EMPLOYEE RELATIONS
BENCHMARK STUDY
20**17**

» EXECUTIVE SUMMARY

HRACUITY®
Your Employee Matters

A MESSAGE FROM THE CEO

Little did we know when we initiated the HR Acuity Employee Relations Benchmark Study that just two years later its relevance would become so explosive. Over the past several months, barely a day has gone by without a headline exposing an allegation of sexual harassment or assault, primarily in the workplace. The #metoo is emboldening victims previously unable or afraid to come forward to share details of inappropriate and often illegal behavior by leaders, co-workers or others. Having investigated similar claims of workplace behavior for years, these headlines, while disturbing, are frankly not surprising. For more than a decade, HR Acuity has been working with Human Resource and Employee Relations leaders in organizations – both big and small – who truly want to know what is going on in their organizations and have processes in place to ensure that incidents such as those we read about either don't happen or are not tolerated when they do occur.

Empowering HR and Employee Relations leaders with the relevant tools to manage employee behaviors and allegations of misconduct with integrity has always been our top priority. After receiving countless requests for benchmarks around these processes (that did not exist – anywhere!) we took matters into our own hands and last year launched our groundbreaking Study with the objective of establishing standards and best practices. Today, it is a great privilege to publish the results from the Second Annual HR Acuity Employee Relations Benchmark Study.

This year, as in our inaugural Study, we requested participation from organizations with more than 1,000 employees across a wide array of industries, and the respondents did not disappoint. Over 100 organizations representing more than 3,500,000 employees globally provided data on Employee Relations practices specific to their organization model, case management processes, employee issue types, volumes, trends and internal data-driven metrics. This comprehensive Study provides broad employee relations insights based upon industry, employee relations model and number of employees.

We look forward to conducting this Study annually*; we expect the number and breadth of participants and data will continue to grow enabling us to delve further into trends and metrics across the Employee Relations landscape.

On behalf of the entire HR Acuity team, I thank each leader for their willingness to share their organization's data and insights so that we may learn from one another.

Deborah J. Muller
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Interested in participating in next year's Study?
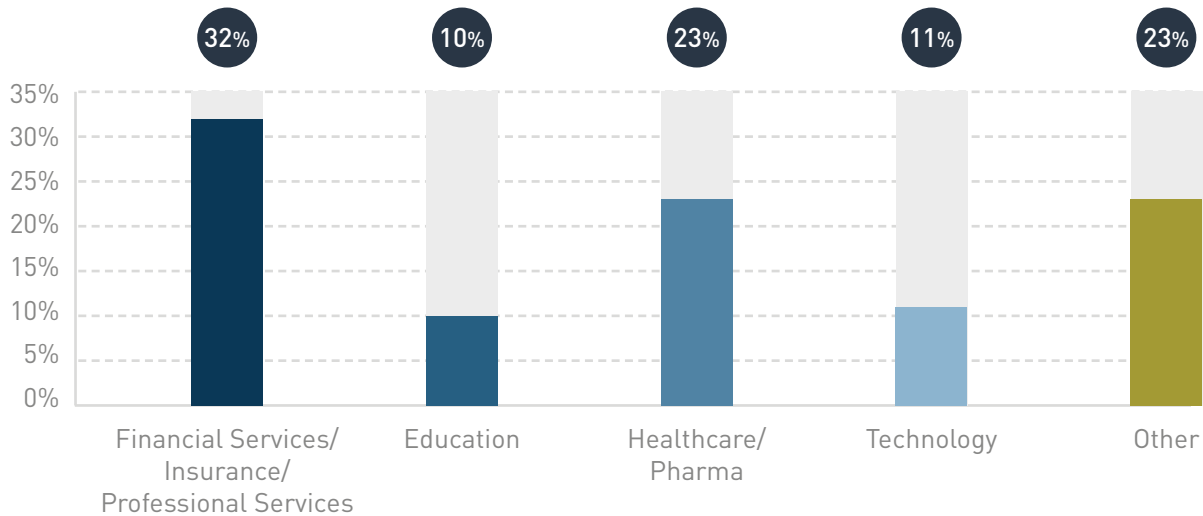Contact us at benchmark@hracuity.com
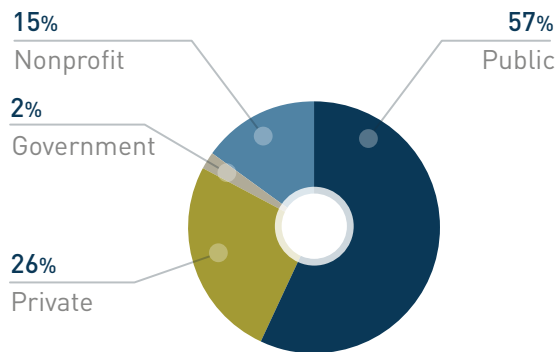or call 888-598-0161.

