

CARE TO DO BETTER

**Building trust to leave your people
and your business Net Better Off**


accenture

**In collaboration with
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Trust pays off

In a world turned upside down, leaders are being tested in real-time to keep their business viable while navigating an unimaginable social and economic crisis. At the heart of many conversations is the question: How can we take care of our people? Prior to the crisis we found that only 35 percent of C-suite (CXOs) felt responsible for leaving their people better off, and in a mere six months this has jumped to 50 percent.

Leaving people better off is not only the right thing to do, it's the right thing to do for your business. Even amid weak GDP growth,¹ companies that leave their people better off can see modest revenue growth of 5 percent (average company revenue in 2020 is anticipated to decline by -4.7 percent)² according to our research. In stable economic times, even greater financial gain is possible.

The catalyst for this growth is a new type of CHRO who recognizes that trust is the new currency at work. With trust, the CHRO can work across the organization to architect a culture that leaves people “net better off”, lifts the business and elevates the broader community—to not only emerge stronger but ultimately create a better future. Eventually, the current crisis will pass, and people will choose whom to work for and where to do business. Organizations that answer the call to leave their people better off will win in the market of the future. In this report, we explain how.



**What matters most
to people works for
business**

From crisis to opportunity: **Caring to do better**

Going into 2020, the challenges of the decade ahead were well known—pressure to innovate and accelerate growth on one hand and improve societal outcomes on the other.³ Given the compounding health, economic and social crises, leaders are getting a masterclass in what it means to remain viable against very difficult odds—and to do so in a responsible way that protects and supports one of their most important stakeholders: their people.

This brings the HR profession to a crossroads at a pivotal time in history. The CHRO has emerged as one of the most vital roles in the C-suite, as organizations work to keep their people safe, employed, supported and equal.

Many are rising to the occasion. But some, by their own admission, say they would have been more prepared for our current crisis had they invested more strongly in programs that support their people's holistic needs.⁴ This isn't surprising since over the past decade, CHROs have been accountable for revitalizing their post-recession organizations through efficiencies. They were rewarded more for sounding like a CFO than for architecting a resilient culture that elevates people, delivers for customers and supports the community.

In fact, the entire C-suite is rethinking their responsibility. Prior to the pandemic, 35 percent of CXOs fully embraced the responsibility to support people's holistic needs. In six short months, this has escalated dramatically to represent 50 percent of CXOs.

Now, CHROs have the opportunity to reclaim one of their most fundamental missions: the care and resiliency of human workers. They are now able to rewrite a script that builds trust based on the fundamentals of what matters most to their people.

The CHRO has never been better positioned to be the catalyst for such meaningful change—not only for their people, but also their organizations and communities.

As our research demonstrates, it makes good business sense to do so.



First things first: Building trust

Expectations around the employee-employer relationship are being rewritten in real-time. Workers are asking tough questions:

How is the organization responding to meet individual and community needs during this pandemic?

How is the organization going to keep me safe while re-entering into the workplace?

How is the company helping to dismantle racism in the workplace?



The currency of trust

Trust is the new currency at work. In monthly global pulse surveys conducted by Accenture Research from March-July 2020, we found that over 60 percent of people trust that their company is doing the right thing and almost the same percentage of people feel supported by their employer. However, workers are now examining their careers as global unemployment has nearly doubled from 4.8 percent in 2019,⁵ to 8.3 percent in advanced economies in 2020.⁶ Our research also reveals that more than half of all workers are exploring new sources of income and are contemplating career changes. While many workers trust their employers, they aren't necessarily committed to them.

At the same time, workers hold very high expectations of how organizations will lead responsibly post-crisis. According to our 2020 COVID-19 Workforce Pulse Survey,⁷ 69 percent expect that companies will start to behave more responsibly and equitably than before and 67 percent say that COVID-19 has strengthened the need for greater business involvement in improving social and environmental outcomes. But perhaps even more striking is that it's also personal: Roughly 1 in 2 workers agree that the ethical, sustainable and moral values that a company holds will become more important to them after the pandemic passes.

There has arguably never been a more critical time to capture and maintain the trust of people at work by meeting the needs of what matters most to your workers.



