**EIGHTH ANNUAL**

# Employee Relations Benchmark Study

**HR**ACUITY®

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# A Message from the CEO

The results of our Eighth Annual Employee Relations Benchmark Study clearly show that Employee Relations (ER) is leading in uncharted territory. We need to adapt faster and smarter than ever before. To do that, we must become the masters of our own data and keep our community conversations honest, vulnerable and vibrant. Learning from each other is the path forward.

This year's findings reconfirm the growing maturity and importance of the ER function and remind us that employee relations will always be a continuous journey, not a destination. For example, we're experiencing what may just be the tip of the iceberg when it comes to the widespread mental health crisis at work. Lingering pandemic trauma, aggressive return to office mandates and a generation of more 'diagnosis aware' workers continue to place employee relations professionals in the crosshairs for mental health triage amidst rising case volumes. To help navigate these issues, we must embrace our data to identify patterns and predict future issues. We must also learn to partner with mental health experts.

Simultaneously, while expectations for transparency and accountability from younger generations are well known at this point, they require more action than acknowledgement. Despite the benefits of sharing aggregated outcomes with the workforce, organizations still hesitate to do so due to fear of legal concerns. We have to find a way to face and overcome these fears to keep building trust within our organizations and through our work.

Finally, artificial intelligence (AI) has moved from edge to embedded technology. Even though we see its potential in helping us reduce workloads, increase effectiveness and create efficiencies, most organizations have yet to fully embrace it. Unsurprisingly, most concerns center around legal, ethical and compliance issues. As employee relations navigates how AI can enhance human contribution, we must prioritize the human element of what we do, and realize that employees may harbor real fears around threats to their relevance and job security.

As always, I encourage you to review the data in the context of your team and ask questions to identify your goals. How have we grown relative to these benchmarks? Where can we make improvements? Share the relevant insights with your leadership and decide where to invest resources. Using the findings purposefully, we can build deeper connections with our employees, increase our effectiveness and create better workplaces.

Employee relations is evolving to meet the moment. I am amazed at your courage to self-reflect, stay curious and push yourselves as leaders. We remain committed to partnering with you on this journey and look forward to continuing our work together.

**Our people need empathetic, trustworthy leaders. I am certain we are those leaders amid uncertain times.**

**Deb Muller**
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# Methodology and Terminology

HR Acuity, in partnership with Isurus Market Research, fielded an online survey via email 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 253 organizations, representing 8.7 million employees globally. The data collected was from the calendar year 2023 with one submission per organization. The research was conducted between January 11 and February 21, 2024, and has a confidence level of +/- 6.1 percentage points. Only statistically significant changes in the results are highlighted in the report.

## 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

**ER/Q**
Employee Relations Quotient

**FTE**
Full-Time Equivalents

**HR**
Human Resources

**HRBP/G**
Human Resource Business Partner/Generalist

**HRIS**
Human Resource Information System

## 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 Quotient (ER/Q)**
An employee-relations specific maturity model designed to help organizations measure and improve ER processes

## ER 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

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# Respondent Profile

Participants in this year's Employee Relations Benchmark Study represent a wide array of industries and included CHROs, Heads of HR, Vice Presidents, Senior Directors, Senior Managers and HRPBs with 78% of respondents in leadership roles.

Findings include input from 253 organizations representing more than 8.7 million employees globally, with nearly 20% in the Fortune 100 and Fortune 500 lists.

## By Size

- 23%
- 27%
- 17%
- 34%
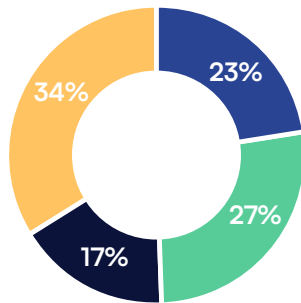
■ 1,000 - 3,499
■ 3,500 - 9,999
■ 10,000 - 19,999
■ 20,000+

## By Industry

- 14%
- 20%
- 13%
- 6%
- 7%
- 40%
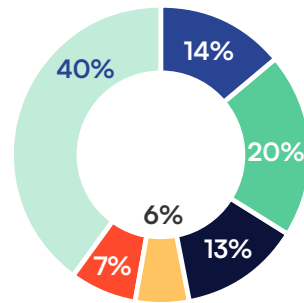
■ Financial Services
■ Technology
■ Healthcare
■ Pharmaceuticals
■ Retail/Wholesale
■ Other

## By Revenue

- 6%
- 23%
- 31%
- 13%
- 27%
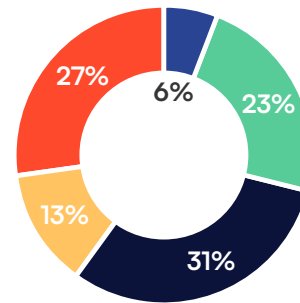
■ $100 million or less
■ $101 - $999 million
■ $1 - $5 billion
■ $5.1 - $10 billion
■ > $10 billion

## By Fortune List

- Fortune 100: 7%
- Fortune 500: 39%
- Fortune 1000: 75%
- Global 500: 13%
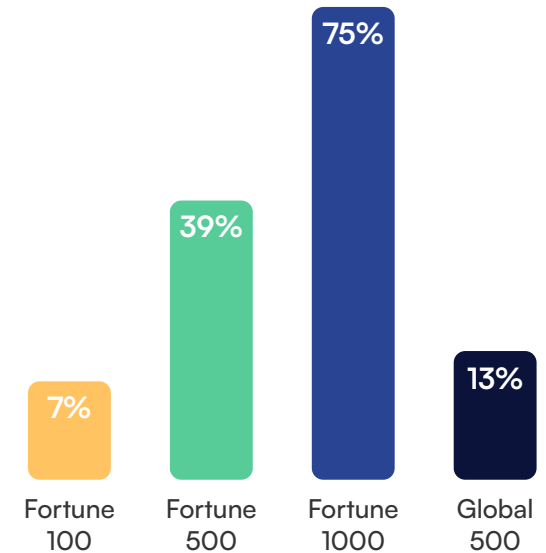
# Key Findings

**For the second consecutive year, mental health challenges drove higher issue volumes, and major categories hit a five-year high.**

- **Policy violations, behavioral issues, discrimination, harassment or retaliation allegations and EEOC charges reached their highest levels** since 2018. Performance issues also saw an uptick from 2022.

- Continuing the 2023 trend, **mental health issues continued to be the primary factor behind case volumes,** with 70% of organizations attributing increases to mental health-related challenges.

- Organizations are starting to respond to continually growing case volumes by **examining data to identify patterns and predict and prevent future issues.** More than half of organizations (51%) identified early-warning flags and used targeted interventions to minimize further issues, and 60% implemented initiatives to address trends or spikes.

- **One way to effectively manage the increased case volume is to proactively address issues through aftercare to ensure issues are *actually* resolved.** A critical role in employee well-being, aftercare provides closure and helps employees move past issues. Only 6% of organizations had a well-defined process to proactively support involved parties and monitor situations after an investigation. Adopting proactive aftercare may also curb future increases in mental health issues.

**Despite overwhelming agreement that organizations must lead with trust, too few are proactively building it through intentional, transparent, two-way communication.**

- Most organizations (89%) indicated that **building employee trust is a priority,** with more than half in strong agreement.

- While most organizations have a tool for employees to anonymously report concerns, on average, only 47% track how issues are initially reported. **Visibility into issue reporting methods is key** to ensure that leaders are equipped with the necessary tools and resources to address or escalate concerns.

- **Only 20% of organizations gather employee feedback following an investigation.** Understanding employee sentiments lets employees know their wellbeing is a priority. It can help organizations refine their investigation process and identify whether an investigated issue is truly resolved. Feedback can also prove useful when creating a support strategy to re-engage employees and can aid retention.

- Only 11% of organizations share aggregated, anonymous investigation or employee relations outcomes with employees. The main reason is legal concerns, cited by 59% of organizations. **It's important for organizations to find a way to share anonymous outcomes with employees to build trust.** Without transparency, employees are left to draw their own conclusions, which can be harmful to the organization's retention and brand reputation.

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# Key Findings

AI has the potential to reduce ER workloads and increase effectiveness, but many organizations have yet to adopt it.

- **Nearly all organizations (90%) are interested in using AI to enhance data analytics using aggregated data** to uncover trends, run predictive models and analyze case data to ensure compliance.

- Employee relations professionals see value in using AI to **accelerate employee relations productivity, provide case load relief and enable more targeted actions.** Top tasks cited for AI include automating time-consuming tasks, such as transcribing case interviews and drafting case summaries (75%) and investigation reports (69%).

- Most organizations in the process of devising their approach to using AI for employee relations cited concerns from legal, ethics and compliance as the biggest worry. Half (53%) of respondents also expressed concerns about protecting IP and preventing exposure of customer information. Given the sensitive nature of the information captured in ER, and the potential risk of inherent bias that may exist in AI technologies, **careful consideration for the risks and appropriate use of AI is warranted.**

- **By reducing the administrative burden of the function, incorporating AI also has the potential to reduce burnout and increase job satisfaction for ER professionals,** even if employee relations staffing resources remain flat.

Organizations are now investing more in consistent investigation processes, marking the first meaningful increase since 2019.

- **The use of required investigation processes by organizations jumped 13 points to 58%** in 2023. This uptrend is encouraging, as required processes foster a culture of accountability and build employee trust.

- **Significant room for improvement still remains,** as a substantial number of organizations **(42%) have not adopted required investigation practices.** Given the EEOC's renewed focus on eradicating discrimination and its commitment to holding organizations accountable, these organizations will want to consider tightening their processes to avoid legal risk and brand damage.

- **Investigation training continues to be lax,** with nearly half of organizations (46%) training investigators only as-needed, with no formal schedule. Lack of proper training can lead to incomplete, biased or non-compliant investigations. More frequent training is crucial to ensure that investigators are equipped to respond to emerging trends in the evolving workforce and that investigations are conducted in a thorough, fair and compliant manner.

# Key Findings

Organizations are integrating employee relations data with other metrics for deeper insights to inform business decisions, but gaps remain.

- **Strategic use of data improved in 2023.** Specifically, 67% used data to develop more data-driven employee insights and initiatives and 54% improved employee relations policies based on employee relations data.

- **Three-quarters of organizations (75%) integrated employee data with other metrics** for deeper insights, up 10 points over 2022. This provides a clearer picture of the state of the organization and can support strategic business recommendations.

- **Organizations have a blind spot regarding substantiation data.** Fewer than half of organizations (44%) track substantiation rates by issue type, and of those, less than 40% on average have access to substantiation data. This is cause for concern, as **unknown outcomes lead to distrust** and make it challenging to provide effective aftercare for employees involved in an investigation.

The financial impact of employee relations on organizations remains difficult to quantify, despite its clear value.

- **Very few organizations** have processes in place to **analyze metrics such as employee relations costs and expenses (15%), the ROI of employee relations (8%) or the associated savings/cost avoidance (8%).** Demonstrating the value of employee relations in this way may help justify investments in additional resources (staffing, training, technology, etc.) or defend against cutbacks within the function.

- In the instances where organizations tracked metrics illustrating the financial impact of employee relations, the data was typically reported to Senior Leadership. This suggests that **financial-related metrics can increase the visibility of employee relations at the highest levels of an organization.**

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# Established Norms

Now in its eighth year, the Employee Relations Benchmark Study monitors emerging and established norms to shed light on enduring employee relations practices. Last year's introduction of standardized norms, grounded in consistent data patterns and trends since 2016, reflects the maturity of the employee relations function.

Organizations can refer to these norms as a reliable foundation for guidance as they establish and refine their employee relations function and shape their employee relations strategies. The Benchmark Study will revisit and update these practices periodically as the landscape of employee relations continues to evolve.

### 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)
- Employee Relations 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

### Additional 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

## Case volumes *surged* across major issue categories

Four of the five categories were at a five-year high in 2023. Policy violations surpassed performance issues in volume for the first time in the history of the Benchmark Study. Discrimination allegations also soared to unprecedented levels, eclipsing the previous record set during the 2018 #MeToo movement.

The average number of cases per 1,000 employees declined slightly in 2023. This is most likely because a case can often consist of multiple issues. For example, one case may include both a policy violation and a behavioral issue.