RESPONDENT PROFILE

RESPONDENT PROFILE

The findings from this Study represent the input from 112 organizations with almost 1.7MM US and over 3.5MM global employees. This is almost double the number of employees in last year's study due in part to the increase in enterprise-sized company participation.

Industry

32%	10%	23%	11%	23%
Financial Services/ Insurance/ Professional Services	Education	Healthcare/ Pharma	Technology	Other

Organization classification

15% Nonprofit

2% Government

26% Private

57% Public

Organization Annual Revenue (not for profit - annual budget)

35% >$10B

13% <$100M

18% $101M–$999M

13% $5.1B – $10B

21% $1B – $5B
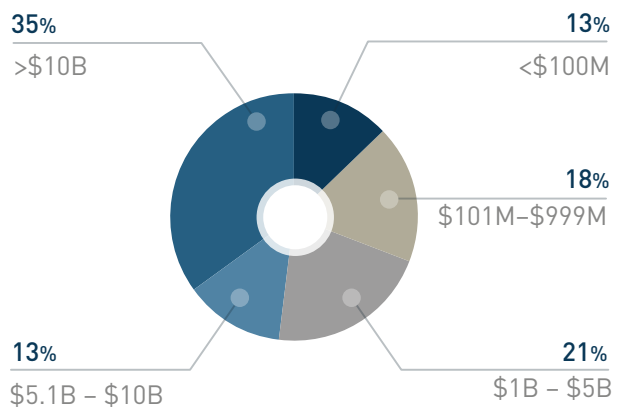
ORGANIZATIONAL MODEL

ORGANIZATIONAL MODELS

The trend of organizations moving to a centralized or Center of Expertise approach to employee relations continues.

Current Employee Relations Model (US)

TOTAL

- ■ Centralized
- ■ Mixed
- ■ Decentralized

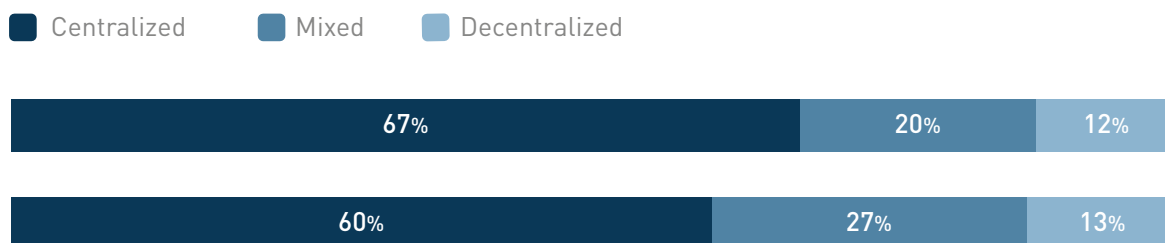| Year	Centralized	Mixed	Decentralized
2017	67%	20%	12%
2016	60%	27%	13%

BY NUMBER OF U.S. EMPLOYEES

	<3.500	3,500 – 9,999	10,000 – 19,999	20,000+
CENTRALIZED	71%	53%	85%	66%
MIXED	24%	13%	15%	24%
DECENTRALIZED	6%	33%	0%	11%

BY INDUSTRY

|	Finance/Ins/ Prof Services	Education	Healthcare/ Pharma	Technology
CENTRALIZED	54%	100%	70%	80%
MIXED	38%	0%	10%	10%
DECENTRALIZED	8%	0%	20%	10%

RESOURCES

RESOURCES

STAFFING RATIOS

How to determine the appropriate number of Employee Relations Professionals continues to be a frequently asked question. To help organizations benchmark their own resources relative to organizational size, we normalize the data by looking at the median number of resources per 1,000 employees.