Roughly 1 in 2 workers agree that the ethical, sustainable and moral values that a company holds will become more important to them after the pandemic passes.”

“

‘Normal’ isn’t something that we’ll ever return to, nor should we. Our aspirations are much higher now. Successful workplaces will elevate new ways of working and engaging people. Successful leaders will lead through the lens of a moral compass, focused on eliminating unconscious bias and boosting inclusion and diversity—understanding that leaving their people ‘net better off’ is the endgame. Modern CHROs will champion this new way of thinking and working—to shatter the barriers of systemic racism that exist within our nations, companies and communities. Career seekers will be drawn to companies guided by this moral compass as a way to not only build a career, but to build a better tomorrow for their communities and families.”

Perry Stuckey
Chief People Officer, Eastman



A groundbreaking new model: **Net Better Off**

To understand how organizations can capture this opportunity, we engaged 3,200 senior executives (50 percent HR decision makers and 50 percent other CXOs) and 15,600+ workers spanning 15 industries and 10 countries in a comprehensive and first-of-its-kind study. This research uncovered a powerful finding:

By meeting six fundamental human needs through work, companies unlock their people’s full potential. We call this framework **“Net Better Off,”** and its six dimensions are: Emotional & Mental, Relational, Physical, Financial, Purposeful and Employable (see Figure 1).

Our research found that 64 percent of a person’s potential—defined by their ability to use their skills and strengths at work—is influenced by whether or not they feel better off across these six dimensions. Conversely, less than 9 percent of unlocking potential can be explained by factors such as education, tenure, level, industry, geography and company size.⁸