Average number per 1,000 employees

| Issue Category | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| **Performance Issues** (such as performance counseling, coaching with manager or documentation, performance plan, performance rebuttal, etc.) | 33.4 | 32.7 | 40.1 | **43.6** |
| **Policy Violations** (such as potential or actual violations or infractions of company policies, including code of conduct, conflict of interest, inappropriate use of social media, theft, fraud, substance abuse, etc.) | 22.6 | 30.2 | 35.9 | **48.3** |
| **Behavioral Issues** (such as issues or allegations related to unprofessional conduct, inappropriate behavior, bullying, insubordination, conflicts between co-workers, etc.) | 18.0 | 16.2 | 22.4 | **30.7** |
| **Discrimination, Harassment or Retaliation Allegations** | 6.8 | 6.4 | 8.1 | **11.9** |
| **EEOC or other Federal/State/Local Agency Charges** | 0.6 | 1.3 | 1.8 | **5.5** |

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

10.8 — 2018
6.9 — 2019
6.8 — 2020
6.4 — 2021
8.1 — 2022
11.9 — 2023

### Total Number of ER Cases in the U.S.

(average per 1,000 employees)

131.6 — 2021
152.2 — 2022
143.1 — 2023
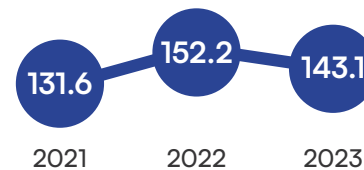
**FORTUNE 100**

CASE VOLUME

134.6

■ Average per 1,000 employees

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Mental health issues remained pervasive in 2023, topping the list for increased case volume for the second year in a row.

## Case volume by case type

| Case Type | Significant decrease | Some decrease | The same | Don't know | Some increase | Significant increase |
|---|---|---|---|---|---|---|
| Mental Health Issues | | 2% | 25% | 17% | 38% | 18% |
| Accommodation Requests | 1% | 6% | 27% | 20% | 31% | 16% |
| Job Performance | 1% | 4% | 36% | 10% | 36% | 14% |
| Policy Violations | 1% | 4% | 35% | 8% | 40% | 12% |
| Retaliation | 1% | 9% | 48% | 10% | 26% | 7% |
| Discrimination | 1% | 6% | 46% | 10% | 31% | 6% |
| Non-Sexual Harassment Allegations | 1% | 6% | 51% | 10% | 26% | 6% |
| Social Media Issues | 3% | 11% | 44% | 14% | 22% | 6% |
| Sexual Harassment Allegations | 1% | 12% | 50% | 11% | 21% | 5% |
| Workplace Bullying | 3% | 6% | 48% | 10% | 30% | 4% |
| Theft/Fraud | 5% | 10% | 48% | 19% | 14% | 4% |
| Union Organizing | 5% | 6% | 37% | 37% | 11% | 4% |
| Threat Assessments | 2% | 9% | 42% | 27% | 18% | 3% |
| Substance Abuse | 4% | 6% | 46% | 19% | 22% | 3% |
| EEOC Charges | 2% | 12% | 36% | 27% | 21% | 3% |
| Workplace Violence | 6% | 13% | 45% | 15% | 19% | 2% |
| Abuse of Remote Communication Platforms | 3% | 3% | 43% | 29% | 20% | 2% |
| Wage and Hour Disputes | 3% | 7% | 49% | 25% | 15% | 1% |

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

## Mental health issues continued to *dominate* in 2023

2023 saw a stabilization in the factors driving increased issue volumes. The findings echo the countless media reports and experiences of the employee relations leaders in the Roundtable community. A full 70% of organizations attributed increased case volumes to mental health issues. While overall case volumes remain a challenge, the underlying drivers can help employee relations professionals predict, plan and adequately address these issues.

**RECOMMENDATIONS:** To combat rising mental health issues, organizations can refine processes and use data in the following ways to identify patterns and implement targeted interventions to better support employees:

- **Gather and analyze employee sentiment feedback,** especially with involved parties following an investigation.

- **Create an aftercare process for consistent follow-up** with employees to help them move forward and re-engage.

- **Train people leaders** to identify mental health indicators in employee issues.

- **Combine employee relations data with metrics related to absenteeism, engagement, performance/productivity, accommodations, leave requests and demographics** to better understand the extent to which underlying mental health concerns may be influencing your workforce or specific employees.

- Analyze the data to **identify focus areas for support.**

- **Devise a plan to proactively address** areas of concern.

### To what would you attribute any increase in employee-related events/issues over the course of 2023?

| Category | Value | Change from 2022 |
|---|---|---|
| Increased mental health challenges | 70% | -9 |
| Organizational changes | 56% | +8 |
| Return-to-office, transition to hybrid | 54% | |
| Increased awareness of perceived rights | 51% | +7 |
| Societal and political events, crises or movements | 50% | |
| The economy | 46% | |
| Increased business expectations | 43% | |
| The political environment | 35% | |
| Increased activism in the workplace | 26% | |
| Increased awareness of regulations | 24% | |
| Broader use of and/or availability of technology | 15% | |

+- Change from 2022

# Managing Cases | Case Assignments

Consistent with the data for the past several years, cases are most often assigned by line of business (LOB). Specialization within lines of business allows employee relations professionals who understand the culture, processes and specific needs of the business to streamline operations, increase efficiencies and tailor their solutions to resolve issues more effectively. This year's findings revealed a slight variation in case assignments based on organizational model. More organizations using a mixed model assigned cases by case type than those using a centralized model.

## Primary Method for Assigning Cases on the Employee Relations Team

- Line of business: 31%
- Case type: 14%
- Geography: 13%
- First in, first out: 12%
- Complexity: 11%
- Subject matter: 10%
- Auto assigned: 2%

**By ER Model**
- Centralized: 17%
- Mixed: 8%

**FORTUNE 100 | GLOBAL 500**

CASE ASSIGNMENT

- 28%
- 27%

■ Assignment by case type
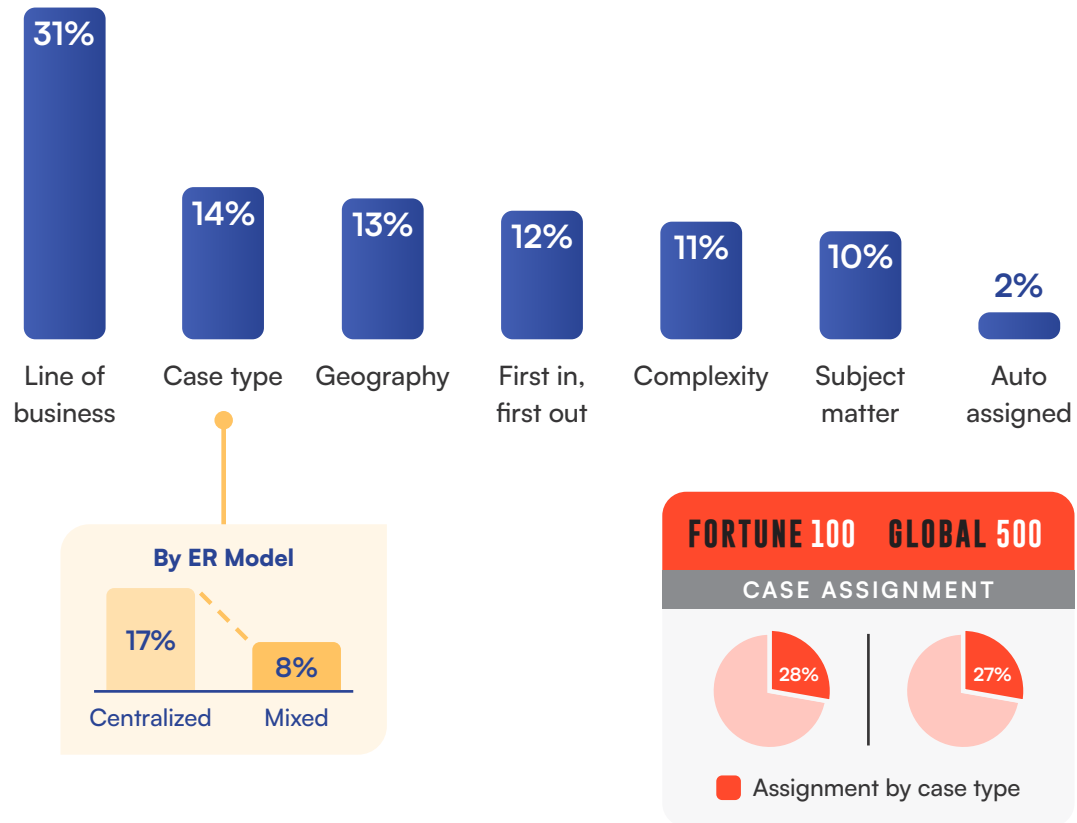
# Time to Close

Overall, the time to resolve issues further improved in 2023 as more organizations reported a time to close of two weeks or less for seven of 13 case types. These results are encouraging after the pandemic years when cases in most categories remained open for longer periods.

## Length of time cases are typically open

| Case Type | Less than 1 week | 1-2 weeks | 3-4 weeks | 5-8 weeks | More than 8 weeks | Don't know |
|---|---|---|---|---|---|---|
| Time and Attendance | 37% | 36% | 13% | 6% | 1% | 7% |
| Wage and Hours | 19% | 35% | 22% | 8% | 1% | 14% |
| Policy Violations | 18% | 41% | 25% | 10% | 2% | 4% |
| Performance | 17% | 31% | 24% | 12% | 9% | 6% |
| Behavior Issues | 12% | 35% | 33% | 13% | 3% | 4% |
| Leave Management | 11% | 28% | 27% | 9% | 9% | 17% |
| Reduction in Force/Severance | 11% +7 | 20% | 26% | 14% | 10% | 20% |
| Accommodations | 7% | 36% | 28% | 9% | 8% | 12% |
| Non-Sexual Harassment Allegations | 6% | 33% | 36% | 15% | 5% | 5% |
| Sexual Harassment Allegations | 6% | 24% | 42% | 16% | 8% | 6% |
| Retaliation | 6% +11 | 30% | 36% | 15% | 6% | 6% |
| Reponse to EEOC | 6% | 17% | 17% | 18% | 11% | 19% |
| Discrimination | 4% | 23% | 39% | 24% | 5% | 6% |

Legend: ■ Less than 1 week  ■ 1-2 weeks  ■ 3-4 weeks  ■ 5-8 weeks  ■ More than 8 weeks  ■ Don't know  ⬆ +- Change in 2 weeks or less from 2022
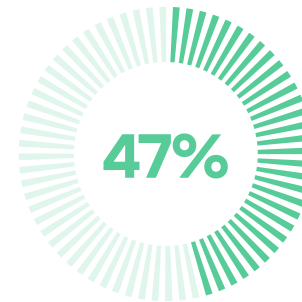
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## The *untapped potential* of reporting methods

To gather insight into issue reporting, participants estimated the percentage of issues initially reported across various methods including managers, HR, Leadership, Ethics and Compliance, Ombudsmen, hotlines or web portals (anonymously or by name) or third-party vendors.

Nearly half of organizations were unaware of how issues were reported, hinting at a blind spot and a missed opportunity for employee relations professionals to assess which methods were effective or underutilized.

**47%** of organizations **don't track** the initial reporting method for workplace issues or concerns.

**90%** of organizations **use a tool** for employees to anonymously report issues or concerns in their workplace.

**RECOMMENDATIONS:** In 2023, 42% of serious workplace issues were unreported*, affecting retention, referrals and brand reputation. Follow these tips to prepare people leaders and ER/HR to respond and address issues appropriately and instill employees' confidence in the process, which may improve reporting rates.

- **Track methods** used to report issues.
- **Use tracking data to inform processes,** training resources and tools to ensure people leaders and ER professionals can effectively address day-to-day issues with consistency and escalate concerns when necessary.
- **Adopt reporting tools** that allow communication with employees during the process, including check-ins after a case is closed to support employees and confirm the issue has been resolved.
- **Enhance communications** to increase awareness of available reporting options to encourage employees to report concerns.

*2023 HR Acuity Workplace Harassment and Misconduct Insights

## *Revitalized* focus on investigation practices

In 2023, investigation practices rebounded significantly, particularly among Fortune 100 and Global 500 companies, where brand risk is high and ER functions are typically more mature. This increase is promising, though we simplified the question this year, which may have affected the results. Post-pandemic stabilization may also have allowed organizations to refocus on these practices. The EEOC's recent guidance underscores the need for timely and appropriate responses to harassment complaints, by demonstrating a commitment to preventing harassment, crucial for affirmative defenses.