Staffing Ratios by Number of Employees

HR Generalist/Business Partners*
Employee Relations Professionals*
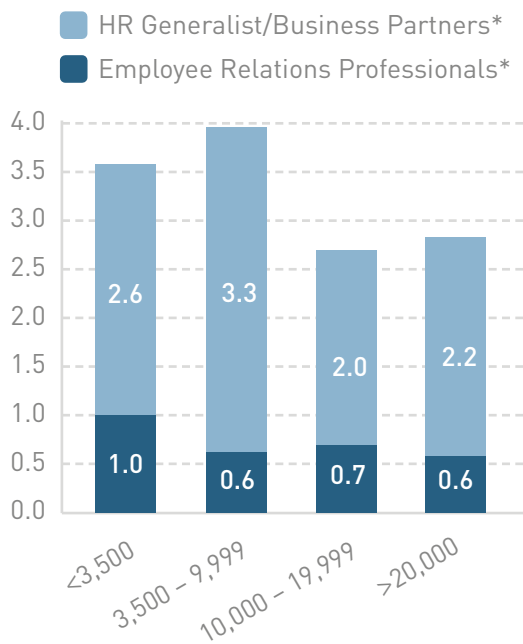
Staffing Ratios by Organizational Model

HR Generalist/Business Partners*
Employee Relations Professionals*
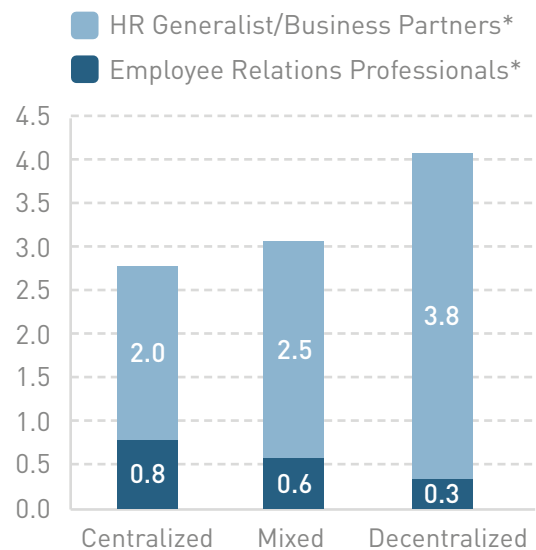
* FTE per 1,000 employees

As expected with scale, the dataset revealed that larger organizations use less overall resources than smaller organizations. It also appears that organizations with Centralized ER Models utilize just over 32% fewer ER Professionals and HR Generalists/Business Partner resources than those with Decentralized Models. While efficiencies may be found when centralizing the skillset and responsibilities, this decrease in resources may also be the cause of the comments regarding staff leanness and high workloads within these groups.

Staffing Ratios by Number of Employees (US only)	Employee Relations Professionals – Per 1,000 employees	HR Generalist/Business Partners – Per 1,000 employees	In-House Employment Counsel Per 1,000 employees
<3,500	1.000	2.579	0.400
3,500 – 9,999	0.625	3.333	0.235
10,000 – 19,999	0.691	2.000	0.204
>20,000	0.577	2.253	0.144
All	0.750	2.444	0.184

Staffing Ratios by Number of Employees (US only)	Employee Relations Professionals – Per 1,000 employees	HR Generalist/Business Partners – Per 1,000 employees	In-House Employment Counsel Per 1,000 employees
Centralized	0.785	2.000	0.883
Mixed	0.576	2.500	0.182
Decentralized	0.341	3.746	0.096
All	0.750	2.444	0.184

IN-HOUSE LEGAL RESOURCES

In the Study, participants were asked if their organization had internal in-house legal resources available to assist with employee relations matters. Overall 82% reported having some lawyers available. This is up from 68% last year. The increase may however be due to the Study having a larger percentage of enterprise organizations participating than last year. Not surprisingly, resourcing of in-house legal staff appears to be largely dependent upon size of organization.