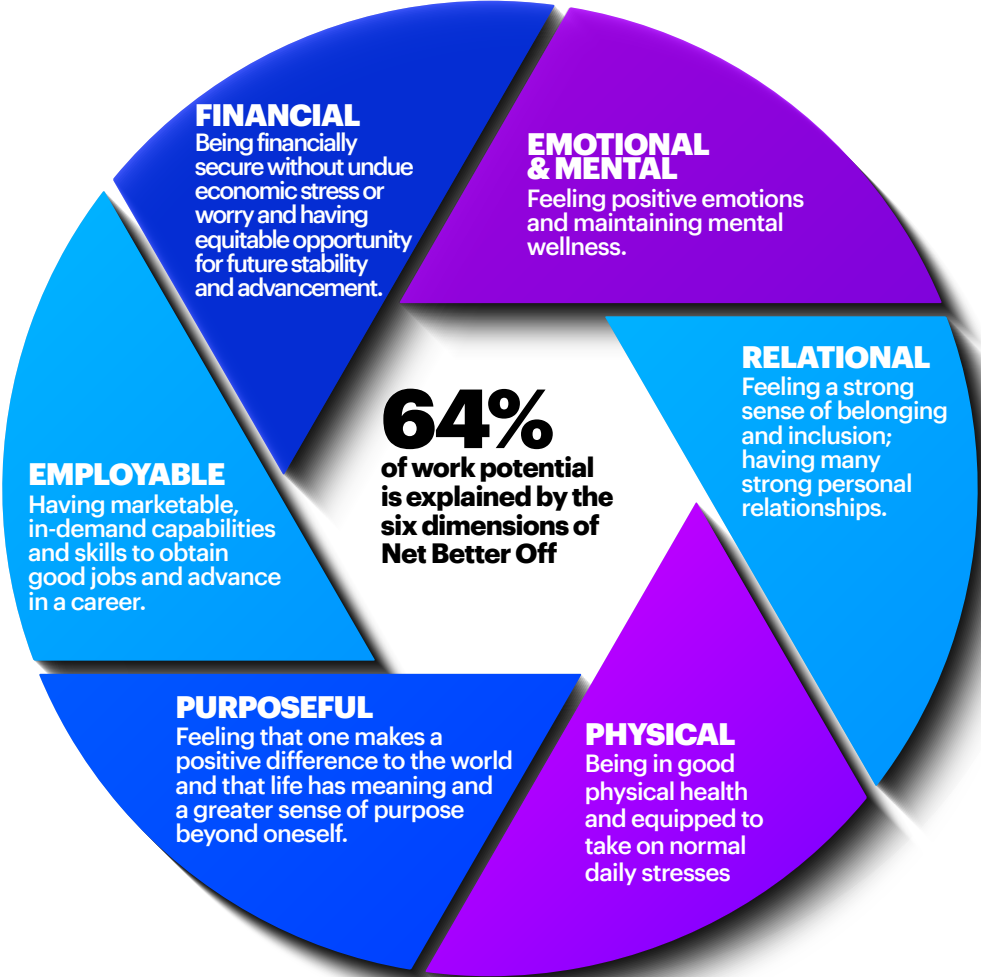


Figure 1: Net Better Off addresses fundamental human needs

Unlock people's potential—boost business

But, it's more than people's potential that is unlocked—it's also business potential. **As employers boost these dimensions and create meaningful and trusting relationships with employees, they see an increase in business performance.** Examining five specific practices (see Sweet Spot Practices in Figure 4), we found that even in today's weak GDP environments, organizations stand to gain upwards of 5 percent revenue growth, compared to the anticipated 2020 average company decline of -4.7 percent. Before the pandemic began during a strong and growing economy, organizations could realize double-digit revenue growth by engaging in the practices that leave their people better off.

The idea of “net” has precedent in business: Net income. Net benefit. The marketing industry created the Net Promoter Score to assess the customer experience and measure customer loyalty and brand sentiment. Net Better Off does much the same thing: It measures and brings into focus what inspires workers' potential. Whether we're looking at a factory worker in Stuttgart or a private-equity banker in Singapore, the Net Better Off model shows that you can't unlock potential without enabling your people to be net better off.

The needs addressed in the Net Better Off model reflect the changing nature of work. The boundaries between people's work and personal lives are blurring, and only more so as 64 percent of the global workforce shifted to working from home at the peak of the crisis.⁹ In times of crisis, these needs require even greater attention.

Mental health, time for physical activity and relational needs are all heightened when people are in relative isolation. We are seeing that financial, employable and purposeful needs also require broader support, as 62 percent of workers are concerned about their job security and are reassessing their priorities.¹⁰ The compounding impact of all these stressors is foreshadowing a very significant global mental health crisis, with research suggesting that the trauma of the pandemic will last far beyond a vaccine.^{11, 12}

Building trust through Net Better Off

We found that each of the six dimensions of Net Better Off were significantly correlated with people trusting their employer. Also, we found that Net Better Off statistically drives people's trust at work. In other words, you are unlikely to have trust between an employer and employees without first addressing the Net Better Off dimensions.



Elevate people.
Lift your business.



Can we be net better off in times of crisis?

Now, more than ever, people are looking to their employer to help meet their individual “me” needs (physical, financial, employable, emotional/mental), their “me and you” needs (relational) and their collective “we” needs (purposeful). Encouragingly, executives are starting to concur. But is it realistic to think that while companies are struggling, they can simultaneously be focused on elevating their people? The answer isn’t an easy one. Feeling accountable for your people doesn’t mean that decisions related to the workforce won’t be difficult.

For instance, 87 firms in the S&P 500 announced staff reductions from early March through the end of June, with 65 of those furloughing thousands of workers.¹³ Nevertheless, tough decisions about the workforce aren’t mutually exclusive from pursuing a Net Better Off model.

In fact, the six dimensions of this framework become even more important during such periods. For example, many companies that had to furlough workers ensured that benefits were extended to meet people’s physical needs during the crisis. A holistic model, such as Net Better Off, is essential to making the tough choices organizations are facing.



We were already facing an unparalleled time of concern for well-being. There were already significant concerns with respect to physical, financial, emotional well-being—and the civil unrest became a further catalyst reinforcing that change is required.”

Donna Morris, Executive Vice President and Chief People Officer, Walmart¹⁴

What to ask TODAY to be better off TOMORROW

NET BETTER OFF DIMENSIONS

Employable

Financial

Relational

Physical

Purposeful

Emotional & Mental

KEY QUESTIONS

Are we equipping people with the right adjacent skillsets to transition into higher paying jobs and explore new roles and industries?

