

Episode 360: HiBob and Workology HR Benchmark Survey With Zoe Haimovitch - Part II



Zoe Haimovitch: [00:00:00.21] So we did ask what is the HR tech stack? And it's interesting that the HR profession today has an HR tech stack. The answers were amazing to me because not only is, does everybody have a tech stack, it's like, it's like about six tech solutions on average.

Intro: [00:00:21.93] Welcome to the Workology Podcast, a podcast for the disruptive workplace leader. Join host Jessica Miller-Merrell, founder of Workology.com as she sits down and gets to the bottom of trends, tools, and case studies for the business leader, HR, and recruiting professional who is tired of the status quo. Now here's Jessica with this episode of Workology.

Jessica Miller-Merrell: [00:00:47.40] Welcome to the Workology Podcast. This episode of the Workology Podcast is sponsored by HRBenchmarkSurvey.com. Share your insights on what's happening in your HR organization by going to www.HRBenchmarkSurvey.com. Today's episode is all about our first ever results of our HR Benchmark Survey that HiBob and Workology recently launched, and we wanted to share the results beyond the webinar. And we had the webinar, it was titled Key Roles in HR: Uncovering New Trends and Research. You can go over to Learn.Workology.com and access the archive of that webinar by going down to our free resources. We have that listed there, is part of our free offering of a product called Upskill HR. So, our free version, so you can grab that there. This was a full hour in which we dove into the roles and responsibilities and the conversations around HR, and how HR leaders can increase business alignment, relationships, and a communication about how our activities in HR align with business outcomes. The answers and just the data from our first ever survey were so interesting. They were so good that we have decided to share them with you in three episodes of our Workology Podcast. So this is part two. You can go to Workology.com and take a look, search for HR Benchmark Survey or Zoe Haimovitch, she's our guest. So, let me introduce her here now.

Jessica Miller-Merrell: [00:02:18.00] I'm joined by Zoe Haimovitch. She's the senior director of communications and strategic projects at Hi Bob. She is a strategic HR technology marketing communications leader and a hands-on professional with 25 years of experience developing industry insights and executing upon them. Zoe is a passionate communications leader. You're going to see that here, or listen to that here, and as is her team. She builds the story that elevates the value of HR technology services and solutions, the brand and its promises. So, let's get started walking through more results from our HR benchmark survey. If you're like, this sounds good, where do I go? Www.HRBenchmarkSurvey.com to take the survey. Five minutes, 30 questions. Super easy. Between the roles and trends we asked in our first ever survey who is the most senior HR person in their company, in your company, and who do you report to? There's a lot of, I think, controversy around this, so I wanted to know definitively who does HR report to? The answer from our first ever survey was very interesting, and we have them for you in this first excerpt.

Zoe Haimovitch: [00:03:28.47] Regardless of the seniority of the HR leader, whether they were C-level, a VP, a Director, or Head of, we asked them who does the most senior HR person in your company direct the report to? And here we see that 69% say that they report to the CEO and only 10% and you see the rest of the numbers here say COO, CFO, a Director of sorts. Another 3% say they report directly to the board, which is interesting. Another 2% say report to some VP or other. And all other titles are about 3%. So 69% report to the CEO an additional 3% to the board. Does these findings surprise you or do you think that today heads of HR, regardless of their title, have that spot with the CEO where they report to them, they have the discussions with them?

Jessica Miller-Merrell: [00:04:27.63] I think that if you don't, aren't reporting directly to a member of the executive team with my preference would be the CEO that this slide you need to screenshot and say, hey, I'd like to make a change. Because we do need to be in these executive conversations. We have been leading these conversations when we're talking about safety or COVID or return to work. So in order for us to truly be strategic business partners and to understand the overall goals of the business, we need to report directly to the CEO. I think that some organizations maybe are, industries are a little bit more conservative that, like I mentioned before, they might report to the COO or the CFO but, increasingly, reporting to the CEO is the best way to help manage change, be a part of the conversation, and get in the room. I think that's the most important thing because in COVID times we were in all those meetings. I don't know about how many of you, like, give me a one if you're in these executive meetings weekly talking about updates, here's what's happening, here's our safety conversations, here's what we're doing with the CARES Act, all these different things. And when I say CARES Act, I'm speaking just to US folks. So, my apologies. But hopefully internationally you were having these same conversations too, or as COVID was changing, a lot of executive HR leaders were dealing with multiple countries. And so restrictions, requirements, vaccinations, things that are happening in India versus China versus Ireland versus North America, all very different. I want us to keep leading those conversations and the best way that I think for us to be able to continue to do that is to report directly to the CEO.