	Centralized	Mixed	Decentralized
Yes	85%	82%	67%
No	15%	18%	33%

	>3,500	3,500 – 9,999	10,000 – 19,999	<20,000+
Yes	50%	67%	92%	100
No	50%	33%	8%	0

CASE MANAGEMENT
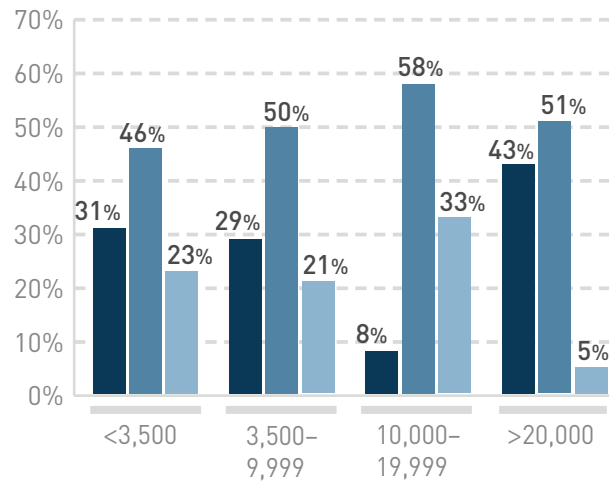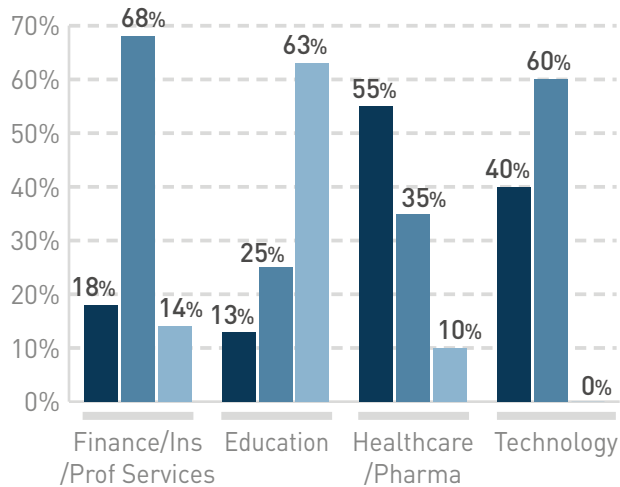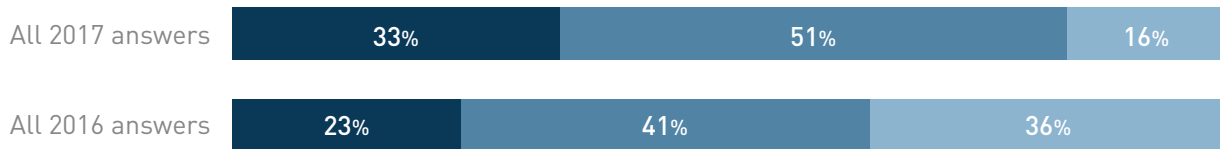
CASE MANAGEMENT

Organizations are starting to place more emphasis on required processes when it comes to investigation rigor.

INVESTIGATION PRACTICES

Participants were asked about their processes for conducting investigations and the rigor behind the requirements. This year, there was a definite shift toward having standardized processes and within that, an increase in processes that were required. Size and industry appear to have influenced that shift as highlighted below.

Method that best describes how investigations are conducted within organizations in the US

Legend:
- Required Forms and Templates
- Suggested Forms and Templates
- No Specific Guidelines

	Required Forms and Templates	Suggested Forms and Templates	No Specific Guidelines
All 2017 answers	33%	51%	16%
All 2016 answers	23%	41%	36%

Chart 1 — By industry:

	Required Forms and Templates	Suggested Forms and Templates	No Specific Guidelines
Finance/Ins/Prof Services	18%	68%	14%
Education	13%	25%	63%
Healthcare/Pharma	55%	35%	10%
Technology	40%	60%	0%

Chart 2 — By organization size:

|	Required Forms and Templates	Suggested Forms and Templates	No Specific Guidelines
<3,500	31%	46%	23%
3,500–9,999	29%	50%	21%
10,000–19,999	8%	58%	33%
>20,000	43%	51%	5%

CASE TRACKING

The trend toward the use of technology to manage employee relations continues.

Since the initial survey eight years ago, there has been a huge shift to the reliance on technology to track and manage employee relations matters. As the complexity of an organization grows, the ability to rely on paper/pencil or standard office tools just doesn't cut it. Aside from the legal risks that no or low-tech options create, those methods provide no opportunity to extract meaningful data and insights for the organization.

