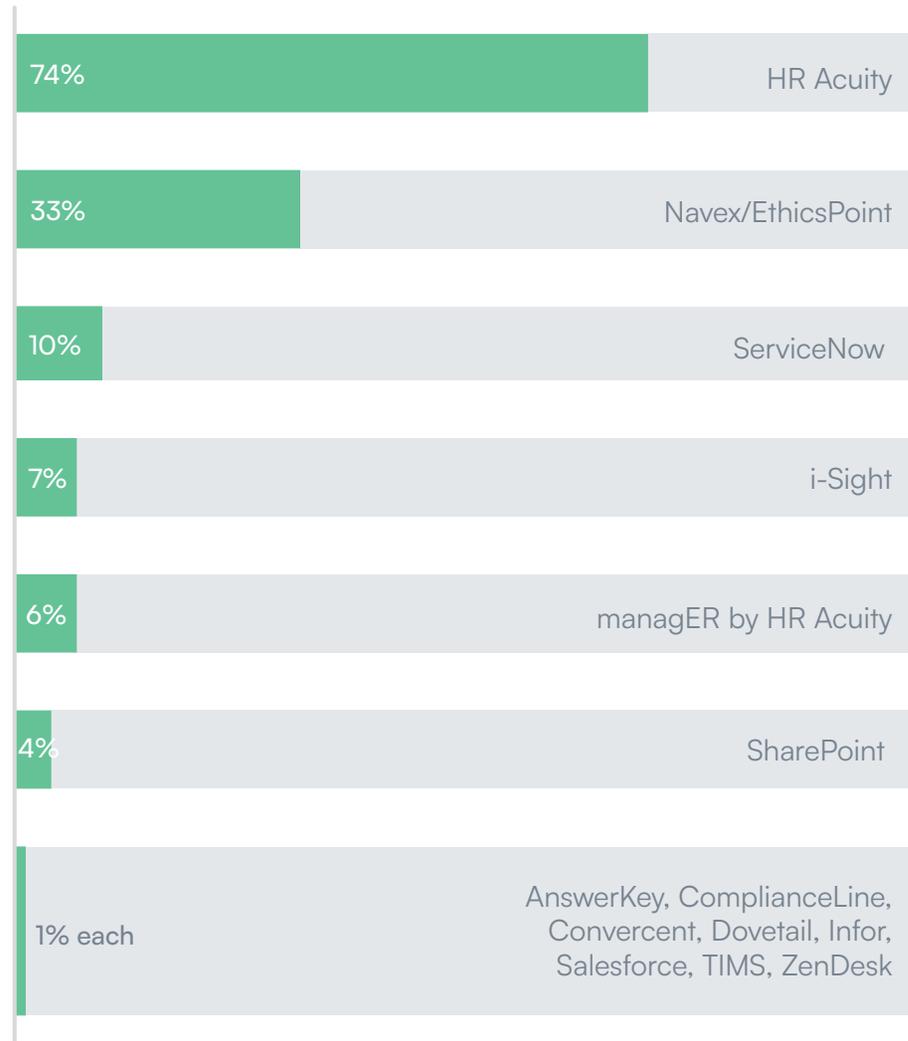
* No respondents indicated use of AllVoices, Compliance 360, Convergence, D3, LaborSoft, SAI Global, Sugar CRM

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STORING DOCUMENTATION

The results for 2021 echo those of 2020 regarding how organizations are storing documentation related to employee issues and investigations. While almost half said they use a case management system, one-third of organizations continue to use multiple methods for storing employee relations and investigation documents. Half of the participants continue to use approaches that prevent consistency, lack security, and limit reporting capabilities and visibility for data-driven insights.

How does your organization primarily store documentation created as a result of an employee relations issue or investigation?