Zoe Haimovitch: [00:06:20.25] I remember talking to one of our customers and she told me that on February 2020 there was an executive management meeting and it started with the CEO, went to the CFO, then the CRO, and there was last 10 minutes in the meeting where she spoke. And then March 1st, 2020, right after the pandemic began, the meeting started with her and she spoke for 40 minutes. And, and I think since then she opens all the management meetings. So it feels like, you know, HR is now the CPO or the CHRO is definitely a true management member and always even in the time on the management meeting.

Jessica Miller-Merrell: [00:07:04.80] Agreed. Well, I just want us to be able to continue being in these conversations. I think that is incredibly important to the future of, the future success and how we can support executive leaders. I want to make sure that we have all the resources and support that we need, which is one of the reasons why we are doing this research. Because if you need to make an organizational structure change, you have this research and then you can hear directly from your peers.

Jessica Miller-Merrell: [00:07:36.75] Due to the current situation that we're all going through, another point that Zoe and I wanted to address was related to the budget and the general numbers of the company, where does HR fit into all this? How much is the budget? What does it look like? So in this next excerpt, we'll be listening about what the overall HR budget was this year, not including HR headcount costs. This is an important distinction. Listen it.

Zoe Haimovitch: [00:08:00.75] We asked a little bit about budget and we wanted to see what was the overall HR budget this year, not including HR headcount costs, because we wanted to see what is, what are we playing it, what is the area. Next time we'll be able to actually do an average per employee per month type of calculation. But this is the general numbers I got right now. We, we see that the ranges are very big. We see 30% said that their annual budget for not headcount, which is HR tools and HR initiatives, was somewhere between 50 to 100 K. And then we see at between 100 and 250 is around 14%. And then about between 250 and 500 is 21%. And then we see we're reaching a million, you know, between 500 and a million, 20%. It's a sizable budget and then between a million to 2 million, that's 9%. I'm sure it has to, it has to do with the size of the company and we will be able to see that data in our detailed report. But still, I wanted everyone to see what we're getting as the overall distribution. You can see it's all over the place and we actually have 4% that have more than \$4 million for HR budget. And Jess, I wanted to know what do you think, what are the non headcount costs HR own? What are they? Is for HR tech, I assume.

Jessica Miller-Merrell: [00:09:43.11] Yes, but you can still put those together in, in terms of a line item, because if we have like an HR, his technology like Hi Bob for example and I have 2500 employees, I can determine what the individual cost is per person and I feel like that would be really exciting to be able to see because when we look at like our financial statements, we don't see that breakdown, we just see vacation, we see payroll costs, we see executive salaries, we see just kind of overall numbers, but we don't have it at a micro level. And I think if we look at even like the cost of technology tools, resources, recruiting per individual, like if you have 500 people versus the revenue per individual, it is an easier conversation to have. So if you're in a non revenue generating department like HR or let's say like a support person like IT, it would be great to be able to say like all employees across the board generate X amount of revenue so that sales and those departments that are responsible for generating sales, cashiers at restaurants or retail stores, you're able to make the case and be able to show the impact that an, a department or a person has. And then for me, it's projected revenue. So if we're going to increase our sales, then what does that percentage we're going to have to make some adjustments and updates to our HR tech stack or benefit offerings or different perks and benefits to maybe remain competitive. And so it's that cost per individual and that pie chart, in my mind I see a pie chart of all the different pieces? So maybe we'll have something like that for next time.

Zoe Haimovitch: [00:11:44.76] Next time. Well, my preliminary, my preliminary data from France and Germany, it's a bit different, but they're at €100 per employee per month. That's what their budgets are approximately on average. So I know I'll get, we'll get there and I'll get to that data soon. It's, it's very interesting.

Break: [00:12:09.51] Let's take a reset. We are listening to excerpts from a webinar that we did in partnership with HiBob in which we share the results of our first ever HR Benchmark Survey. This time, I'm joined by Zoe

Haimovitch. She's the Senior Director of Communications and Strategic Projects at HiBob. This podcast episode is sponsored by HR Benchmark Survey. Take our survey at www.HRBenchmarkSurvey.com.