Technology used for Tracking ER Matters

- Employee Relations Management Solution/ Case Management
- Excel/Access or similar
- No Tracking
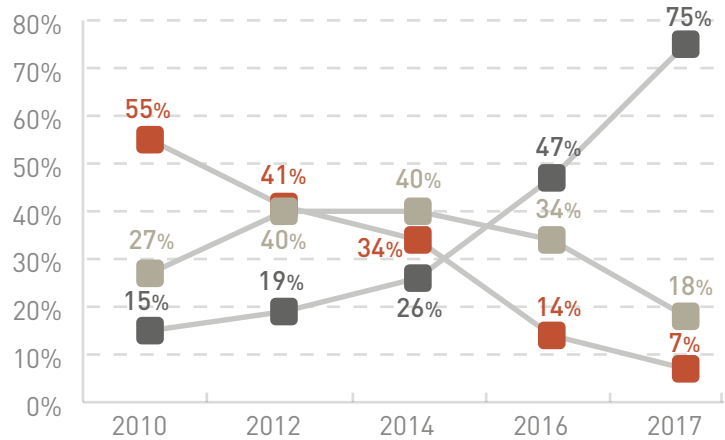
As organizations recognize the value of Employee Relations data, it is expected that there will be a continued transition to the use of technologies specifically focused on capturing, processing, reporting and analyzing Employee Relations matters.

Plans to transition to an employee relations/HR case management system

- 2017
- 2016

Yes within next 12 months	Yes, in the future	No plans at this time.
32% / 30%	32% / 19%	36% / 51%
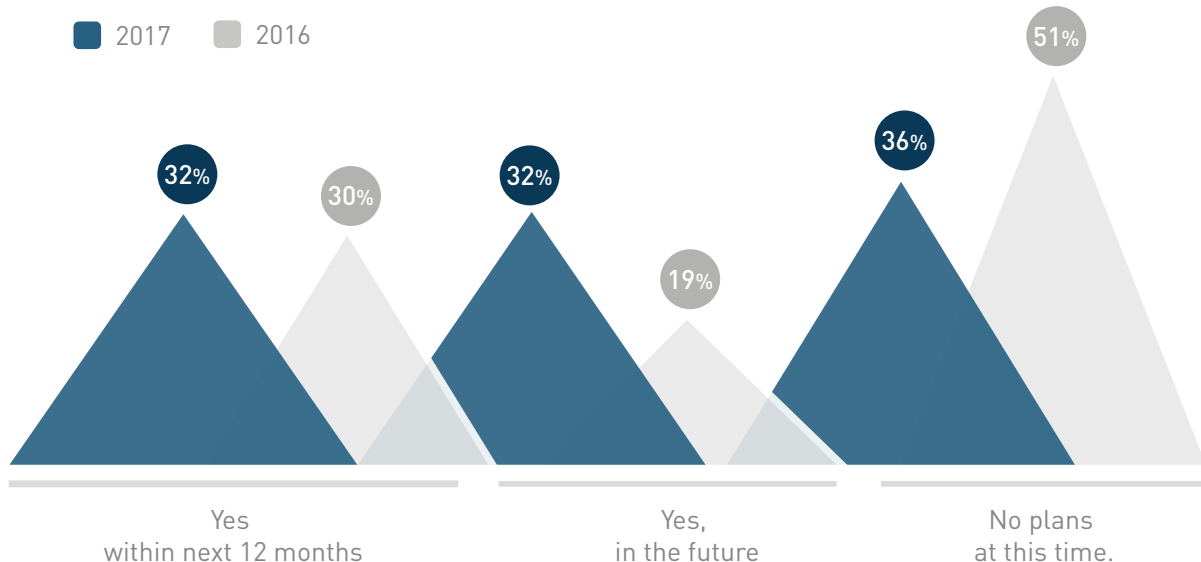
ISSUE MANAGEMENT
& TRENDS