Case Management System	Mixed/ Combination of All Methods	HRBPs/ERPSs Maintain Own Documentation	Uploaded/ Stored on a Shared Drive	Sent to/Filed by Centralized HR Team
47%	32%	9%	9%	3%
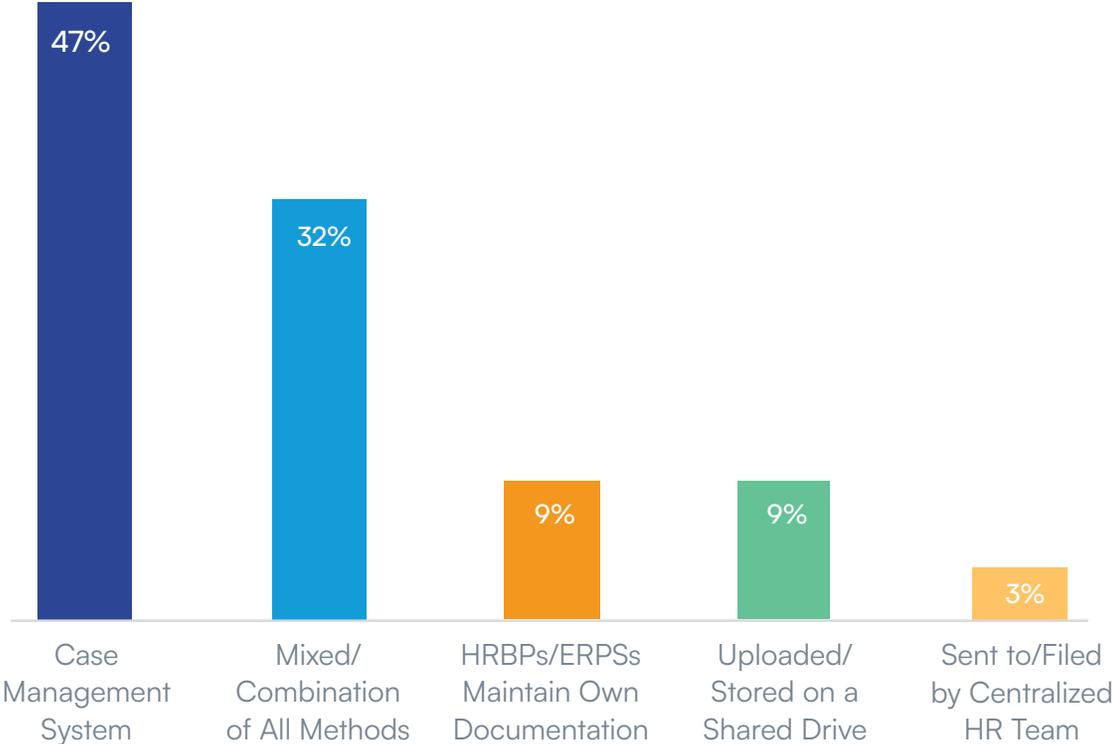
Describe the biggest benefits of the platform you use for employee relations management.

▶ Ability to securely store all documents and information related to a case in a centralized location.

▶ Single source of truth that helps drive appropriate investigative process.

▶ Easy/quick access to metrics; ability to identify employees who have either participated in incidents or identify source of issues; provides a central location to review documentation and case outcomes across entire company.

▶ Uniform and accurate tracking of cases, centralized database, metrics.

▶ Able to maintain historical record of all matters reported and audit complaints as they come in.

▶ Single repository of all ER issues for reporting; ability to share data; reporting capabilities.

▶ Great features and tools to ensure that cases are well-documented and offers support for newer investigators.

▶ Centralization and consistency of records, integration with workforce management system and easy analysis of volumes and trends.

▶ Storage and historical tracking of data; consistency and standardization of cases.

▶ Records retention.

▶ Centralized system for all ER/INV cases; ability to use standardized templates across the organization, builds consistency and compliance; minimizes legal risk; built-in analytics is also helpful.

▶ Ability to report and track ER data.

▶ Consistency in reports; access to real-time data to include in charts.

▶ Consistent case management and ability to report.

▶ Ease of use and robust reporting.

▶ Familiarity for users, and ability to customize system to fit our needs; the technology continues to improve.

▶ Centralized and standardized platform to document, report and track ER issues.

▶ Ability to report, set up customized features and track data.

▶ Case volume transparency.

> *Having an official system of record for cases is the biggest benefit, but others include efficiency of process, Board/enterprise reporting, ease of identifying trends and training opportunities.*

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Issue Trends

ISSUE VOLUME

One-third of organizations cited the most significant increases in accommodation requests, again in 2021. One-half of organizations saw an increase in violations of workplace COVID-19 policies, a metric added in this year's study. An increase in unprofessional conduct and policy violations was also reported by half of organizations. Perhaps some of these increases are aligned with COVID-19 policies. Social media issues, retaliation and job performance also continue to be challenges for many companies.

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

Case volume by issue type

| Issue	Significant decrease	Some decrease	The same	Don't know	Some increase	Significant increase
Accommodation Requests	1	7%	16%	15%	28%	33%
Violations of Workplace COVID-19 Policies*		12%	23%	12%	38%	14%
Unprofessional Conduct/Policy Violations		8%	34%	9%	36%	12%
Discrimination	2	5%	50%	7%	27%	10%
Social Media Issues	6%	5%	48%	8%	25%	7%
Retaliation	3%	8%	53%	8%	22%	6%
Job Performance	3%	9%	37%	8%	38%	5%
Sexual Harassment Allegations	3%	14%	52%	7%	19%	5%
Non-sexual Harassment Allegations	3%	9%	49%	6%	28%	5%
Substance Abuse		14%	43%	21%	19%	4%
Workplace Violence	6%	12%	50%	16%	11%	4%
Abuse of Remote Communication Platforms	3%	5%	47%	23%	19%	4%
Theft/Fraud	4%	10%	52%	22%	8%	3%
Workplace Bullying	2	10%	47%	9%	29%	3%
Charges by EEOC	1	10%	39%	29%	15%	3%
Wage and Hour Disputes	4%	10%	48%	21%	12%	1
Union Organizing	2	44%		40%	9%	1