Do our reward and benefit packages meet the evolving needs of our people in times of crisis and in times of abundance?

How do we create a sense of belonging in virtual teams? How do we ensure every voice is being heard throughout the organization?

What have we learned about our peoples' physical well-being that should be adopted as best practices moving into the future?

How does our purpose evolve to meet an enlightened workforce and customer? How does our purpose come to life in our communities?

How can we support the ongoing mental resilience of our people when the potential trauma from the crisis may have lasting effects?

It's about closing the gap and aligning perspectives



When you look at the org chart, it's easy to think that they all work for me. But you have to really believe that you work for the organization. Your job is to remove obstacles and help them achieve what you want them to achieve.”

Chuck Robbins, Chairman and CEO, Cisco¹⁵

How is the C-suite thinking about the needs of their employees? It turns out that the dimensions that organizational leaders are more committed to don't align with what people value most about their employment. Based on our research before COVID-19, the Emotional, Relational and Purposeful dimensions were the strongest drivers of positive employee behavior that benefit the organization (see Figure 2). During the pandemic, it is not surprising that Physical needs rose in importance to workers. However, Relational needs remained high along with Employable and Financial needs.¹⁶



Relative impact of Net Better Off dimension on workers' behavior

Key: ■ Weaker ■ Moderate ■ Stronger

Note: All coefficients are statistically significant at 5% level and positively influence Net Better Off. Source: Accenture Research: Workers survey, conducted 2019

Figure 2: The strongest drivers of worker behavior are attributed to relational and emotional dimensions of Net Better Off

Most organizational leaders, however, were investing only in the Employable and Financial dimensions pre-crisis. This alone will not unlock the longer-term potential of people. As organizations seek to establish trust and lead responsibly, meeting workers' emotional, relational, purposeful and physical needs are also of utmost importance, whether we're in crisis mode or not.

Workers and senior leaders also differ in their views about who is responsible for ensuring that people become net better off. Accenture collected data from both groups before and during the crisis. Interestingly, before the pandemic began, over two-thirds (67 percent) of the workers in our study strongly believed that their employer should be responsible for helping them become net better off, compared with just 35 percent of C-suite executives. During the crisis, these sentiments deepened, with 78 percent of workers believing their employers were responsible and with 50 percent of C-suite executives in sound agreement. The crisis helped to bring C-suite and worker perspectives closer together (see Figure 3).

Indeed, out of the many tragedies of these compounding crises, greater accountability for leaving people net better off is a silver lining. And while these crises have brought acceleration to many parts of organizations' transformations, this newfound responsibility is likely one of the most significant that could enable building a better future, rather than just returning to "normal."



Figure 3: The pandemic has helped align C-suite executives and has nudged them closer to workers' perspectives on employers' responsibilities



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We have to really hold the mirror up and look at ourselves, and what are we actually going to do differently that will drive a different outcome.”

Rhonda Morris, Vice President
and Chief Human Resources
Officer, Chevron”



Where to focus: “Sweet Spot” Practices

Despite C-Suite executives feeling a heightened sense of responsibility, a significant gap persists when compared with employees (Figure 3). This disconnect signals a real risk that organizations will lose their opportunity to leave people net better off along with the associated financial rewards of doing so.

In any endeavor, the sweet spot is the optimum point or combination of factors for maximizing results. Armed with a clear understanding of Net Better Off, we used statistical testing to sort through 20+ employer practices to determine which supported revenue growth and people reaching their potential. Our analysis revealed that some practices skew too much towards the benefit of people at the expense of business performance, while other practices increased business performance at the expense of people.

What emerged were five practices (see Figure 4) that, when taken together, form a sweet spot for investment—paying dividends for both individuals and the organization. However, prior to COVID-19, only 15 to 20 percent of the C-suite executives surveyed felt that their organization was a leader at any one of the five, despite their significant financial benefits.

Additionally, while it is true that CHROs can be the architects of these practices, we found that they are developed and championed with input from individuals throughout the organization. Indeed, the entire C-suite must collaborate to implement these practices and ensure they remain vibrant.