ISSUE TRENDS

Organizations that reported the most significant increase in cases were those related to retaliation, social media, bullying and non-sexual harassment.
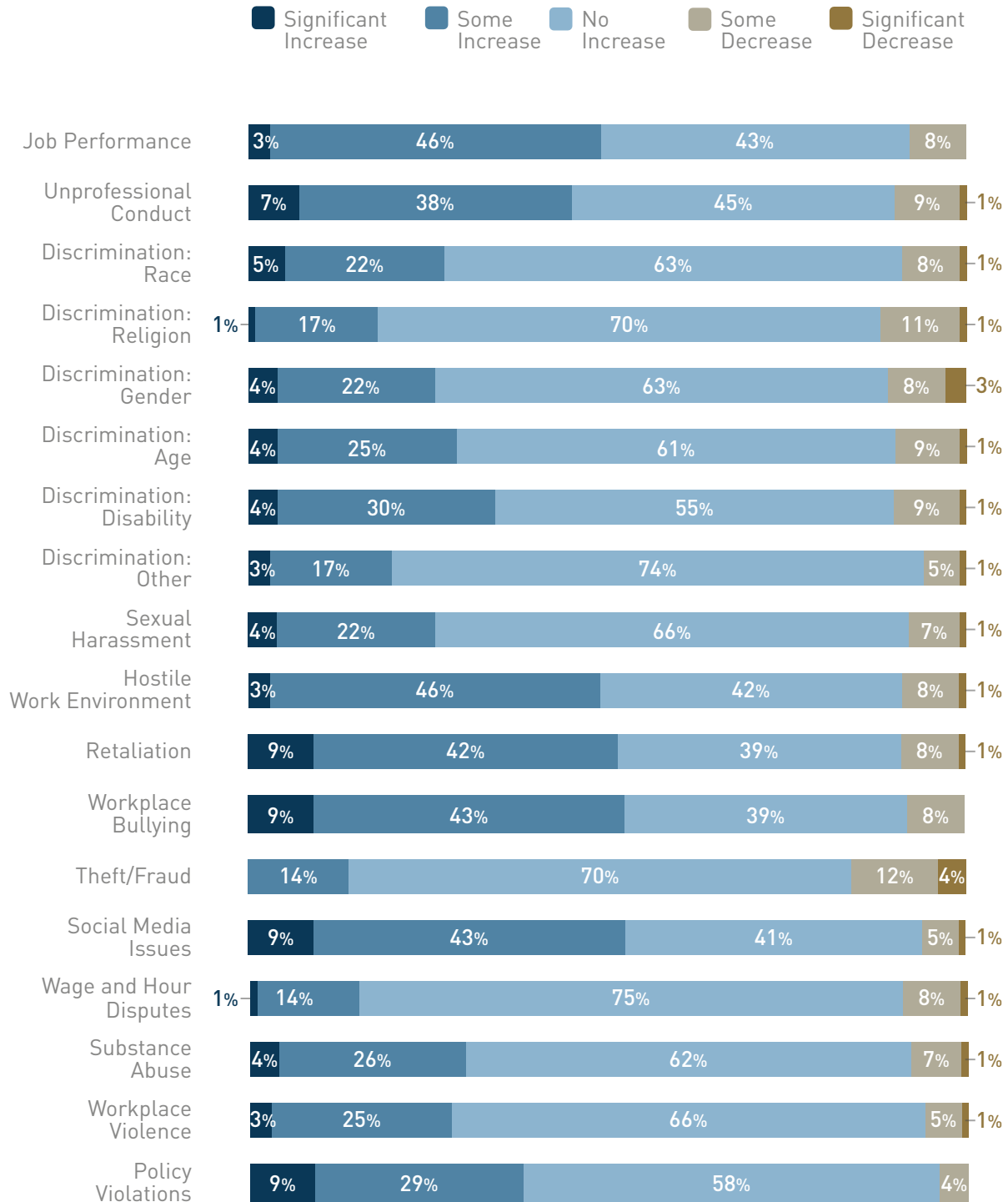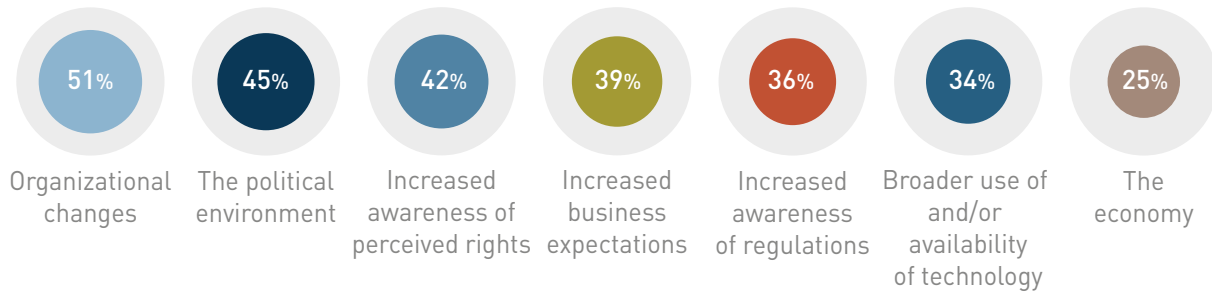
Legend: ■ Significant Increase ■ Some Increase ■ No Increase ■ Some Decrease ■ Significant Decrease