**RECOMMENDATIONS:** Robust processes are crucial for thorough, consistent and compliant employee relations investigations. The EEOC's latest guidance to eradicate discrimination makes tighter processes more critical than ever. Non-compliance may expose organizations to increased legal risk and brand damage. To avoid scrutiny and protect employees and your brand, consider implementing these practices:

- **Develop a required, structured investigation process** that covers all aspects of an investigation.
- **Utilize purpose-built technology** to streamline the process, guide practitioners and ensure complete documentation.
- **Establish criteria to monitor investigation consistency.** Consider creating an audit program for periodic peer reviews of investigations to highlight areas of success and identify areas for improvement.

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

| 58% | 38% | 4% |
|-----|-----|-----|

- ■ Required, structured process
- ■ Suggested process
- ■ No specific guidelines or processes

### Use of a Required Process for Conducting Investigations

| 2019 | 2020 | 2021 | 2022 | 2023 |
|------|------|------|------|------|
| 59% | 44% | 43% | 45% | 58% |

**FORTUNE 100    GLOBAL 500**

**INVESTIGATIONS**

78%    71%

■ Use a required process

# Confidence in Investigation Processes
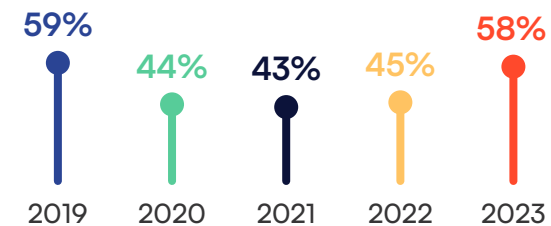
This year's survey introduced a new question asking respondents to describe their confidence in the consistency of workplace investigation practices in their organization. It is interesting to note that using required investigation processes or a centralized organizational model correlated with higher confidence levels.

**"I feel confident that our workplace investigators consistently follow the suggested or required process for conducting investigations."**

**Confidence in Investigation Consistency Based on Process and ER Model**

86% Agree

7% Neither disagree nor agree

7% Disagree

Investigation Process
- 50%
- 24% — 2.1x

Organizational Model
- 49%
- 25% — 2x

- ■ Required, structured process
- ■ Suggested process
- ■ Centralized organizational model
- ■ Mixed organizational model
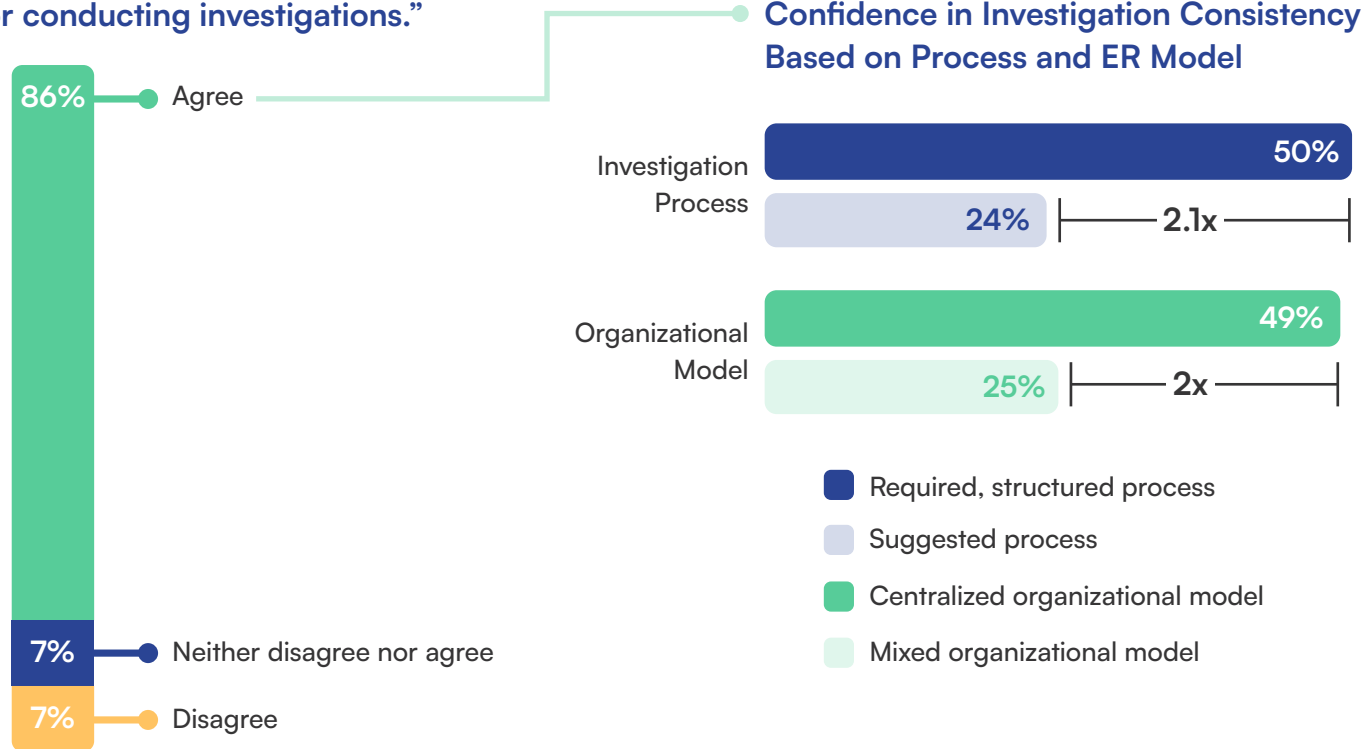
## Ongoing training is *critical* for consistency
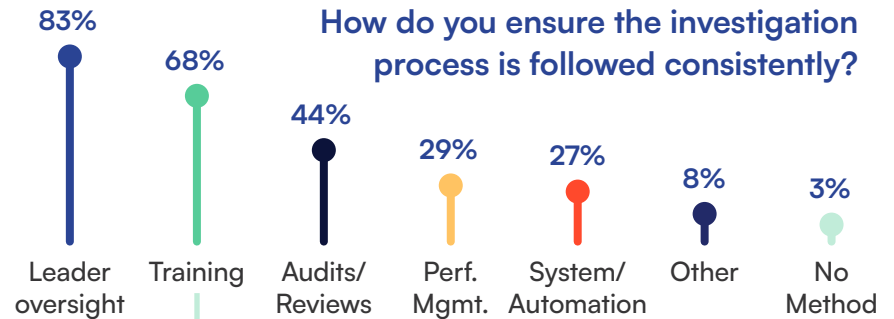
Respondents were also asked to share how they ensure process consistency. The most common approaches cited were oversight from employee relations leadership, followed by training. Yet just over one-third of all organizations reported training investigators at least once a year and nearly half provided training only on an as-needed basis.
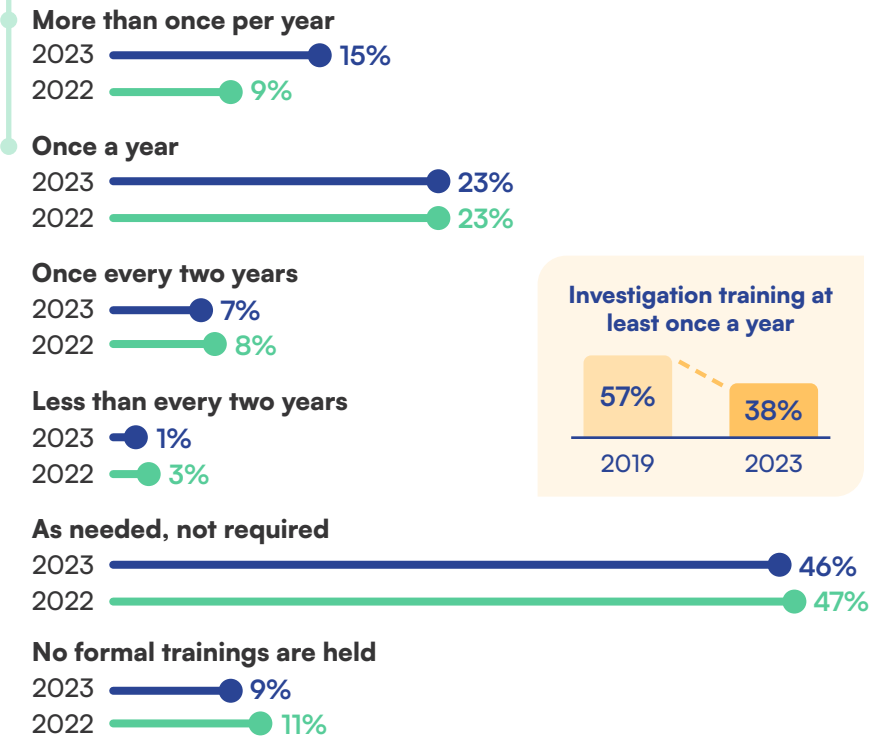
Training frequency improved slightly in 2023 but remains substantially lower than levels observed in 2019, suggesting that some pre-pandemic areas of focus have not rebounded.

**RECOMMENDATIONS:** A commitment to regular and frequent investigation training is critical to adequately monitor and reinforce investigation consistency. As the workplace continues to evolve, ongoing training is also essential to supplement investigation skills to address investigation nuances.

- **Review investigation audit results** to refine the process, identify areas for additional training and take actions to prevent future issues.
- **Develop or expand investigation trainings** to strengthen or hone seasoned investigators' skills to keep pace with the changing workforce and ensure compliance.
- **Train investigators at least annually.**

### How do you ensure the investigation process is followed consistently?

| | % |
|---|---|
| Leader oversight | 83% |
| Training | 68% |
| Audits/Reviews | 44% |
| Perf. Mgmt. | 29% |
| System/Automation | 27% |
| Other | 8% |
| No Method | 3% |

### How often are investigators trained on proper investigation techniques?

**More than once per year**
2023 — 15%
2022 — 9%

**Once a year**
2023 — 23%
2022 — 23%

**Once every two years**
2023 — 7%
2022 — 8%

**Less than every two years**
2023 — 1%
2022 — 3%

**Investigation training at least once a year**
2019 57%
2023 38%

**As needed, not required**
2023 — 46%
2022 — 47%

**No formal trainings are held**
2023 — 9%
2022 — 11%

## Substantiation data plays a *critical role* in ER effectiveness

The practice of tracking substantiation data by issue type is not widespread. Fewer than half of the organizations that track this data have comprehensive access to it, revealing a shortfall in employee relations effectiveness. Lack of visibility into investigation outcomes not only obscures potential hot spots and problem areas but also hampers our ability to identify trends, recommend follow-up actions and implement preventative measures. Understanding substantiation data is essential to cultivate trust and instill confidence in employee relations processes. Without this data, organizations s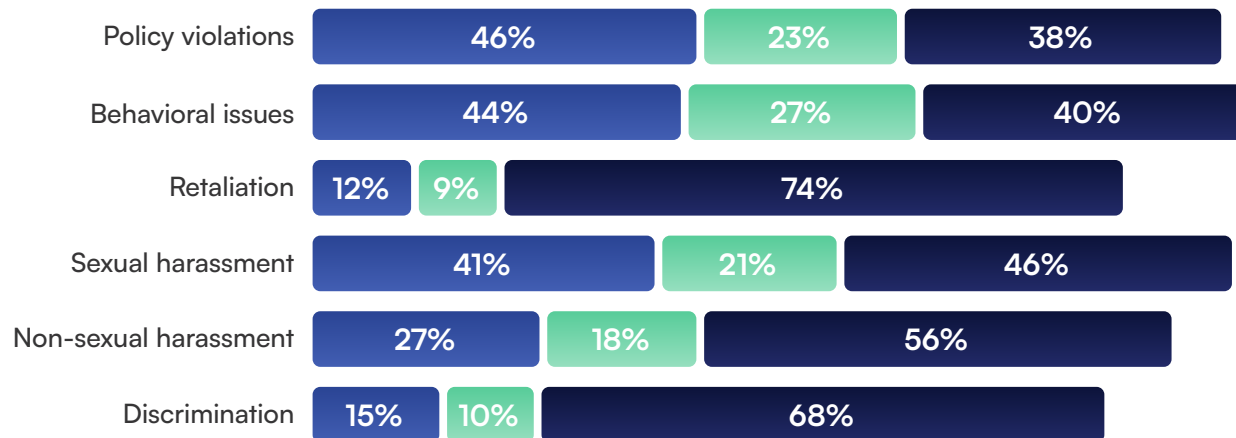truggle to provide an accurate account of case outcomes. This may be the root cause or a significant factor in organizations' inability to share aggregated case data and outcomes with employees, ultimately affecting the ability to foster a trustworthy culture and a better workplace environment.