PEOPLE

Become net better off and unlock their potential



5 SWEET SPOT PRACTICES

- 1 Enable continuous learning** to ensure a future-ready workforce that can shift at scale.
- 2 Listen to what your people need at the front lines**, empowering them with real-time data.
- 3 Use technology to enable flexible work arrangements** and more creative work for your workforce that is increasingly dispersed.
- 4 Champion workforce well-being and equality.** Safety and relational needs are more important than ever.
- 5 Set and share people metrics.** Take accountability for diversity and equality, and be transparent and engage in intentional conversations that matter to your people.

ORGANIZATIONS

Improve revenue growth potential



Figure 4: The impact of the Sweet Spot Practices

Source: Accenture Research

Sweet Spot Practice

	RESULTING WORKFORCE BEHAVIOR	PERCENTAGE OF ORGANIZATIONS CLAIMING TO LEAD IN THIS PRACTICE
Enable continuous learning to ensure a future-ready workforce that can shift at scale.	98% of workers would recommend their employer to others.	20%
Listen to what your people need at the front lines , empowering them with real-time data.	97% of workers effectively adapt to change.	15%
Use technology to enable flexible work arrangements and more creative work for your workforce that is increasingly dispersed.	98% are more likely to feel fulfilled in their work.	20%
Champion workforce well-being and equality. Safety and relational needs are more important than ever.	94% put significantly more effort into their work.	17%
Set and share people metrics. Take accountability for diversity and equality, and be transparent and engage in intentional conversations that matter to your people.	72% have a positive experience at work.	15%



Figure 5: A small number of organizations focus on Sweet Spot Practices despite the associated positive workforce behaviors and financial rewards



Taking care of business by taking care of people

Five Sweet Spot Practices

Sweet Spot Practices: A deep dive

01 Enable continuous learning

Organizations that lead in this practice use data analysis to anticipate future skills needs. They deconstruct and reconstruct roles, determining which tasks are best suited for machines and which require uniquely human skills. They also use technology and innovative methods to make people's learning experiences more effective and accessible.

02 Listen to what your people need at the front lines

Organizations that lead in this practice use technology to anticipate, predict and quickly respond to their people's needs. They use two-way applications that flag trends while giving individuals a voice. This allows them to build trust by applying insights in a way that provides clear benefits to individuals, not just to the business. Our research found that 92 percent of workers are open to the collection of data on them and their work in exchange for an improvement in their productivity, well-being and other benefits.¹⁸



It's all about technology. It's about giving people tools and data and empowering them to make better decisions. It's making sure people have access to data when they need it, in a form that allows them to make decisions. It's about using AI and machine learning to ultimately automate the routine and free people to drive innovation.”

**Jonathan Price, Chief Finance Officer,
Teck Resources**

03

Use technology to enable flexible work

Many businesses apply intelligent technologies to automate tasks and improve productivity. Organizations that lead in this practice do more. They select and apply technologies that enable them to reimagine work and processes through greater human-machine collaboration. They use technology to accelerate flexible work, freeing their people to engage in more fulfilling and innovative roles.

04

Champion workforce well-being and equality

This practice requires more than having a program that's a "check-the-box" effort. Organizations that lead in this practice continually support and refine their well-being initiatives to reflect people's changing needs. For instance, in the midst of the current pandemic, organizations have had to be nimble to redesign and create initiatives to safeguard the physical and psychological well-being of their workers. Similarly, many organizations are mobilizing to become more inclusive places to work and nurturing a culture that elevates a sense of belonging and accelerates equality for all.

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My vision is to create a high performing, healthy company that scales ... And so I'm measuring each of the moments that matter for employees. I think we can use technology to get a better pulse on how people are feeling and help empower managers to respond to their needs.”

Pat Wadors, Chief Talent Officer, ServiceNow

05

Set and share people metrics

The most equal and diverse cultures experience 11 times the innovation mindset of the least equal and diverse, according to Accenture research.¹⁹ Organizations that lead in this practice showcase their commitment by ensuring people metrics are in place. There should be accountability and transparency with regard to these metrics, and, ideally, targets and results should be shared publicly to strengthen accountability. In light of the ongoing social discourse regarding racial and social injustice and the fact that individuals identify across many different dimensions, leading organizations need to focus not only on their commitment, but also on their actions to create a workplace where individuals feel they belong and can be the same person both inside and outside of work.