* New issue category added this year

ISSUE VOLUME (continued)

To what would you attribute the increase in employee-related events/issues over the course of 2021?

| Category	Value
COVID-19 Related Changes	85%
The Political Environment	49% (-24 from 2020)
Social Movements (e.g., #MeToo or Black Lives Matter, etc.)	48% (-29 from 2020)
Organizational Changes	47%
The Great Resignation	42%
Increased Awareness of Perceived Rights	41%
Increased Business Expectations	36% (+11 from 2020)
Increased Activism in the Workplace	36%
The Economy	28%
Broader Use or Availability of Technology	20%
Increased Awareness of Regulations	19%

The majority of respondents attributed increases in case volumes throughout 2021 to COVID-19 related changes. No other single factor stood out as the primary driver of caseload increases but, for most organizations many factors were at work. While the influence of the political environment and social movements on employee relations caseloads dropped significantly, the increasing importance of ESG (Environmental, Social, & Governance) departments can be seen by increased business expectations and awareness of business regulations, which in turn drive caseloads. This seems to indicate that the social events of the past few years have become absorbed by corporate cultures in efforts to address diversity and equitability.

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ISSUE VOLUME (continued)

The overall drop in average cases seen in 2020 leveled off somewhat in 2021. Widespread remote work, combined with reduced focus on employee performance and the challenges of managing performance and behavioral issues remotely, may have contributed to the lower numbers in these categories for the past two years. Aligned with the historical findings since 2017, performance issues and policy violations continue to be the most common issue types.

Average number of discrimination, harassment, and retaliation allegations per 1,000 employees
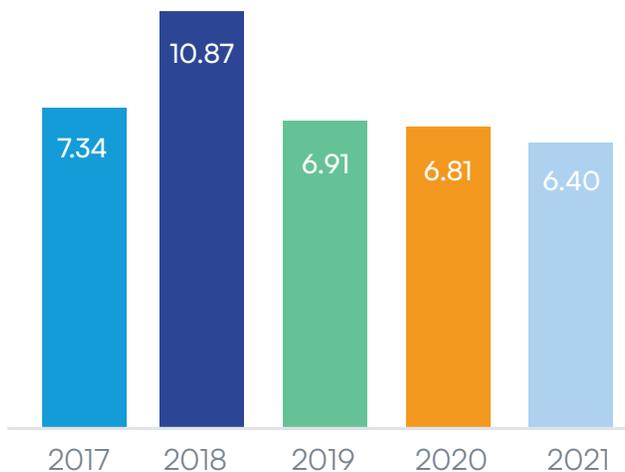
ISSUE CATEGORY	Average number per 1,000 employees 2020	Average number per 1,000 employees 2021
Performance Issues (such as performance counseling, coaching with manager or documentation, performance plan, performance rebuttal, etc.)	33.4	32.7
Policy Violations (such as potential or actual violations or infractions of company policies such as code of conduct, conflict of interest, inappropriate use of social media, theft, fraud, substance abuse, etc.)	22.6	30.2
Behavioral Issues (such as issues or allegations related to unprofessional conduct, inappropriate behavior, bullying, insubordination, conflicts between co-workers, etc.)	18.0	16.2
Discrimination, Harassment or Retaliation Allegations	6.8	6.4
EEOC or Other Federal State/Local Agency Charges	0.6	1.3
Total number of employee relations cases organizations managed in the U.S. in 2021	131.60	

Bar chart — Average number of discrimination, harassment, and retaliation allegations per 1,000 employees:
- 2017: 7.34
- 2018: 10.87
- 2019: 6.91
- 2020: 6.81
- 2021: 6.40

TRACKING EMPLOYEE RELATIONS DATA

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

Employee relations teams continue to track a wide range of employee data to inform business decisions. The most notable changes in the 2021 findings were a substantial drop (-16 points) in the number of organizations tracking cases by manager or leadership level and slight increases in employment history and associated expenses—all areas that trended in the opposite direction in 2020. The data also revealed slightly fewer organizations focusing on remedial action taken.

Issue Type	92%
Issues by Department/Function	79%
Issues by Location	76%
Trends Over Time	72%
Issue Disposition	72%
Case Aging/Time to Close	66%
Remedial Action Taken	61%
Method of Notification	61%
Cases by Manager or Leadership Level	56% -16 from 2020
Employee History	53% +9 from 2020
Time to Conduct Investigation/Time Spent by HR	46%
Substantiation Rate	44%
Equity of Cases, Disposition or Remediation by Demographics	24%
Anonymity Rate	24%
Performance Management Turnaround Stories	22%
Associated Expenses	12% +8 from 2020
Predictive Analytics	7%
Associated Savings/Cost Avoidance	5

Does your organization track employee relations and investigation data?