**Availability of Substantiation Data**

**ONLY 44%**

of organizations track substantiation **by issue type**

| | Non-sexual harassment | Retaliation | Behavioral issues | Policy violations | Sexual harassment | Discrimination |
|---|---|---|---|---|---|---|
| Able to report on substantiations | 58% | 59% | 60% | 60% | 62% | 63% |
| Data not available/no relevant investigations | 42% | 41% | 40% | 40% | 38% | 37% |

■ Able to report on substantiations

■ Data not available/no relevant investigations

In 2022, the Benchmark Study began monitoring substantiation rates for major issue types and the proportion of unsubstantiated claims. This year's findings mirror the initial findings. Across all six categories, a large portion of issues were unsubstantiated. This finding is most common for retaliation, discrimination and non-sexual harassment allegations. It's worth noting that a lack of substantiation does not imply that no action was taken. For example, based on the investigation findings, training or other steps may have been taken. When cases are substantiated, it is most often done on the basis of legal definitions or policies.

Despite the frequent occurrence of retaliation in various forms, the surprisingly low substantiation rate for retaliation is concerning and raises questions about the thoroughness of retaliation investigations and outcomes. Claims of retaliation are the most common issue type brought to the EEOC (as it is typically an add-on to another discrimination claim) and more likely to be found unlawful even when the initial allegation is found to have no merit. Therefore, it is important for retaliation claims to get more than a cursory review even if they come late in the course of a core investigation. We will continue to watch this statistic.

## Substantiation Rates by Issue Type*

| Issue Type | Substantiated based on legal definitions and/or organization's policies | Substantiated with another finding* | Unsubstantiated |
|---|---|---|---|
| Policy violations | 46% | 23% | 38% |
| Behavioral issues | 44% | 27% | 40% |
| Retaliation | 12% | 9% | 74% |
| Sexual harassment | 41% | 21% | 46% |
| Non-sexual harassment | 27% | 18% | 56% |
| Discrimination | 15% | 10% | 68% |

*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

## Consistent aftercare must not be an *afterthought*

Aftercare remains a hot topic among employee relations leaders, but organizations continue to struggle in creating consistent processes to support employees following an investigation. This year's findings echoed those of 2022, with most organizations offering some sort of follow-up, typically from a manager or employee relations team member.

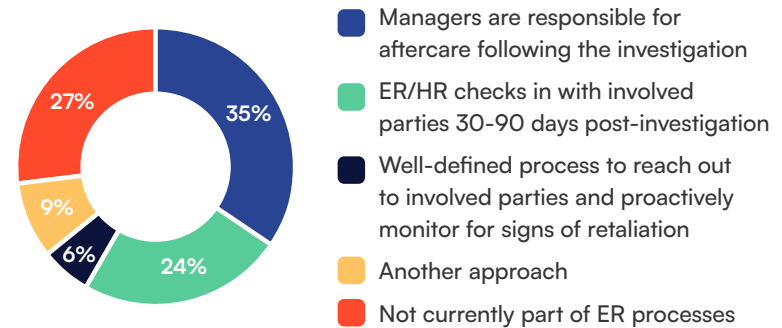## Gathering feedback is an *essential* first step

Organizations can learn whether employees are satisfied with the issue outcome, assess the effectiveness of the investigation and employee relations processes and devise follow-up actions that may be needed.

**ONLY 20%**

of organizations **gather feedback** from employees involved in an investigation.

**FORTUNE 100**

**FEEDBACK**

39%

Gather feedback after investigation
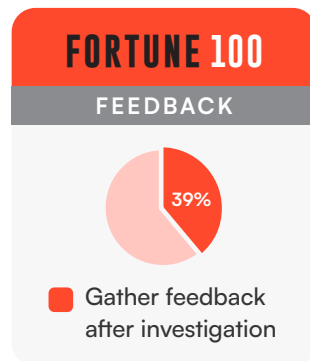
### How does the organization handle aftercare following an employee relations investigation?

27% 35% 9% 6% 24%

- ■ Managers are responsible for aftercare following the investigation
- ■ ER/HR checks in with involved parties 30-90 days post-investigation
- ■ Well-defined process to reach out to involved parties and proactively monitor for signs of retaliation
- ■ Another approach
- ■ Not currently part of ER processes

**RECOMMENDATIONS:** Comprehensive aftercare is critical. Follow the steps below to begin designing an intentional aftercare program to foster trust, re-engage and retain high-performing employees, minimize retaliation and improve employee experiences.

- **Start small**; pick one or two types of investigations for targeted aftercare efforts.
- **Gather feedback from involved employees** following the investigation.
- **Review your data and devise a plan** to check in with each employee involved.
- **Define the format and cadence** for follow-up activities.
- **Identify meaningful metrics** to measure success.
- **Document the actions taken.**
- **Review and evaluate** your process.
- **Expand and pilot,** refining as you go.

# Investigation Feedback

To delve deeper into the aftercare process, participants provided information about the extent to which investigation feedback is gathered and used following investigations. Only 20% of organizations gathered feedback.
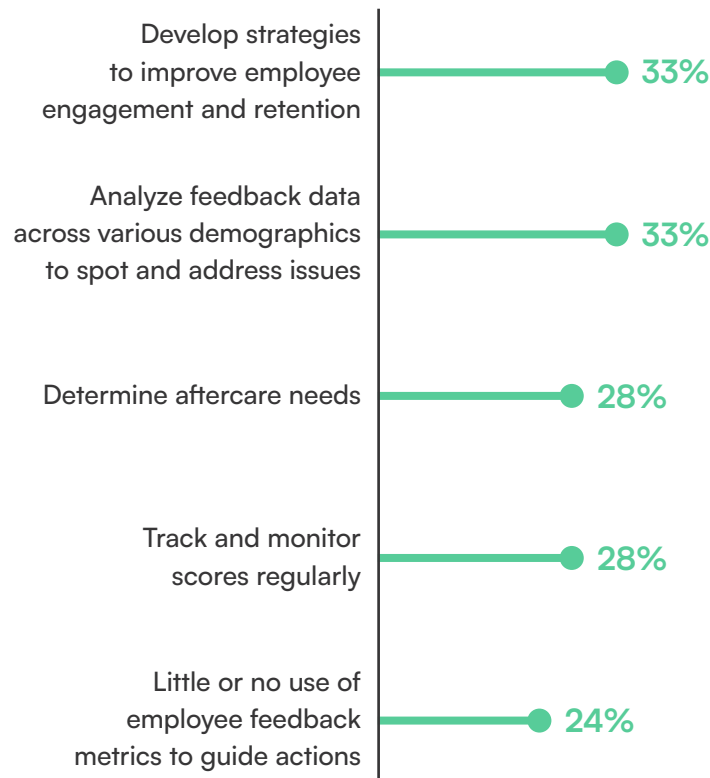
## What questions do you ask after an investigation?

Did you feel the investigation was conducted in a thorough and timely manner?

**66%**

How likely would you be to encourage a colleague to report a workplace issue to ER/HR?

**53%**

Did you feel you were treated with dignity and respect?

**51%**

How likely would you be to come forward and report an issue in the future?

**43%**

Other question(s) asked*

**35%**

## Other Feedback Questions

–⊢ Did you have the support and resources you needed?

–⊢ Were you kept informed during the investigation process?

–⊢ Was the investigator's finding clearly communicated to you?

–⊢ How satisfied are you with your overall experience with the Employee Relations Team?

–⊢ Did the HR team member clearly explain their role and advise you of what to expect in the process?

–⊢ Was the HR team member empathetic towards you?

–⊢ Was the HR team member objective?

–⊢ Was the HR team member actively listening to you?

–⊢ What was your expectation of the investigation? Did we meet it?

–⊢ What went well in your interaction with the HR Investigator?

–⊢ How we can improve the investigation process?

## How are employee feedback metrics used in the organization?

Develop strategies to improve employee engagement and retention — **33%**

Analyze feedback data across various demographics to spot and address issues — **33%**

Determine aftercare needs — **28%**

Track and monitor scores regularly — **28%**

Little or no use of employee feedback metrics to guide actions — **24%**

## The *Impact* of Employee Feedback

"Employees weren't aware of the investigation process and didn't feel they had closure after participating. We started using email options within our ER platform to **provide updates during and after the investigation.**"

"**To address concerns from employees interviewed** as witnesses, we **created and linked to an FAQ document** in the meeting invite for participants to learn more about the investigation process."

"We've **instituted regular check-ins with reporters and leadership** based on feedback that there weren't enough ongoing updates on case status."

"Simple improvements like not scheduling an interview on a Friday for the following week and closing concerns with a conversation and a follow-up email for the official record. **Caring about co-workers needs first and then addressing the risk issues.**"

"The need to **differentiate between performance and conduct/conflict** when both co-exist and intentional efforts to separate those into two separate cases/approaches."
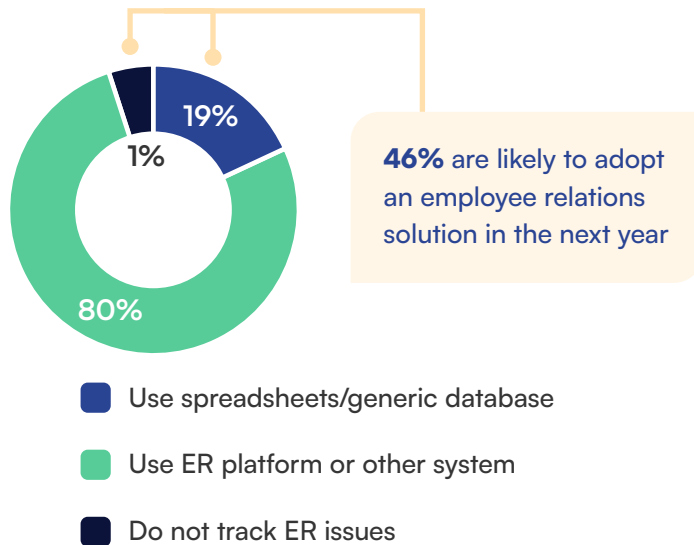
"Employee feedback was a factor in our organization's **decision to purchase an ER case management system.**"

"We don't typically seek employee feedback, but **unsolicited feedback has shaped the way we communicate with employees** throughout the investigations, challenged our definitions of certain complaint types (such as violating confidentiality) and led us to take more care when talking about sensitive subjects with the complainant and named individuals."
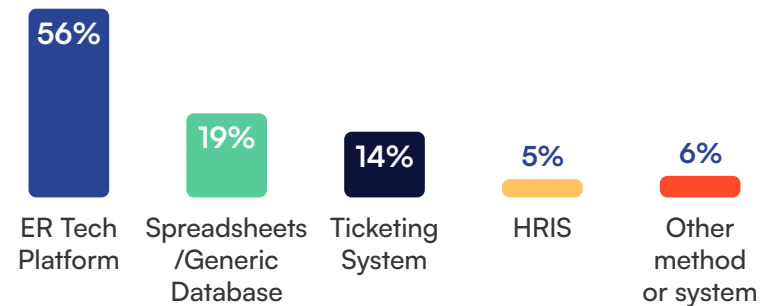
Most organizations use specialized technology to track issues and investigations. Adoption of employee relations technology, designed to address the nuances of managing and tracking employee relations and investigations, continues its incremental uptrend and is now by far the preferred primary tracking method. Still, one in five organizations continues to rely on spreadsheets or generic databases for tracking, though nearly half reported that they are likely to adopt an employee relations solution within the next year.

A surprising proportion of the Fortune 100 (44%) and the Global 500 (35%) also continue to use ticketing systems. Employee relations teams in these organizations may have less autonomy or control of their tech stack or may be required to use a single HR system platform. However, investing in purpose-built technology is essential to properly and proactively manage employee issues, build trust and safeguard both employees and the brand. Organizations looking to mitigate risk, develop data-driven strategies and improve employee experiences may want to consider an employee relations-focused solution.