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Investors want to invest in companies with a moral compass, and disclosure on issues like human capital is one way to measure that and give investors greater context. Topics such as diversity, human rights, labor, safety, employee volunteerism and charitable giving are increasingly important context to highlight material risks, illustrate company values and show how a business generates results.”

Vicki Villacrez, Chief Financial Officer, TDS Telecom²⁰

A woman with short white hair, wearing red-rimmed glasses, a blue t-shirt, and a white apron with brown straps, is looking at a tablet computer. She is standing in a warehouse or industrial setting with a purple light source behind her. The background shows a forklift and stacks of yellow and blue boxes.

The Modern HR Mindset



Embrace. Elevate. Inspire.

As our research illustrates, the CHRO and the entire HR team have never had a more important role to play in shaping the direction of their company and influencing a positive social narrative by elevating responsible leadership practices. But to succeed in this new era, CHROs must change the way they think about their own job, championing the dimensions of Net Better Off and the Sweet Spot Practices.

Modern HR leaders are those embracing a new role in the C-suite. They've moved beyond efficiency and process execution and see the future differently. **They are creating experiences grounded in care for people and concern for their communities while accelerating the performance of the business.**

Modern HR leaders are enabling employees to work creatively with new technologies. They also connect people results to business results and team in boundaryless ways that cut across levels and functions within the company. They are helping organizations achieve several goals simultaneously: enhancing relationships with workers based on trust and accountability, accelerating business performance, and creating positive societal change.



For years human resources professionals have wanted a seat at the proverbial table. Now they have that seat in a major way. And if you're good, you're going to stand out. But if you're not good, you're going to stand out even more. We're going to see this crisis as a make-or-break time for a lot of CHROs.”

Johnny C. Taylor Jr., CEO of the Society for Human Resource Management ²¹

These goals are closely tied to the fact that **Modern HR leaders feel much more responsible for leaving people net better off than their peers—2.3 times more responsible**, in fact (see Figure 6). In our research we define the Modern HR leader as one who is leading in at least one of the five Sweet Spot Practices.

Similarly, Modern HR leaders are more likely to prioritize capabilities that enable people to drive continuous innovation and growth. It's a focus that has arguably helped to elevate the perception and value of CHROs. For instance, in the past decade there has been a three-fold increase in the number of top HR executives being named to U.S. corporate boards.²² Modern HR leaders are at the table to help guide talent strategy as much as innovation—and in the midst of the pandemic, we are seeing that manifest more than ever before.

