

HR is stepping up on EMPLOYEE RELATIONS

Now is the time to invest in better Employee Relations tools.

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HR organizations are stepping up on the employee relations front – that’s one of the key takeaways of the Fourth Annual HR Acuity Employee Relations Benchmark Study, which found that more companies are formalizing best practices and collecting data. The study draws from in-depth research conducted with 200-plus leading enterprises representing more than 5.5 million employees around the world.

Employee relations is becoming a strategic force at organizations and according to the study, enterprises are using employee relations processes, data and technology to reduce risks, improve organizational transparency and create safer workplaces. But the study also found room for improvement, particularly on operationalizing data to drive business decision-making.

With the right employee relations resources

and technology, HR and employee relations teams can be even more effective, improving processes and making data-driven decisions that can facilitate their companies’ post-pandemic recovery and help them thrive in any economic climate.

Better standards and practices

More than 60% of employee relations teams are now using a centralized employee relations model, which is considered a best practice by industry experts, and more than half are also using structured processes for conducting investigations, up 18% from last year’s baseline. That’s a significant improvement and a continuation of an existing trend.

The overwhelming majority of enterprises track employee relations data – 92% reported collecting employee relations information. They also said that their leadership teams are

asking to track metrics more frequently, which indicates that the C-suite values employee relations data.

Employee relations teams are now more likely to report metrics to compliance, diversity and inclusion programs and share them with managers at their organization. That’s a measure of the growing importance employee relations data has across the enterprise.

As employee relations gains more influence, HR leaders are more prepared to shape policy and deliver a better employee experience. Greater influence also means employee relations teams and HR are better prepared to manage crises like COVID-19. With data that yields insights on workforce challenges, HR can allocate resources, identify risks and drive business strategy more effectively.

Greater visibility and more transparent organizations

More notably, organizations are becoming more transparent. The percentage of organizations that share employee relations metrics directly with their workforce has increased by 17% over the previous year’s results. That’s good news because it means organizations are adopting a more open culture and communicating more transparently.

Tools and technology are driving greater confidence and efficiency, with 64% now using a technology platform to manage employee relations, an increase of 38% over last year’s study findings. The results suggest a correlation between platform usage and increased confidence in the employee relations team’s productivity and efficiency.

That said, there’s still room for improvement. Only 45% of employee relations professionals expressed a high level of confidence that they have all the tools they need to be effective on the job. More than 90% of employee relations professionals indicated that they lack advanced analytics to optimize decision-making and help managers address employee issues.

Companies will need to address these deficiencies to maximize the value of their data. A commitment to greater visibility and transparency are an excellent first step for meeting the needs of a modern workforce, but to fully realize the benefits will require further investments.

What the Benchmark Study Findings mean for Employee Relations

The Employee Relations Benchmark Study is the only research of its kind, derived exclusively from employee relations leaders at organizations with more than 1,000 employees from a broad range of industries. That makes it a go-to resource for employee relations professionals who are making decisions about processes,

tools and technologies to drive better outcomes and performance.

There’s a clear trendline from the previous year’s study that indicates employee relations is increasingly important to organizations. That makes sense because executives and HR both understand how critical it is to create a culture that emphasizes transparency and trust. More than half of all employee relations teams that use structured processes report directly to their organization’s top HR officer.

The increase in the use of formal investigation processes and active sharing of employee relations data with employees isn’t surprising in the #MeToo era. Employers have a huge incentive to mitigate risks by formalizing the handling of complaints, and they are driven by a genuine desire to keep employees safe and productive by building trust and improving transparency.

Next steps: The practical application of Employee Relations data and analytics

Overall, the strategic elevation of employee relations is positive for organizations, as reflected in the study’s findings. But there’s still work to do. With best practices in place, employee relations professionals can turn their attention to operationalizing data and analytics to optimize business decision-making, and there’s no better time than the present, as companies recover from the pandemic.

Companies that collect and connect their data can spot behavioral trends and insights, combining employee relations data with business and organizational information to gain insight into team performance and business results. They can use data and analytics to better demonstrate HR’s value to the organization and get a deeper understanding of employee performance.

Employee relations data and analytics also provide more insight into employee engagement and help guide investigations and case management. It can improve employee retention by demonstrating a commitment to diversity and equality. And advanced analytics can help employee relations professionals predict what’s next and respond to emerging trends more effectively.

HR is elevating employee relations, applying data in new ways that improve processes and contribute to the company culture. That’s the good news. But employee relations professionals indicate they could be even more effective. In the post-pandemic future, where performance is the key to recovery, organizations should invest in better employee relations tools and analytics to move the business forward. ■

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