13% No

87% Yes

■ Yes ■ No

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

Identifying Trends

▶ Produce quarterly and full-year trend reports, identifying hotspots using a normalizing factor; share analytics and case studies to business groups to address root causes/concerns; conduct periodic risk assessments for business groups to understand employee sentiment, assess positive ER practices, risks and recommend action plans.

▶ Capture trends by region, over time and against overall employee health.

▶ Present monthly dashboard to Retail Executive to identify trends by type and location and assist with determining remedial actions to prevent future similar issues; prepare quarterly trend reports on conduct and ethical concerns to ascertain whether systemic issues exist for Risk Oversight; track case volumes and time to close to monitor staffing levels and operational effectiveness.

▶ Share trends with HR, Risk, and Line of Business leaders monthly or quarterly highlighting top reasons associates contact employee relations and detailing key case types; use retrospective data to evaluate insights in specific "hot topic" areas such as sexual harassment, discrimination and leadership behaviors.

▶ Produce quarterly scorecard for business unit CHROs and share data and findings

▶ Deliver quarterly leadership (including Board) reports and cascade accordingly; develop solutions to address trends/risk.

▶ Identify areas of opportunities and risks within certain business units; CEO conducts quarterly business reviews with leaders to share ER findings and partner on ways to reduce cases through action planning.

▶ Analyze issue trends, resource management, employee and manager education to inform HR decisions.

Determine Training Needs

▶ Review statistics by location to identify any remedial steps needed for training or manager support; look at time to close to ensure we're acting on/closing out investigations as timely as possible.

▶ Determine potential training opportunities and/ or the need to communicate (or re-communicate) policies, etc.

▶ Identify additional resources and training needed; utilize metrics to demonstrate a need for company's I&D focus.

▶ Primarily to assess training needs; issues discussed broadly with HRBPs and leadership to identify trends and possible remediation.

ER Process Review

▶ Determine high-level insights into case volume, issue types and actions taken—focus is on ensuring users input information in a consistent manner—an ongoing process!

▶ Assess speed (e.g., time to close) and resources (e.g., # of cases per specialist); analyze business outcomes by tracking investigations outcomes, performance improvement plan (PIP) outcomes, and terminations by type—primarily for internal ER use to assess business operations; some metrics reported to senior HR leadership team and/or HRBPs.

▶ Gather analytics for key insights/trends that tell a story and to determine staffing needs based on case volume and expected headcount growth.

"Ensure global alignment of discipline and response, and inform staffing needs and assignments; ER Partners and HRBPs also leverage analytics to proactively lower risk through different methods.

Metrics and Analytics

METRICS REPORTING

Organizations track data to identify training needs, drive business decisions and create better workplace environments. As in prior Benchmark Studies, nearly two-thirds of organizations reported they use metrics for data-driven insights and more than half use data to create and update policies. The one slight change in 2021 was an uptick in the number of organizations that gather data but don't use it. As with the past three Studies, employee relations data is shared most often with HR and senior leadership and this occurred at the same rate as in 2020.

How are metrics and data gathered currently within your organization?

65% Identify Training Needs
64% Develop More Data-driven Employee Insights and Initiatives
56% Create Better Employee Relations Policies
48% Identify Potential Issues Related to Inclusion and Equity
36% Identify At-risk Populations
28% Identify Staffing Needs
11% Construct Predictive Models of Employee Behavior
19% Gathered, but Not Really Used
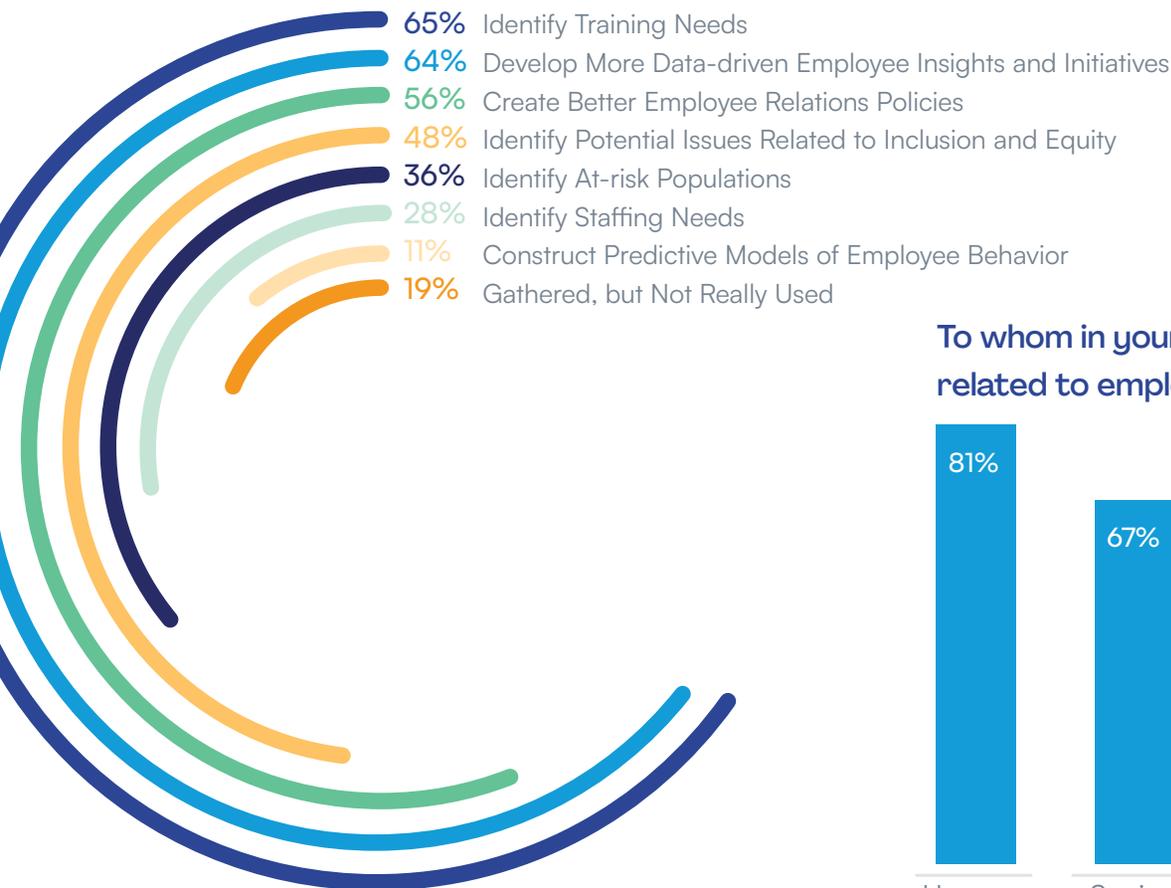
To whom in your organization do you report metrics related to employee relations activities directly?