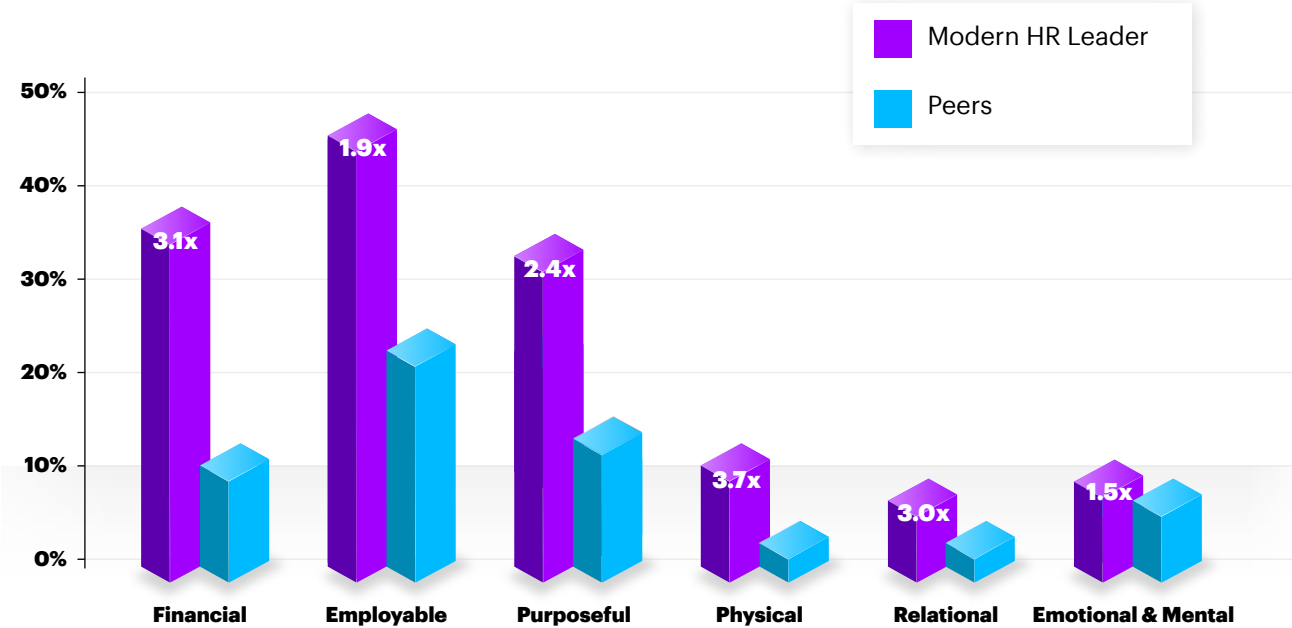


Figure 6: Modern HR leaders feel more responsible than their peers across all Net Better Off dimensions

What are the hallmarks of Modern HR leaders?

What positions Modern HR leaders to succeed? **We found three ways in which these trailblazers approach their work differently than their peers in other organizations. They exhibit a new ethos, pursue new skills and develop new collaborations.** More specifically, they adopt a new mindset and accountability

toward their people, their business and the communities they serve.

They also develop new skill sets to support emerging roles within HR and focus on upskilling their workforce to better prepare for the future of work. And lastly, they operate in boundaryless ways by teaming

across the organization in order to meet the needs of their people and achieve shared success. Less than 20 percent within our study were Modern HR leaders. While a small group, it is a vital and emerging set who are charting a different course by putting people at the heart of all they do.

The Modern HR Mindset



01

A new ethos of empathy

Modern HR leaders have adopted a profoundly different mindset for how they approach their work. **Their focus has shifted from expecting people to be worthy of their organization to making their organization worthy of the best individuals.** This shift transcends a traditional and transactional relationship between people and their employers and engenders a higher level of trust. It also results in business leaders thinking about jobs by starting with strengthening individuals, knowing that the success of the organization starts with people.

This new mindset of Modern HR is an ethos. It's a way of being, rather than a prescriptive formula for change. It's adopting a new north star and a new set of principles, such as leading with transparency, redesigning unjust systems to promote a culture of equality, and collaborating across ecosystems to keep people employed today and innovate new solutions for tomorrow. This ethos moves Modern HR professionals beyond efficiency and execution and into strategic talent advising and architecting practices that unleash newfound potential. It allows Modern HR leaders to see the future differently, with an innovation-led, people-first approach to work.



I typically start the conversation with my colleagues like this: You don't have me around to drive costs out. You have me around so we can help the company thrive and grow by having the right talent in the right place at the right time. And if my only metric of success for the HR function is how much cost I took out, I don't think that aligns directly with how I am helping the firm thrive, grow and develop people who are unleashed to add value.”

Christy Pambianchi, Chief Human Resources Officer, Verizon

A focus on new skills and roles

Modern HR professionals must have a continuous learning mindset. They must also use innovative tools to enable others to choose when and how they learn. However, if they are to usher in new ways of working, they must lead by example. So as Modern HR leaders identify the next generation of skills and curate experiences for people that further develop their potential, they must acknowledge the new roles and skills they'll need to thrive in their own positions.

CHROs and their C-suite peers in our study see three new categories of roles emerging that will help HR bring their people and businesses into the future: Work Technologist, Steward of Purpose, and Upskilling Advocate.