### How does your organization primarily track ER issues and investigations?



19%

1%

80%

**46%** are likely to adopt an employee relations solution in the next year

- Use spreadsheets/generic database
- Use ER platform or other system
- Do not track ER issues

### How does your organization primarily track ER issues and investigations?



| 56% | 19% | 14% | 5% | 6% |
|-----|-----|-----|-----|-----|
| ER Tech Platform | Spreadsheets /Generic Database | Ticketing System | HRIS | Other method or system |

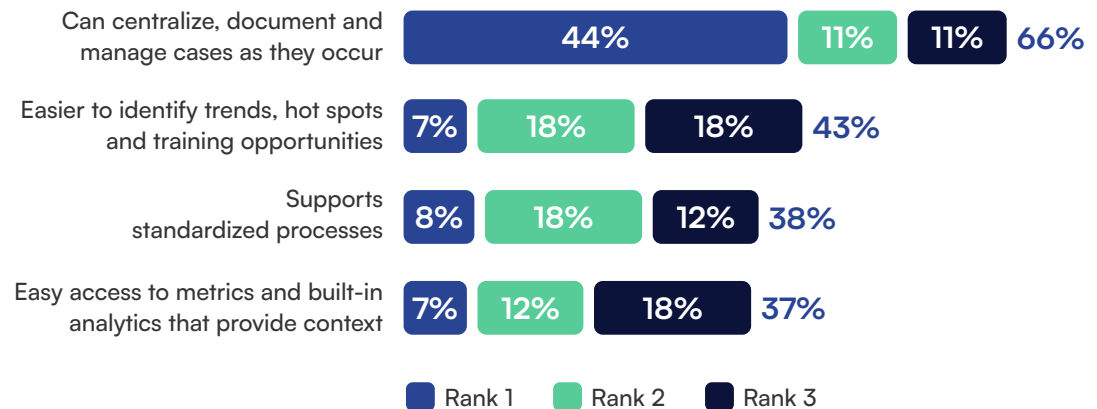**Use of a required process**

| 65% | 49% |
|-----|-----|
| ER tech | No ER tech |
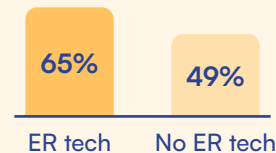
## What specific technology platform does your organization use to manage employee relations issues and conduct investigations?

| Platform | Percentage |
|---|---|
| HR Acuity | 54% |
| Navex/Ethicspoint | 14% |
| ServiceNow | 9% |
| Salesforce | 4% |
| Convercent/OneTrust | 3% |
| CaseIQ | 2% |
| Oracle | 2% |
| AllVoices | 1% |
| Dovetail | 1% |
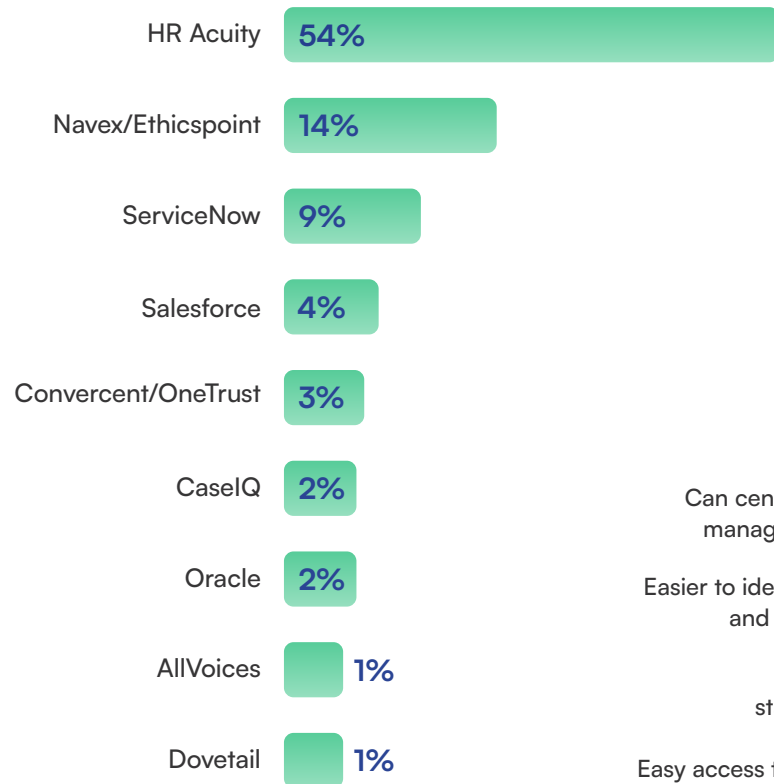
## The benefits of ER tracking are *numerous*

For a deeper look at the value organizations derive from their existing tracking systems — be it an employee relations platform, a ticketing system or an HRIS — respondents were asked to rank the top three benefits observed. Across the top benefits, it is clear that organizations value systems that support the day-to-day needs of employee relations case management with standardized and efficient processes. They also benefit from systems that enable more effective access to and better use of their data.

### Top Three Benefits of Current ER System

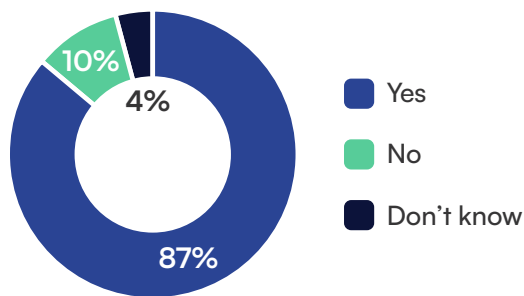| Benefit | Rank 1 | Rank 2 | Rank 3 | Total |
|---|---|---|---|---|
| Can centralize, document and manage cases as they occur | 44% | 11% | 11% | 66% |
| Easier to identify trends, hot spots and training opportunities | 7% | 18% | 18% | 43% |
| Supports standardized processes | 8% | 18% | 12% | 38% |
| Easy access to metrics and built-in analytics that provide context | 7% | 12% | 18% | 37% |

■ Rank 1   ■ Rank 2   ■ Rank 3

Employee relations data has become critical to inform decisions, but gaps still exist. To fully harness the power of the data, it's important to bridge these gaps for deeper meaning. A set of core metrics, established as a norm in 2022, includes reporting by issue type, issues by location, issues by department/function and issue disposition. To delve deeper into how organizations are using their data, participants were asked about their ability to analyze metrics.

The data has been grouped into three categories: **core metrics**, tracked by a large majority, **common metrics**, tracked by 45-60% of organizations, and **situational metrics**, tracked by 34% or fewer organizations. Only a small fraction of organizations analyze costs and expenses, ROI of employee relations or the associated cost savings/avoidance. These insights can showcase the value of employee relations to the organization's bottom line. This data can also help justify investments in staffing resources and technology to support the function or defend against potential cutbacks.

## What types of employee relations data does your organization currently have the ability to analyze?

**Core Metrics**

| | |
|---|---|
| Issue volume or category | 79% |
| Issue disposition | 76% |
| Time to initial response, time to close | 73% |

**Common Metrics**

| | |
|---|---|
| Remedial action taken | 60% |
| Trends over time | 58% |
| Employee history | 55% |
| Where issues occurred | 45% |

**Situational Metrics**

| | |
|---|---|
| Anonymity rate | 34% |
| Substantiation rate by diversity demographics | 27% |
| Case complexity | 24% |
| Issue to allegation ratio | 23% |
| Investigation quality | 21% |
| Quantitative and qualitative feedback | 19% |
| Analysis of equitable treatment of employees based on demographics | 16% |
| Costs and expenses | 15% |
| ROI of employee relations | 8% |
| Associated savings/cost avoidance | 8% |

## Does your organization currently track employee relations data?



- 87% Yes
- 10% No
- 4% Don't know

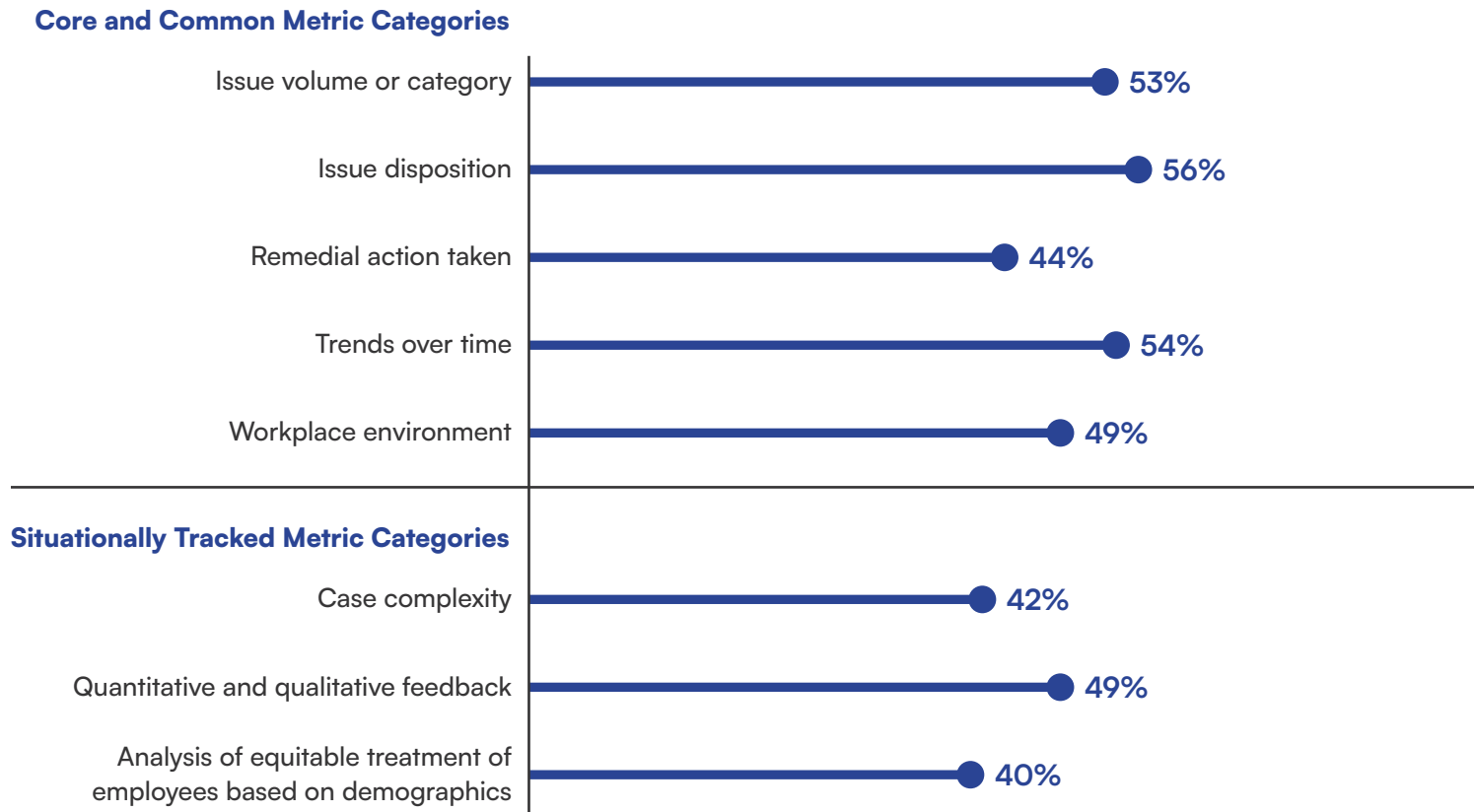# Metrics and Analytics | Reporting Employee Relations Data

To explore how organizations are using employee relations data, this year participants were asked about the frequency and audience for reporting metrics. The most common practices are quarterly reporting and sharing data directly with HR. Core metrics for employee relations metrics are generally shared with HR, Senior Leadership and Legal.

Quarterly reporting is the most common cadence for issue volume/category, issue disposition, remedial action and trends over time. While most organizations can analyze initial response time and time to close, there is no clear trend in the reporting frequency of this data. Employee history data is mostly reported on an ad hoc basis or is nonexistent for most organizations.