| Human Resources	Senior Leadership (C-Suite)	Legal	Board	Compliance	Diversity & Inclusion	Managers
81%	67%	44%	29%	25%	20%	18%

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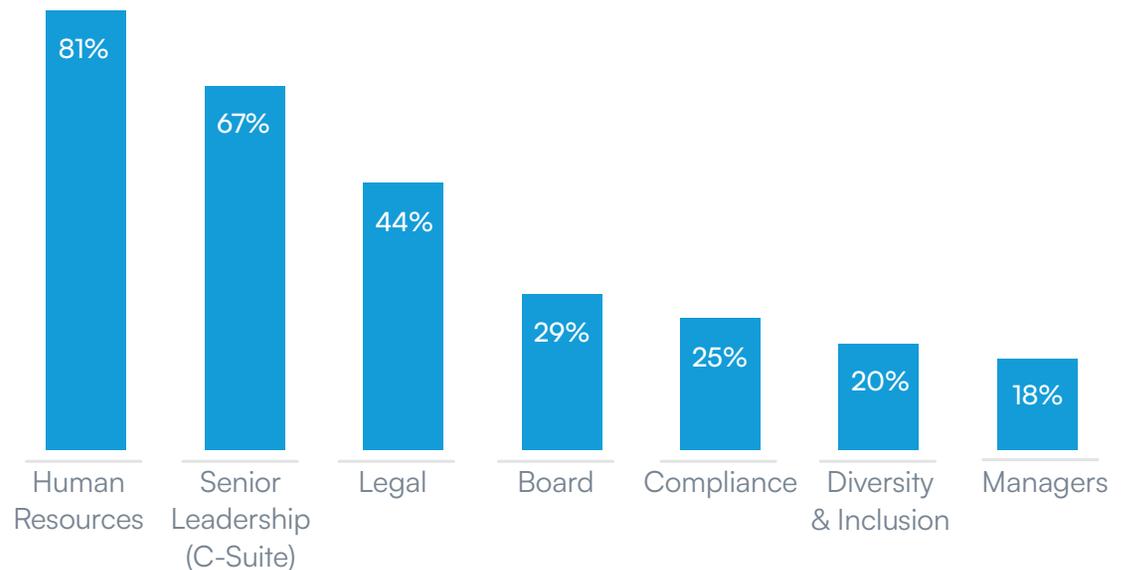
INTEGRATION WITH ADVANCED ANALYTICS

Employee relations teams continue to work with other departments to integrate employee data with investigation data for deeper insights.

In 2021, more organizations integrated employee relations investigation data with turnover data and engagement scores. This is not surprising, given the large numbers of employees leaving organizations during The Great Resignation. Companies are likely analyzing this data to determine how to improve employee experience, create pathways for career growth and enhance workplace culture to retain employees. Aside from this change, ER teams continue to integrate employee investigation data with other employee data for deeper analysis at levels comparable to the 2020 findings.