Break: [00:12:33.66] Benchmarking and data is crucial to HR leaders. Workology's HR Benchmark Survey is an always-on survey, and just by taking the survey at HRBenchmarkSurvey.com, you're signing up to get comprehensive quarterly results, white papers, and other research from the survey right to your inbox. It takes 10 minutes or less to complete. Visit HRBenchmarkSurvey.com.

Jessica Miller-Merrell: [00:12:59.85] Continuing on the topic of budget. Our next excerpt is about what HR leaders, those survey respondents who took our survey, think that is going to happen to their HR budget next year for the next fiscal year for them. Let's listen to the answer. I know you want to know this as you're planning out your own HR budgets for 2023 and beyond.

Zoe Haimovitch: [00:13:21.61] We also asked, are they increasing? Our next slide is asking, What's going to happen to your HR budget next year and in the fall? And the changes are interesting. Although we see that I don't know, about 8% are saying they're going to decrease, OK, we, and 38% said they're going to stay the same. 54% said that they're going to increase. And we see 31 say about 10% increase and then another 15%, 10 to 20. And you can see that 20 to 30 and then 30+ altogether 54%. And just you have an idea why the budgets are growing and what are HR pros going to invest in you? Do you have any insight on this? I mean, we can ask next time, but I was curious if maybe you've seen some decision processes over that going around.

Jessica Miller-Merrell: [00:14:18.40] I'm really excited by these numbers. And the more money that we have to invest in our departments and our people, I know that our organization is going to be able to, to see the benefits of it. We just have to tell the story of that. So if you do have an increase in budget, I think it's incredibly important to start the communication now with projections and how that's going to impact whatever the 2023 sales and forecasts are for, for that business and how HR plays a role. I think that a lot of the increase in budgets is driven based on the pain points of the great resignation. So people are leaving or people are, are deciding to go somewhere else or, or they want to work remotely. They're switching jobs. And in order to be competitive in the market, it's suddenly different than it was a couple of years ago. And industries are very different. The benefits that you offer, maybe a restaurant employee might be different now than it was two years ago before the pandemic. So you're going to need to add to your budget. I definitely think with so many people working remotely and also it forced HR leaders to go paperless and to go somewhat more virtual. And that means that maybe the current technology, HR technology we had, HRIS system, applicant tracking system, whatever, it really wasn't doing the job. So we had to make some significant investments this year and probably for the next few years to come.

Jessica Miller-Merrell: [00:16:04.69] And I feel like there's more HR technology tools on the market every single day. The amount of venture investment in HR is crazy right now, and there are new, new, like, areas of HR technology that are being developed like diversity, equity and inclusion. Those products, HR technology, like, market segment is really, really growing right now. And it's interesting when we look at these numbers

because in terms of like our responsibilities, yes, DEI is important, but the focus isn't necessarily, all our focus isn't necessarily in that place. So you'll have to decide where you want to make your investments that are going to have the biggest impact. But I definitely feel like benefits, salary and then that streamlining of processes with new technologies are, are really important. We need to make the employee experience online as good as if they were purchasing when they go into their mobile phone to buy, to order DoorDash or Amazon. Right?

Zoe Haimovitch: [00:17:14.29] Exactly.

Jessica Miller-Merrell: [00:17:14.29] It needs to be pretty, it needs to be easy, and it needs to be fast. Because that's our expectation as a consumer and employees are expecting that in our workplaces.

Jessica Miller-Merrell: [00:17:24.04] Now, for this last excerpt that we're having today on this podcast episode, we asked, What is in your HR technology stack? What technology types are in your stack and what are they in terms of priority and importance? The answers were somewhat surprising to us, to Zoe and I, so we thought we would share them here. Listen up.