The frequency of data analysis will likely shift as AI tools are incorporated into employee relations workflows and can easily offer deeper data insights.

| Metric | % Have ability to analyze | Frequency: Most common reporting frequency | Audiences: Most likely to report data to directly |
|---|---|---|---|
| **Issue volume or category** | 79% | Quarterly (48%) | HR (78%)<br>Sr. Leadership (53%)<br>Legal (39%) |
| **Issue disposition** | 76% | Quarterly (55%) | HR (68%)<br>Sr. Leadership (56%)<br>Legal (40%) |
| **Time to initial response, time to close** | 73% | Monthly (27%)<br>Quarterly (33%)<br>Ad hoc (26%) | HR (62%)<br>Sr. Leadership (34%)<br>Legal (24%) |
| **Remedial action taken** | 60% | Quarterly (50%) | HR (71%)<br>Sr. Leadership (44%)<br>Legal (41%) |
| **Trends over time by different variables** | 58% | Quarterly (62%) | HR (80%)<br>Sr. Leadership (54%)<br>Legal (38%)<br>Managers (31%) |
| **Employee history** | 55% | Ad hoc (41%)<br>Never (16%) | HR (47%) |
| **Where issues occurred** | 45% | Monthly (23%)<br>Quarterly (42%)<br>Ad hoc (26%) | HR (60%)<br>Sr. Leadership (49%)<br>Legal (32%)<br>Managers (29%) |

Metrics shared with the C-suite illustrate that senior leadership generally has a fairly solid understanding of what is happening across the organization. With knowledge of the kinds, types and complexities of issues, trends over time and actions taken, leaders can make decisions to support the organization's mission and values.
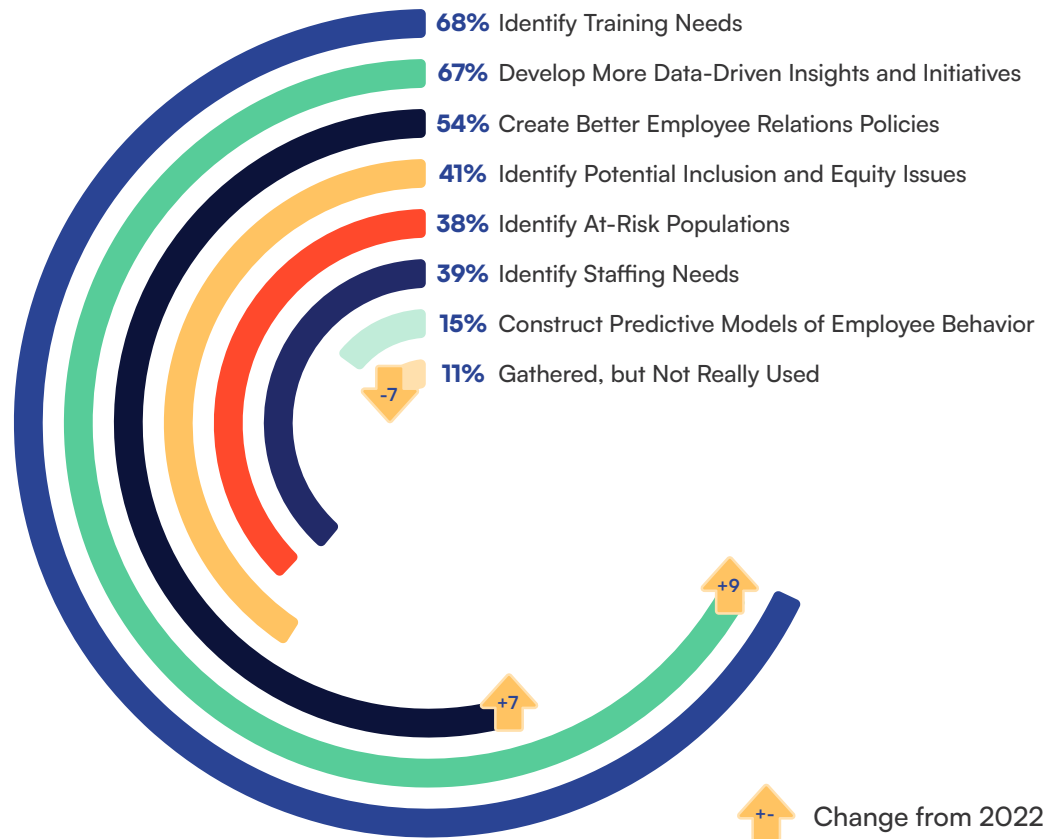
**Core and Common Metric Categories**

| | |
|---|---|
| Issue volume or category | 53% |
| Issue disposition | 56% |
| Remedial action taken | 44% |
| Trends over time | 54% |
| Workplace environment | 49% |

**Situationally Tracked Metric Categories**

| | |
|---|---|
| Case complexity | 42% |
| Quantitative and qualitative feedback | 49% |
| Analysis of equitable treatment of employees based on demographics | 40% |

**Core and Common Metric Categories**

| Metric | Percentage |
|---|---|
| Issue volume or category | 78% |
| Issue disposition | 68% |
| Time to initial response, time to close | 62% |
| Remedial action taken | 71% |
| Trends over time | 80% |
| Employee history | 47% |
| Workplace environment | 60% |

**Situationally Tracked Metric Categories**

| Metric | Percentage |
|---|---|
| Anonymity rate | 49% |
| Substantiation rate by diversity demographics | 46% |
| Case complexity | 64% |
| Issue to allegation ratio | 57% |
| Investigation quality or health | 53% |
| Quantitative and qualitative feedback | 76% |
| Analysis of equitable treatment of employees based on demographics | 57% |

As organizations become more sophisticated in employee relations technology use and tracking, more organizations than ever are also using the metrics they gather to guide employee relations initiatives. In fact, only one in 10 organizations (11%) reported not using the data they gathered. However, despite widespread reports of declines in Chief Diversity and Inclusion Officer positions and reductions in DEI budgets and staff in 2023, it is surprising that so few organizations are examining employee data to identify at-risk employee populations and spot inclusion and equity issues.

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

**68%** Identify Training Needs

**67%** Develop More Data-Driven Insights and Initiatives

**54%** Create Better Employee Relations Policies

**41%** Identify Potential Inclusion and Equity Issues

**38%** Identify At-Risk Populations

**39%** Identify Staffing Needs

**15%** Construct Predictive Models of Employee Behavior

**11%** Gathered, but Not Really Used

-7

+9

+7

+- Change from 2022

As employee relations teams focus on data-driven strategies, three out of four organizations reported integrating investigation data with employee data for deeper insights, up 10 points over 2022.

The use of performance ratings rebounded after a dip in 2022. This may be related to the continued surge in mental health issues, as these issues are often intertwined. Combining performance and investigation data may also uncover retention and attrition trends.

**ER investigation data integration is up**

| 65% | 75% |
|-----|-----|
| 2022 | 2023 |
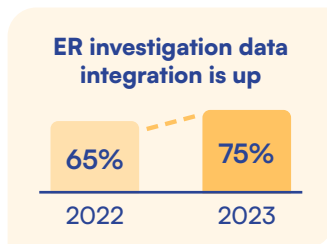
**What other data, if any, do you integrate with employee relations investigation data for further analysis?**

**Employee Demographics**
2023 — 42%
2022 — 40%

**Performance Ratings**
2023 — 38%
2022 — 30%

**Turnover**
2023 — 36%
2022 — 32%

**Business Performance**
2023 — 11%
2022 — 10%

**Compensation**
2023 — 14%
2022 — 12%

**Engagement Scores**
2023 — 29%
2022 — 31%

## Strategic use of data *drives ER impact**

This year's findings illustrate that a majority of organizations are now using data to identify predictors of ER issues, indicating a greater ability to leverage data insights. However, few organizations are using ER data to forecast outcomes or construct models to predict employee behavior.

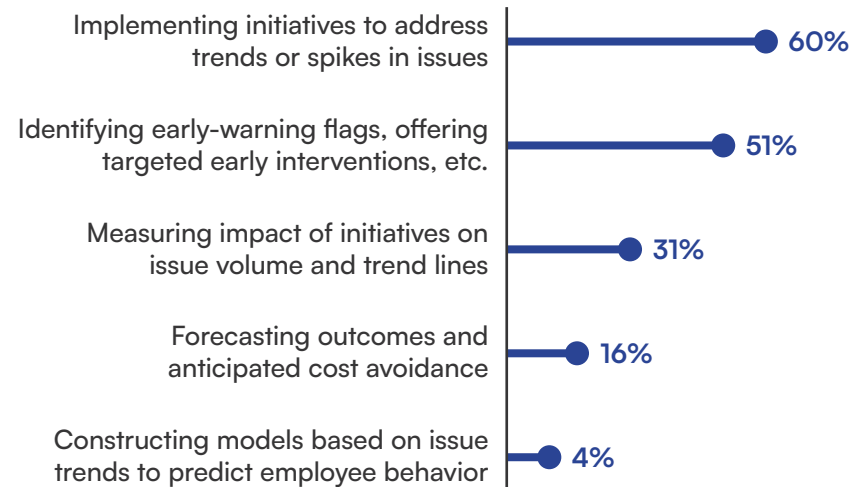*See the new Artificial Intelligence section on page 37.

**RECOMMENDATIONS:** Employee relations can demonstrate its impact on the organization by strengthening 360-degree storytelling to connect its work to broader company goals in the following ways:

- **Use aggregated anonymous data and AI** to gain deeper insights into trends, patterns and recommended actions.

- **Overlay demographic data with employee relations data** to uncover and respond to hot spots and trends impacting diversity, equity and inclusion.

- **Combine aggregated employee relations data with financial data or other HR data such as turnover, attrition rates and engagement data** to determine the value and bottom-line impact of employee relations.

**In looking at your ER data, have you identified behaviors, incidents or events that ultimately lead to (or are predictors of) employee relations issues?**



- Yes — 55%
- No — 32%
- Don't know — 13%
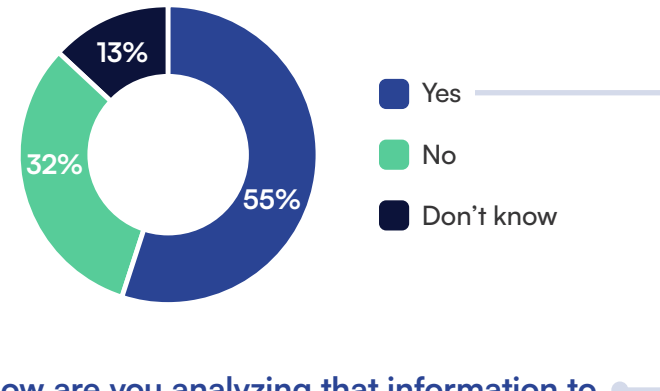
**How are you analyzing that information to minimize risk and prevent future issues?**

| | |
|---|---|
| Implementing initiatives to address trends or spikes in issues | 60% |
| Identifying early-warning flags, offering targeted early interventions, etc. | 51% |
| Measuring impact of initiatives on issue volume and trend lines | 31% |
| Forecasting outcomes and anticipated cost avoidance | 16% |
| Constructing models based on issue trends to predict employee behavior | 4% |

- Noticed an uptick in sexual harassment reports by female employees, so we coordinated with relevant HRBPs to **facilitate targeted messaging and training.**

- Identified a new hire onboarding/training issue that led to performance issues and disciplinary actions; helped training team **develop a scorecard to proactively identify skill gaps in the training program** and provide more focused training and support prior for new hires.

- Identified training needs and **developed customized training** for a specific geography.

- Observed an uptick in incidents involving employees breaking policy in handling theft incidents in our retail stores; Worked with our retail partners to **communicate expectations and retrain the teams.**

- **Modified and re-communicated our Drug and Alcohol Policy** after seeing an increase in workplace incidents involving alcohol and were able to dramatically change the curve on that specific trend.

- Used case rates and benchmark comparisons to identify culture hot spots by location and **implemented proactive trainings**, reducing the number of cases. Also used case volumes by investigator to **determine capacity and restructure staffing and workload.**

- Uncovered issue trends related to turnover, business performance, staffing and **shared with leaders to develop an action plan.**

- Captured trending data to **adjust policies** to be clear and **create educational content** to address policy violations.

- Examined data for issue trends in specific departments and by managers that prompted us to pull exit interview data to validate current concerns for **interventions to identify potential risks for turnover.**

- Identified trends in training gaps leading to performance issues, and **created better onboarding and training programs** to mitigate unwanted turnover.

- Used data to **streamline templates for incidents** that occur on a regular basis such as time and attendance issues.

- Shared case volume with HR leadership which led to **doubled ER team headcount from staff of two to four.** This has enabled HR to better support our employees, increase engagement, decrease turnover, etc.