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

2021	45%
2020	40%
2019	54%

2021	37%
2020	42%
2019	57%

2021	40%
2020	28%
2019	41%

2021	7%
2020	10%
2019	28%

2021	8%
2020	9%

2021	29%
2020	26%
2019	31%

■ Employee Demographics
■ Performance Ratings
■ Turnover
■ Business Performance
■ Compensation
■ Engagement Scores
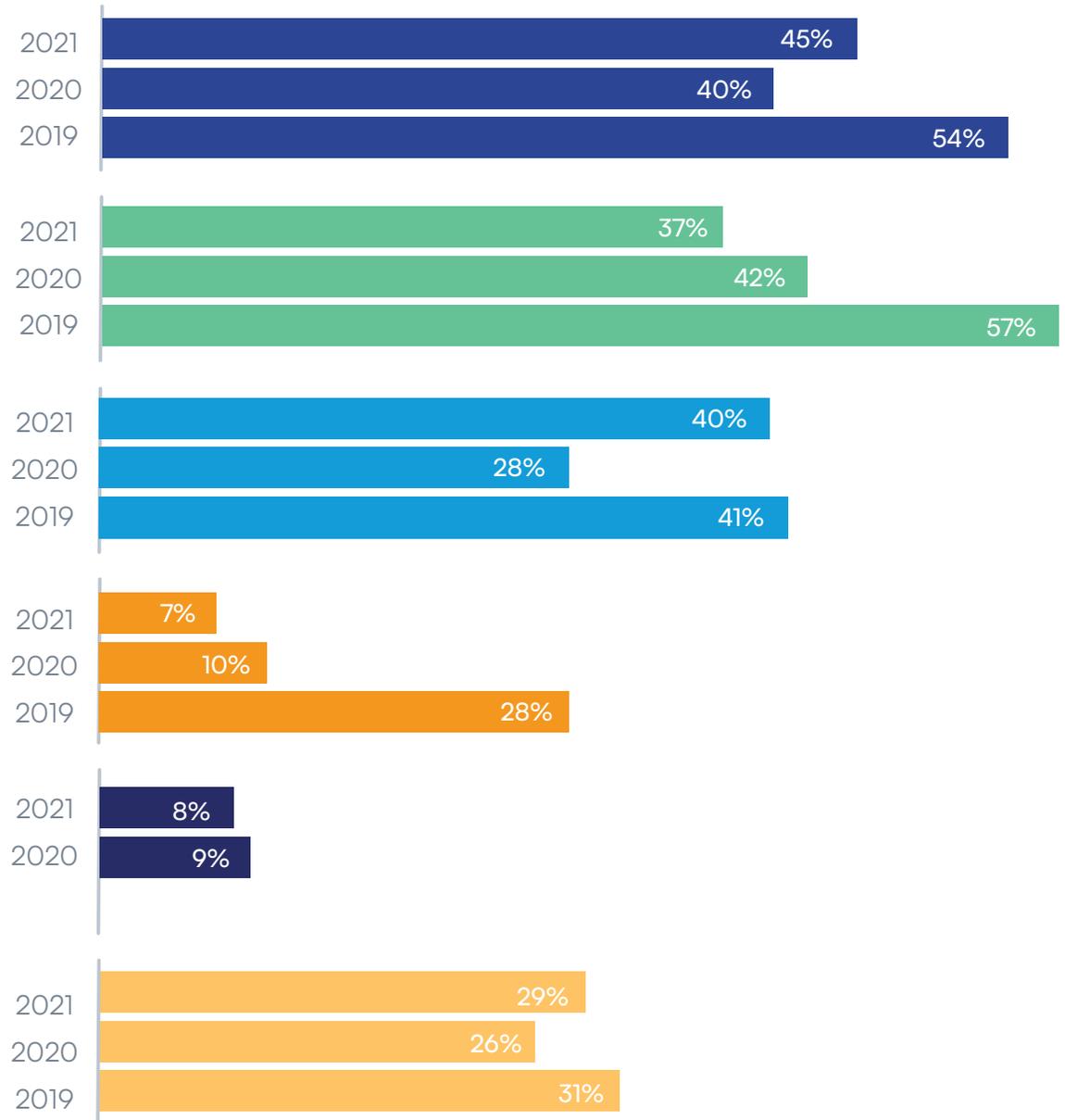
PREDICTIVE ANALYTICS & AI

Organizations interested in predictive analytics tracking

26% No

74% Yes

Are you using or do you have plans to use employee relations data for predictive analytics or incorporate it with some type of artificial intelligence (AI)?

2%

33%

65%

- Currently Use
- Plan to Use
- Not Using/No Plans

Larger organizations have more interest in incorporating predictive analytics.