Zoe Haimovitch: [00:17:46.84] So we did ask what is the HR tech stack? And it's interesting that the HR profession today has an HR tech stack. The answers were amazing to me. Because not only is, does everybody have a tech stack, it's like, it's like about six tech solutions on average. So if we look at them, of course, there's an HR platform or an HRIS, and then there's an ATS recruiting platform and then an employee surveys and PULSE surveys and the payroll system or a connection to a payroll system that they use. But this is in their HR tech stack. A performance management system. Sometimes it's part of the employee surveys, sometimes it's on its own performance solution, and then an LMS learning and development solution and then a goal setting solution sourcing and talent pools. A compensation management tool, tired of excels for that. HR analytics solution, an employee engagement platform, and video interviewing platforms. This is what people were reporting as their tech stuff. And so in addition, we realize that HR Tech helps track and report metrics and KPIs. Yes, learning and development is done here. It's the LMS. That's what, Vanessa That's what. And then asking Jess, do you think anyone can manage HR anymore with HR Tech? I mean, can you just walk in and manage it? I mean, it seems like it's part of what HR has to have, right? We can't go back on that.

Jessica Miller-Merrell: [00:19:32.95] Not. We can't manage HR very well. I mean, we, the fundamentals that we need the employment law which is kind of like if we think of Maslow's hierarchy of needs, right? The psychological safety level, that's the base, right? For employment law and compliance. And the applicant tracking system was created for that. The HRIS system initially was made for that, that we had a place to store records so that when we process the termination in the US, they can get their cover notice and we could be in compliance. So for organizations, if you are a small company and you don't have that, you might be using a PEO, which they have. It's, it's so complicated. We cannot hire on Google sheets any longer. I have seen all sorts of interesting ways that small organizations try to navigate, engage people in employment situations without HR technologies. But once you get to a certain level, it's a must-have,

especially since we are virtual, right? And we can't have our employee records in Google Drive or Dropbox. It just can't be that way. So having HR technologies to be able to help us not only make processes easier but understand why things are happening the way they are, is, is incredibly essential. When I think about when I first started in HR and you all can do the math so you'll figure it out.

Jessica Miller-Merrell: [00:21:10.21] But 2001 and the first company that I worked at was a Fortune 100, and I was a field HR leader, and I had AS400 system that did, that I put my new hires in and would process my terminations. And so that was fun tab over seven times to put an H for a higher sort of situation. I had a scheduling tool at my store location and then I had our recruiting platform. That was it. That was all that I had. But I don't think that that's how we can operate any longer because of the complexities of the workplace, the role for HR is very different than it was even 30 months ago.

Jessica Miller-Merrell: [00:21:56.20] The time in this webinar went by so fast, which is why we have broken this up into three different podcast episodes. This is two of three. We enjoyed sharing our survey results. You can access the on-demand version of the webinar by going to Learn.Workology.com. We have something called Upskill HR. It's our free version. So you get free access, set up an account, dive in and listen to the full presentation with corresponding slides and hearing from Zoe and I directly. We have so much more information to share. Go take a look at it at Learn.Workology.com.

Zoe Haimovitch: [00:22:34.24] So let's summarize because we're, wow, we're down to the minute.

Jessica Miller-Merrell: [00:22:38.11] I know what's going on.

Zoe Haimovitch: [00:22:39.61] I know. So my final words is that HR has business impact and has become a strategic business profession. And I am not being cynical of what in any way. And I just put together the average number of HR-led programs, it's 11. Average number of HR business focus areas, about three and one half on average. Average number of HR KPIs and metrics, six. And average number of HR tech solutions, so we're a tech profession, six. And the importance of HR programs to the executive, 4.1. And of course, we'll track this over time. And as you answer the question, they'll be better and will be more. The more people answer, the more correct they are and representative of what you do. And please, you know, if you need the slides from here, you can, like, really watch this and see this again and use the slides for your, for your job.

Jessica Miller-Merrell: [00:23:37.45] Screenshot this slide because I feel like this is the summary of everything that, that we have discussed. Absolutely. But we also need your help. We need your insights. So it's HRBenchmarkSurvey.com. So you're going to get a copy of the full report when you complete the survey. So we'll be setting out the first round. This is just kind of the overview that Zoe and the HiBob team and Workology have put together for you. The more information that we get, the more comprehensive future research can be.

Closing: [00:24:16.36] Thank you for joining this episode of the Workology Podcast, which is sponsored by HRBenchmarkSurvey.com. Not surprising. This podcast is for the disruptive workplace leader who is tired of the status quo. This is why I do what I do. We are changing and influencing the future of human resources and I am so blessed to be a part of that. Thank you for listening to the podcast. My name is Jessica Miller-Merrell and until next time you can visit Workology.com to listen to all our previous podcast episodes.