Issue	Significant Increase	Some Increase	No Increase	Some Decrease	Significant Decrease
Job Performance	3%	46%	43%	8%	
Unprofessional Conduct	7%	38%	45%	9%	1%
Discrimination: Race	5%	22%	63%	8%	1%
Discrimination: Religion	1%	17%	70%	11%	1%
Discrimination: Gender	4%	22%	63%	8%	3%
Discrimination: Age	4%	25%	61%	9%	1%
Discrimination: Disability	4%	30%	55%	9%	1%
Discrimination: Other	3%	17%	74%	5%	1%
Sexual Harassment	4%	22%	66%	7%	1%
Hostile Work Environment	3%	46%	42%	8%	1%
Retaliation	9%	42%	39%	8%	1%
Workplace Bullying	9%	43%	39%	8%	
Theft/Fraud		14%	70%	12%	4%
Social Media Issues	9%	43%	41%	5%	1%
Wage and Hour Disputes	1%	14%	75%	8%	1%
Substance Abuse	4%	26%	62%	7%	1%
Workplace Violence	3%	25%	66%	5%	1%
Policy Violations	9%	29%	58%	4%	

Attribution for these changes was primarily associated with organizational change, the political environment and an increased awareness by employees of their perceived rights. It will be interesting to see if politics continues to have an impact in future years.

To what do you attribute the increase in employee-related events/issues over the last year?

51%	45%	42%	39%	36%	34%	25%
Organizational changes	The political environment	Increased awareness of perceived rights	Increased business expectations	Increased awareness of regulations	Broader use of and/or availability of technology	The economy

ISSUE VOLUME

The challenge for the participants, as well as for many HR Acuity clients, is to understand how many issues are too many. Finding those benchmarks among industry peers or within similar sized organizations is an important way to establish the effectiveness of organizational cultures, policies and practices. While initiatives like this Study and networks such as the HR Acuity Employee Relations Roundtable set the framework for consistency in definitions and tracking, it will take time.

ISSUE CATEGORY	Average no. per 1,000 employees
Performance Issues (e.g., Performance Counseling or Discussion with employee, Performance Advising or Coaching with manager or supervisor, Performance Documentation, Performance Employee Rebuttal etc.)	69.89
Behavioral Issues (e.g., Unprofessional Conduct, Inappropriate Behavior, Bullying, Non-protected Harassment, Insubordination, Conflicts between co-workers, etc.)	32.49
Policy Violations (e.g., Inappropriate use of Social Media, Workplace Violence, Electronic Communication, Code of Conduct, Confidentiality, Theft, Fraud, Falsification, Attendance, Substance Abuse, etc.)	68.33
Leave Management Issues (e.g. FMLA, Disability, Jury, Military, PTO, etc.)	49.45
Accommodations (e.g. ADA, Religious, Gender, Interactive Discussions, etc.)	12.72
Allegations of Discrimination/Harassment/Retaliation (not including any EEOC or administrative charges)	7.34
EEOC/Administrative Charges	1.82

HR Acuity® is the leading provider of employee relations and workplace investigation solutions. By combining its "HR-First" methodology and state-of-the-art software, HR Acuity® enables organizations to reduce costs and mitigate the legal, financial and reputational risks associated with adverse employee-related events.

Our award winning Employee Relations Management System

HRACUITY™
On-Demand

Standardizing how employee-related events are managed, documented, and followed-through to completion.

Structured Investigations

The HR Acuity® 3-Step Investigation Process provides HR Professionals with a dynamic blueprint for conducting thorough and accurate fact finding.

Consistent Documentation

Proper and consistent documentation of employee issues ensures fair treatment of employees and protects your organization.

Powerful Analytics, Proactive Intelligence

Instantaneous and flexible analytics enable objective and proactive analysis of employee behaviors, managerial impact and workplace engagement.

Engaging the Workforce from Start to Finish

The Post-Hire and Exit Interviews provide an effective way to capture invaluable information from your new and departing employees.

THE HR ACUITY® 3-STEP PROCESS:

PLAN   INVESTIGATE   DETERMINE

HR Acuity® is certified as a Women's Business Enterprise by the Women's Business Enterprise National Council.

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