48%

26%

16%

Less than $999 Million

$1-$5 Billion

More than $5 Billion
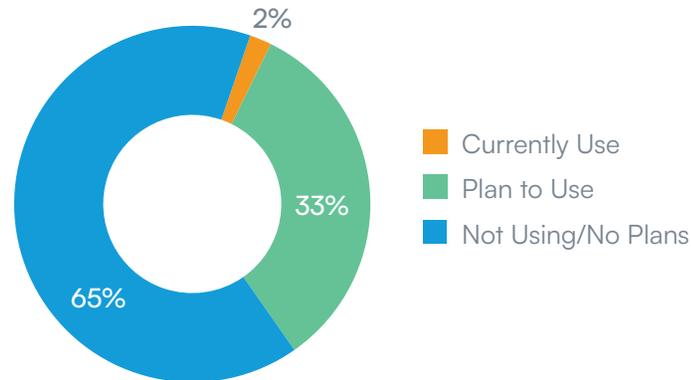
Predictive analytics topped the tracking wish list (74%) for most ER organizations in 2021, but only one-third of respondents said they plan to incorporate predictive modeling and AI in the future. These trends parallel the 2020 findings. It may be that ER professionals like the concept of predictive analytics but do not have the knowledge, skillsets, or resources to implement them. The larger the organization, the greater the interest in predictive analytics. This likely reflects a higher level of resources available for new solutions.

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REASONS FOR NOT USING METRICS & ANALYTICS

Among the small number of organizations that reported they do not track employee relations data, most (70%) said that they have no way to track the data. Others site several factors ranging from being too busy to poor data quality to little support from management. Perhaps those who indicated they may incorporate employee relations technology in 2022 will begin using metric and analytics.

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

Reason	Percentage
No Tracking Mechanism	70%
No Time/ Too Busy	35%
Poor Data Quality	30%
No Investment from Management	25%
Not Requested from Leadership	20%
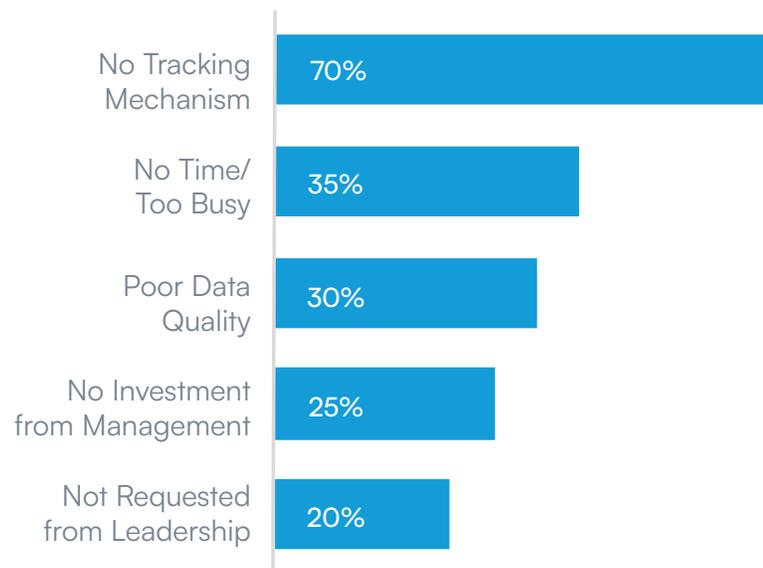
SHARING DATA ANALYTICS

Although nearly all organizations track employee relations data, few share aggregated, anonymous investigation and ER information with employees. The interest in transparency inspired by the momentum of social movements seems to be in retreat. The 2021 findings were identical to 2020, after a spike seen on the heels of the #MeToo movement in 2019 followed by a sharp decline. With the stakes higher than ever to attract and retain talent, transparency is critical to ensure employees that their concerns will be taken seriously and to foster a culture of trust and accountability. It will be interesting to see whether this practice resumes its upward trend when employee relations teams can refocus their priorities post-pandemic.

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

| Year	Yes	No
2021	17%	83%
2020	16%	82%
2019	29%	71%

Yes ■ No ■
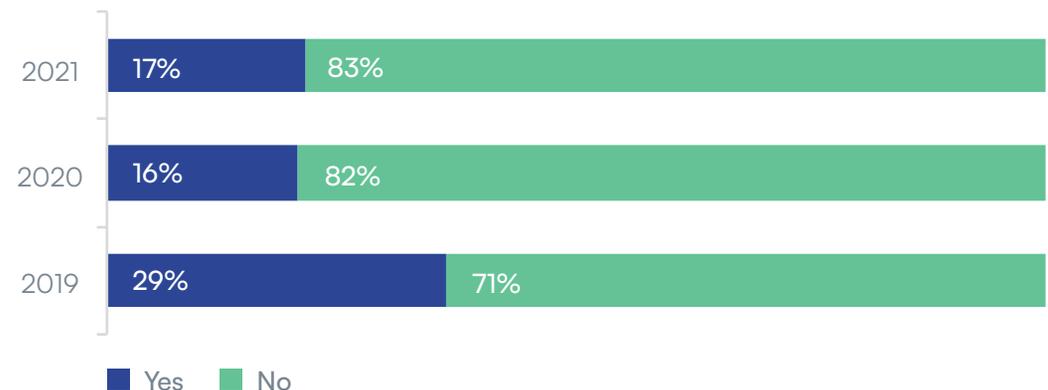
SHARING DATA ANALYTICS (continued)

Organizations that do share aggregated, anonymous investigation data with employees are doing so less frequently.