- Trend spotting enabled early intervention for the leaky female talent pipeline. **Reduced attrition.**

- Saw an increase in unreported outside business activities and dual employment concerns as we moved to more flexible work arrangements (e.g., hybrid and remote) post-pandemic. As a result, **developed on-going detection and monitoring routines to help mitigate risk.**

- Reviewed data weekly for insights into case closure times and delays, allowing ER leaders to provide timely feedback to practitioners to improve case handling efficiency. **Case closure times decreased significantly.** Better habits were formed.

- Used ER technology to **streamline processes** to gain efficiency and improve investigation completion rate.

- Responded to a leader who heard shared frustrations of experiences with ER; Used data to show how many cases we had worked, time to close and level of issues; **Data highlighted managers were not consistent in bringing issues to ER.**

- Reported **exit interview/turnover data** to business leaders that **improved shift schedules and site conditions.**

- **Identified morale and productivity issues** based on high volume of allegations against the facility manager; Facility went from 10 cases/quarter to 0 once the facility manager exited.

> " **Reviewed case volume based on issue type during budget forecasting and were able to to justify** added headcount **for Employee Relations.**
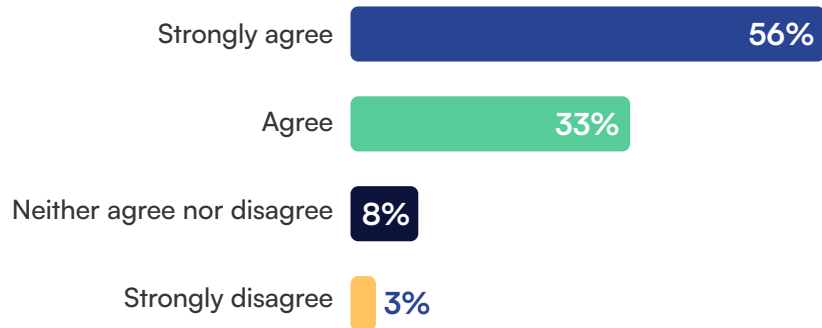
# Transparency | Building Trust with Employees

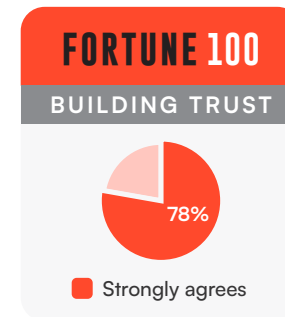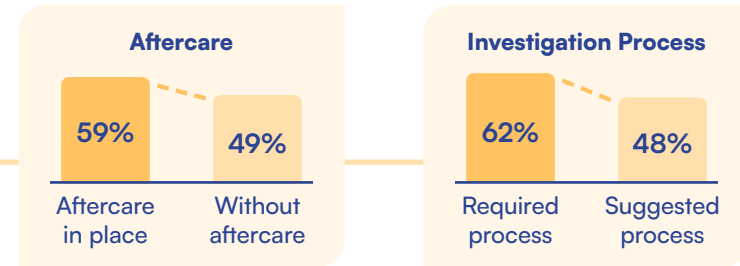## Transparency is *essential* to a trust-based culture

For the first time in 2023, the Benchmark Study measured the extent to which organizations prioritize building employee trust. Nearly all organizations (89%) agree that building employee trust is a priority, with the majority in strong agreement. A stronger prioritization of employee trust correlates to better operational practices.

Organizations committed to building trust generally have tighter investigation and aftercare. Trust is also a top priority for a larger proportion of Fortune 100 companies, likely because deficiencies in their practices can have significant and public repercussions for brand reputation.

### "Building trust with employees is a priority for our organization"

| | |
|---|---|
| Strongly agree | 56% |
| Agree | 33% |
| Neither agree nor disagree | 8% |
| Strongly disagree | 3% |

### Organizations with stricter processes place **more emphasis** on building trust.

**Aftercare**

| Aftercare in place | Without aftercare |
|---|---|
| 59% | 49% |

**Investigation Process**

| Required process | Suggested process |
|---|---|
| 62% | 48% |

**FORTUNE 100**

**BUILDING TRUST**

78%

■ Strongly agrees

HRACUITY
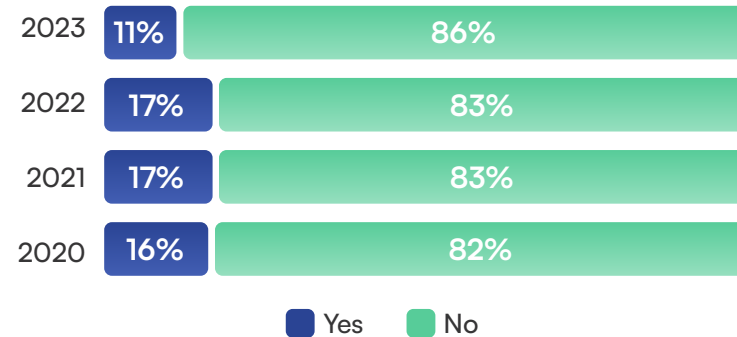
# Sharing Data Analytics

Transparency continues to be an isolated practice in 2023, with only 11% of organizations sharing aggregated, anonymous investigation and ER information with employees. Despite widespread agreement that building employee trust is a priority, few organizations are taking this concrete step toward building trust. Transparency is essential to drive accountability and let employees know that concerns will be taken seriously, which in turn, encourages issue reporting.
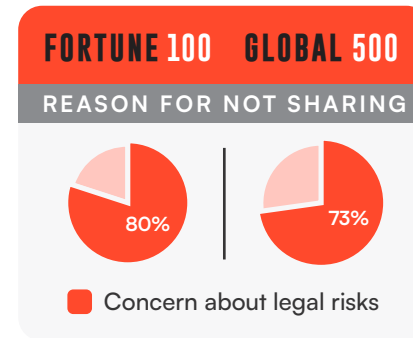
While concerns about legal risks rose in 2023 to become the most prevalent barrier to publishing aggregated investigation outcomes, ER must work with stakeholders to understand the risks and collaborate on an effective approach to become more transparent.

Today's workforce expects it. A lack of transparency leads employees to draw their own conclusions, which may negatively impact productivity, culture, retention and brand reputation.*

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

| Year | Yes | No |
|------|-----|-----|
| 2023 | 11% | 86% |
| 2022 | 17% | 83% |
| 2021 | 17% | 83% |
| 2020 | 16% | 82% |

■ Yes   ■ No

## What are the main reasons for not sharing aggregated, anonymous investigation/ER data with employees?

**59%** Concern about legal risks

**42%** No requests/interest from leadership

**26%** Unsure how to tell story

**20%** Data not easy to acccess

**13%** Other reasons

### FORTUNE 100   GLOBAL 500
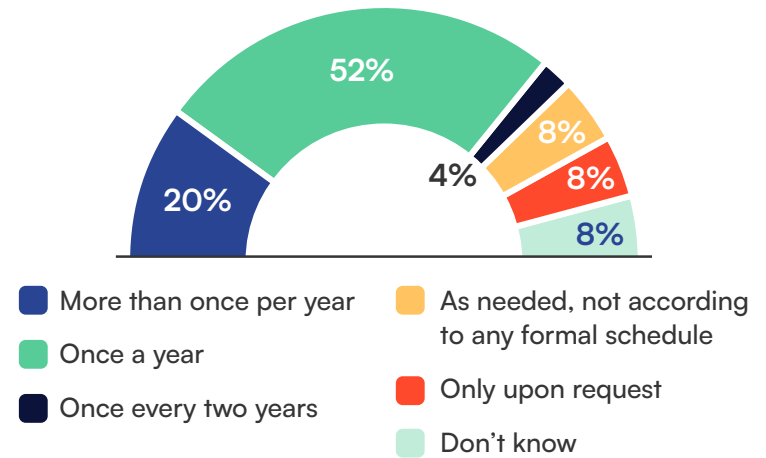### REASON FOR NOT SHARING

80%     73%

■ Concern about legal risks

*See the **Employee Relations Transparency Report Template** for more information about how to take a proactive stance around transparency.

Among the small portion of organizations that share aggregated, anonymized data, it is most common to share the data with employees at least once each year (72%), as either part of a human resources or employee relations update or a broader company update.
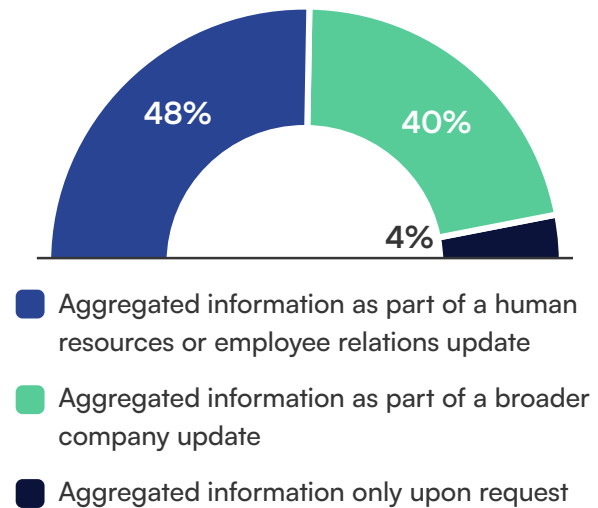
**RECOMMENDATIONS:** Employees expect their organizations to protect and support them by acting responsibly and communicating openly. Sharing what is happening across the organization can go a long way to building a culture of accountability and trust. To become more transparent, organizations must:

- **Clarify investigations processes and set expectations for employees** who raise concerns or questions to ensure transparency every step of the way.

- **Start tracking substantiation data;** transparency requires organizations to be aware of issue outcomes.

- Work with executive leadership, legal, ethics and compliance to **identify and understand concerns and risks of sharing case information.**

- **Determine what to share** with various audiences and how to present the information.

- **Establish and execute a pilot plan** for sharing.

- **Gather and analyze employee feedback.**

- **Assess** the effectiveness and revise as needed.

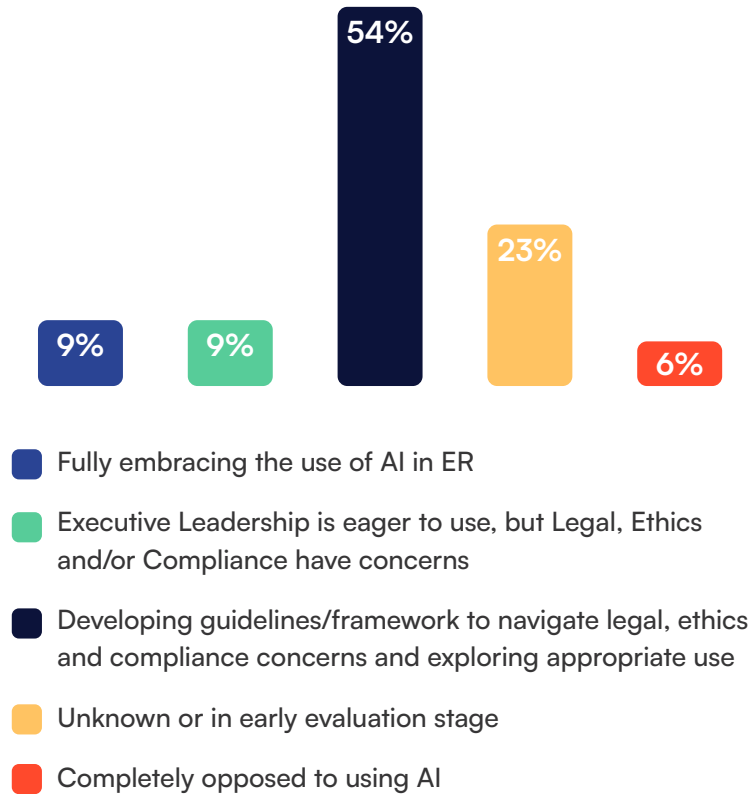## How often do you share investigation data with employees?