Only half (52%) of participants reported they share this data at least once each year, primarily as part of an Human Resources or Employee Relations update. This is a disappointing 20-point drop from 2020. One-third of organizations said they share this information as part of a company update. This may indicate a troubling trend that sharing employee relations data is less of a priority for organizations today.

How often do you share investigation data with employees?

- 26% More Than Once a Year
- 26% Once a year
- 26% As Needed, Not According to Any Formal Schedule
- 9% Only Upon Request
- 13% Don't Know
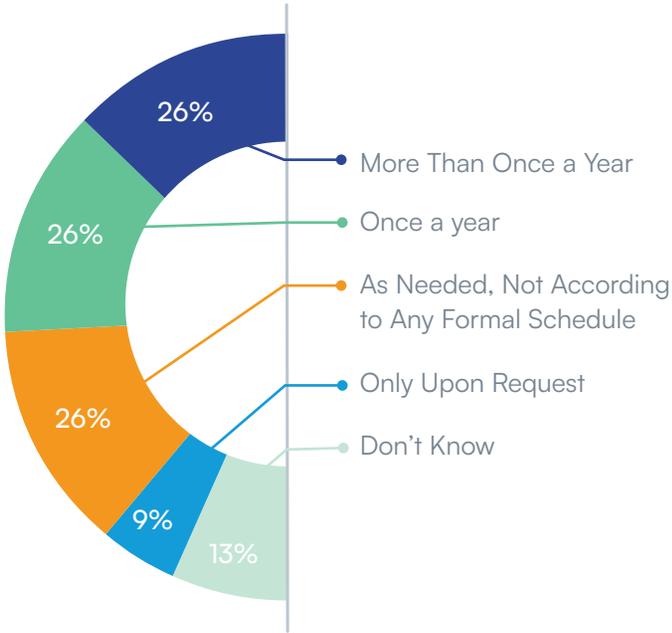
In what format do you share investigation data with employees?

- 35% Aggregated Information as Part of a Human Resources or Employee Relations Update
- 35% Aggregated Information as Part of a broader company Update
- 9% Aggregated Information Only Upon Request
- 9% Employee-specific Information Only Upon Request
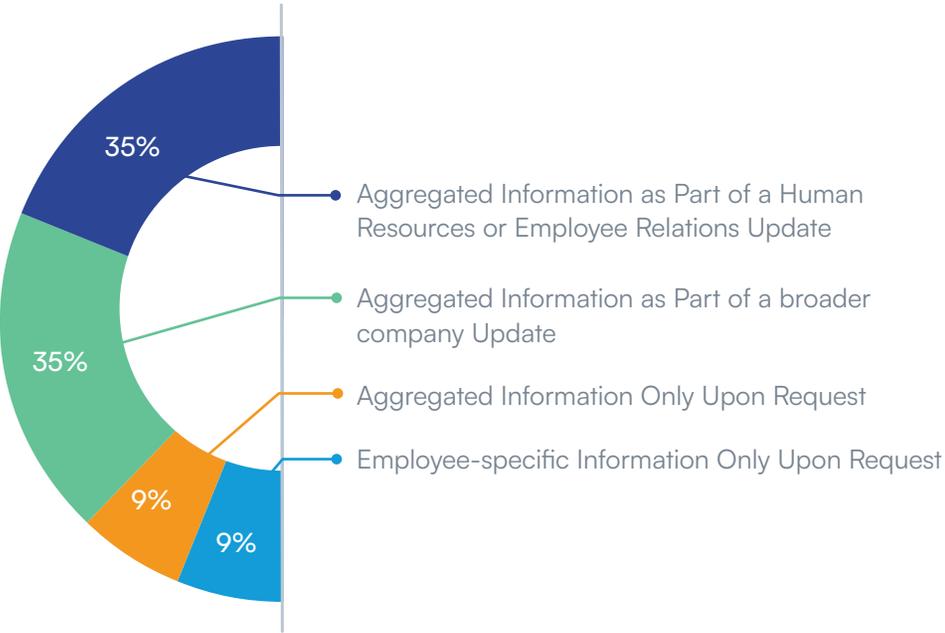
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About the Study

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 to let us know.

Want to learn more about how HR Acuity's case management and investigations solutions can help your organization deliver best-in-class employee relations?

Take a 30-minute Curiosity Tour

with one of our product specialists.

Did you find these benchmarks helpful? Interested in what other organizations are doing throughout the year?

Join the only online community for employee relations professionals.

empowER

Connect with strategic ER practitioners for the insights you need.

EMPLOYEE RELATIONS

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BENCHMARK STUDY

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.

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