- More than once per year — 20%
- Once a year — 52%
- Once every two years — 4%
- As needed, not according to any formal schedule — 8%
- Only upon request — 8%
- Don't know — 8%

## How do you share investigation data with employees?

48% — 40% — 4%

- Aggregated information as part of a human resources or employee relations update
- Aggregated information as part of a broader company update
- Aggregated information only upon request
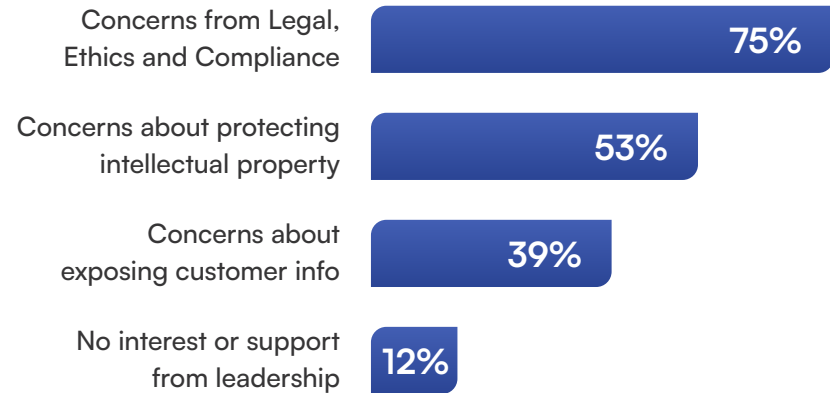
## The *power* to enhance ER with precision

Nearly all organizations are interested in using AI, and many organizations are exploring their approach to implementing AI in employee relations, with a focus on appropriate use. The primary concerns stem from legal, ethics and compliance.

Organizations are also concerned about the ability to protect intellectual property and prevent the exposure of customer information as they develop their approach for AI in employee relations. Given the sensitive nature of the information involved in employee relations, it is essential to carefully consider the risks prior to implementing AI.

### Which statement best describes your organization's approach to AI for employee relations?

9% 9% 54% 23% 6%

- Fully embracing the use of AI in ER
- Executive Leadership is eager to use, but Legal, Ethics and/or Compliance have concerns
- Developing guidelines/framework to navigate legal, ethics and compliance concerns and exploring appropriate use
- Unknown or in early evaluation stage
- Completely opposed to using AI

### Reasons for concern or opposition to using AI

| | |
|---|---|
| Concerns from Legal, Ethics and Compliance | 75% |
| Concerns about protecting intellectual property | 53% |
| Concerns about exposing customer info | 39% |
| No interest or support from leadership | 12% |

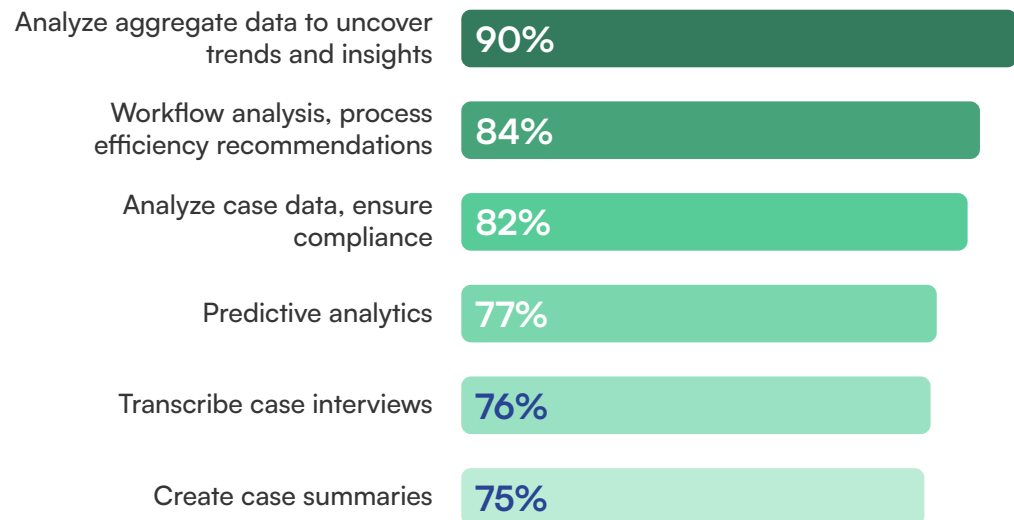# Current Interest in AI for Employee Relations

There is broad interest in applying AI in employee relations, specifically in generating data insights, automating processes, generating and summarizing information and supporting recommendations and decisions. There is less interest in using AI for more nuanced or complex activities, such as determining employee sentiment or automated interactions with involved parties. It will be important for employee relations to strike a balance between AI-driven productivity gains and incorporating the human elements vital to fostering positive employee experiences and building trust. AI could be also be used to enhance the quality of investigations by informing investigation planning and protocols, thereby increasing employee relations effectiveness.
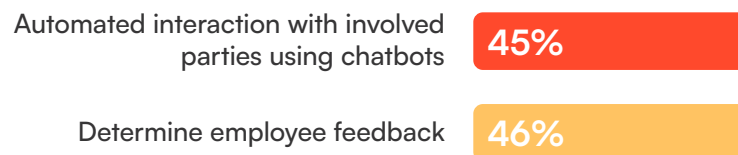
**RECOMMENDATIONS:** Applications for AI in employee relations have the potential to enhance effectiveness, convert data into a strategic asset and enable proactive decision-making. To capitalize on this groundbreaking technology, organizations must:

- Work with stakeholders to **define appropriate uses of AI.**

- **Implement guardrails** to stave off risk and ensure responsible, ethical use.

- **Continue to prioritize the human elements** that create meaningful connections with employees, even when using AI.

- **Select AI tools judiciously** to enhance employee relations efficiency and effectiveness without increasing risk or bias.

## Top areas of interest for AI

| | |
|---|---|
| Analyze aggregate data to uncover trends and insights | 90% |
| Workflow analysis, process efficiency recommendations | 84% |
| Analyze case data, ensure compliance | 82% |
| Predictive analytics | 77% |
| Transcribe case interviews | 76% |
| Create case summaries | 75% |

## Areas of opposition/low interest for AI

| | |
|---|---|
| Automated interaction with involved parties using chatbots | 45% |
| Determine employee feedback | 46% |

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# Describe how AI has *impacted* you, your team and/or your organization.

- **Reduced time to analyze attendance trends** for an ER case.

- **Provided valuable ideas for policies**.

- The efficiencies are amazing, but we have also **noticed the need to audit the AI output** (still saves time over traditional human methods).

- **Helps alleviate time** needed to develop highly administrative low value tasks (e.g., talking points for leaders and transcribing various types documentation).

- Time saver and a huge **support for written material** and Excel functions.

- Produces **helpful summaries** of employee reports.

- Proved useful in **developing training content** for ER-related training, primarily in creating scenarios and related interactive questions.

- Used to polish **warning and coaching drafts** and it has helped to streamline the process.

- Currently participating in a ChatGPT pilot program; I primarily use it for **document and email editing** for clarity and concise messaging.

- Quickly **created a charter** for a new employee group, outlining responsibilities.

- Employees are eager to use AI tools for their work, but **policy prohibits inputting proprietary/client data** into most AI tools. This has led to many investigations into data exfiltration concerns.

- I'm **concerned about the loss of the subtle nuances** especially in investigations in hearing intonation, tone and hesitation in an investigatory interview. I don't believe AI can hear what the human ear can and interpret honesty and credibility which is essential in an interview.

> " **Started using AI to help managers draft performance related correspondence with appropriate guidance to protect identifying information; also to identify concerns in employee surveys, etc.**

# Share your *expectations* regarding how AI will benefit ER in the next 3-5 years.

Cannot wait to see where we will be in 3 years. We expect improved, on-demand, accurate, detailed and well-written reporting, predictive analytics based on investigative insights, **overall improved case intake and faster data gathering** across internal HR systems.

**Analysis of all the data** that we currently have in a holistic way - e.g., aggregating interview notes and case reports into actionable stories.

Ability to answer general questions, provide resources, **creating capacity for more meaningful work** and predictive analytics.

The main benefits would be in **analytics and reporting, process development and drafting case documents.** This would give our ER team more time to devote to ensuring the Employee Experience aligns with our company values — more focus on aftercare, participant intakes and the high-touch elements of ER investigations.

**Predicting issues, identifying trends, better reporting** and assisting with written documentation.

Automation and streamlined processes to **reduce the administrative burdens** and **predictive analysis** to proactively identify potential issues before they escalate.

**Data analysis and insights;** ase summary detail and report generation.

AI has the potential to impact the productivity of ER by automating tasks, conducting trend analysis and generating insights to **drive proactive solutions** within the business.

Creating capacity lift to **alleviate current staffing challenges** and hopefully **reserve our ER experts for the highest value tasks** while reducing administrative burden or other low value tasks.

Improving our ability to leverage ER data insights to **add value to the business and get at root causes** of issues before they become ER cases.

**Drafting case reports; analyzing data/ trends/insights. Potentially chatbot use,** these are typically risk situations, and we would have to have full confidence in the product and outcome.

**Consistent approach to investigations and documentation** to mitigate risk and build trust with employees; Better reporting and analytics.

> " **AI will reshape the role of ER managers to capitalize on the unique skills and expertise they bring to high-conflict situations.**

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# ER/Q | Maturity Model Trends

Participants in this year's Study were asked about the level of their organization's employee relations maturity, as defined by ER/Q, the employee relations maturity model. The model was designed to help organizations understand the current maturity level of their ER function based on its purpose, processes and influence on the organization and provide insights to provide greater impact.

## Have you or your team completed the Employee Relations Quotient (ER/Q) assessment by HR Acuity?



- 22%
- 15%
- 8%
- 19%
- 36%
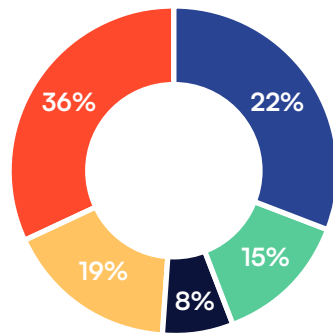
- ● Yes
- ● No, but I'd like to know my ER/Q maturity score
- ● No, but I'd like to have our entire team take the ER/Q quiz
- ● No, and we do not plan to assess our ER/Q maturity
- ● Not familiar with the ER/Q Maturity Model

## what is ER/Q?*

The employee relations maturity model provides a means to establish a baseline and serves as a guide to help organizations next level their employee relations with simple, practical, actionable steps to improve employee experience, build transparency across the organization and further elevate the function. Organizations with a high ER/Q rely on industry standard practices, data-driven insights and proactive decision-making across the organization.

To learn more about ER/Q or take the assessment, visit **www.hracuity.com/erq**

**Level 1**



Dedicated Defenders

**Level 2**



Reliable Investigators

**Level 3**



Trusted ER Veterans

**Level 4**



Strategic Advisors

A higher ER/Q score correlates to greater confidence in investigations consistency and more intensive oversight and incentives to ensure investigation processes are consistent. Level 3 or Level 4 organiztions are significantly more confident that investigators follow the required or suggested process. Level 3 and 4 organizations go beyond training and manager oversight to ensure investigation processes are followed. Many are also using audits/reviews, performance management and systems/automation. Organizations with a Level 3-4 ER/Q are also more likely to utilize an employee relations technology platform, track substantiation rates by issue type and leverage employee relations data to develop insights, make predictions and identify needs. Building employee trust is more likely to be a priority for Level 3 or 4 ER/Q organizations, compared to those at Level 1 or 2.

| Investigation Consistency Metrics | Level 1 or 2 ER/Q | Level 3 or 4 ER/Q |
|---|---|---|
| Confidence that investigators consistently follow the suggested or required investigations process (% strongly agree) | 20% | 50% |
| Use Performance Management to ensure investigation processes are consistently followed | 23% | 43% |
| Use Systems/Automation to ensure investigation processes are consistently followed | 18% | 36% |
| Use Audits/Reviews to check compliance to ensure investigation processes are consistently followed | 40% | 50% |
| ER Data-Related Metrics | Level 1 or 2 ER/Q | Level 3 or 4 ER/Q |
| Use an ER tech platform to track issues and investigations | 49% | 69% |
| Use data to... | | |
| Construct predictive models of employee behavior | 5% | 17% |
| Develop more data-driven employee insights and initiatives | 58% | 81% |
| Create better employee relations policies | 45% | 62% |
| Identify staffing needs | 16% | 29% |
| Identify training needs | 61% | 76% |
| Identify at-risk populations | 26% | 50% |
| Identify potential issues related to inclusion and equity | 37% | 45% |
| Use ER data to identify predictors (behaviors, incidents, events) of ER issues | 47% | 64% |
| Track substantiation rates by issue type | 39% | 65% |

# 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.

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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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