We asked both HR leaders and their peers in the C-suite what new skills would be required to fulfill these new roles. Becoming a Work Technologist would require the ability to make data-driven decisions and keep close to the latest innovations. Becoming a Steward of Purpose would require strong interpersonal communications and the ability to strategize around social impact. And an Upskilling Advocate would require a sophisticated aptitude for organizational design, continuous learning and new skilling efforts.

Becoming the Modern HR leader is as much about learning these new skills as unlearning outdated practices that have simply not moved the needle fast enough as it relates to workers' well-being and equality. Doing so will enable HR to effectively deliver their full value and drive innovation throughout the company.



03

A new boundaryless collaboration approach

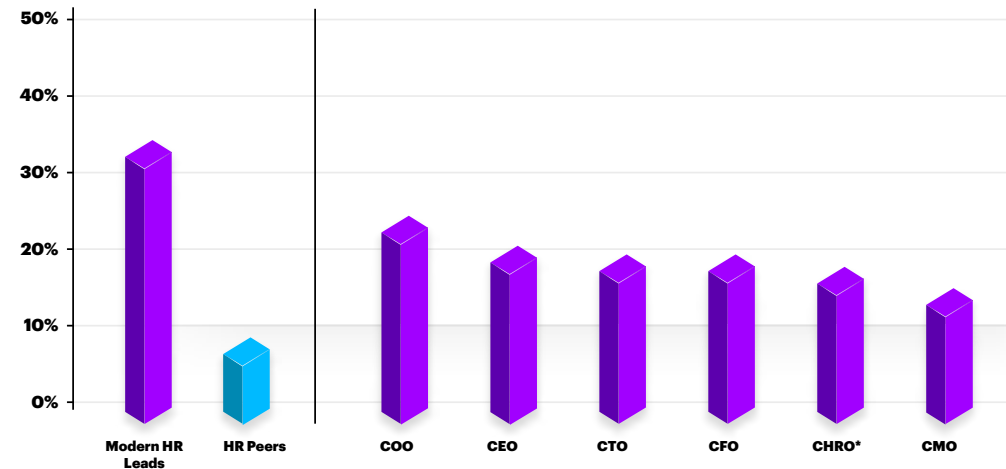
Modern HR leaders practice agility and adaptability by enabling a diverse group of individuals to bring insights and solutions at speed and scale. **In fact, they are four times more likely (Figure 7) than their peers to initiate and drive collaboration (36 vs. 9 percent)**, providing support for a boundaryless way of operating across their organizations. Doing so is simply necessary, as talent strategies and opportunities to develop potential extend beyond the walls of HR and even the organization.

One of the ways they do this is by convening difficult conversations across the business. Whether it is about race, workforce actions or new skilling needs, the ability to bring people together to have the tough and transparent conversations is how the modern CHRO will have influence and accelerate progress across their organization.



One of the most important things is to have very transparent discussions about what’s happening in our environment. We shared all of the employee relations cases with the entire workforce. And we said let’s talk and learn from it.”

Francine Katsoudas, Chief People Officer, Cisco



Source: CXOs Survey – Q12.
*Includes Chief Talent Officer and HR EVP/SVP/VP

Figure 7: Extent to which organizations are currently focused on improving collaboration between HR function and others beyond the HR function (e.g. IT, Finance, Marketing, and external organizations)

People Potential Progress

Elevate trust to leave people net better off

Ensuring your people are net better off is more critical now than ever—to support workers today when they need it most and strengthen their trust in the employer-employee relationship to reap benefits tomorrow.



The Net Better Off model enables individuals to work at their full potential. And it allows them to feel greater purpose at a time when many are seeking more meaning. Lastly, leaving people better off can help organizations drive minimal-to-moderate growth in a period when most businesses are being significantly challenged.

However, this reorientation requires Modern HR leaders who can solve the right problems in innovative, tech-forward ways and reshape how work is done in their organizations. It requires adopting a data-driven mindset to meet the core needs of people.

They start by asking a new set of questions: How do I ensure that my people become net better off as a result of working here? How do I create and enable a culture that unlocks the sweet spot practices? What must I unlearn in order to adopt new roles and skills? How do the decisions we make about our workforce and workplace benefit the broader community?

Modern HR leaders are redefining the way they and their teams think and act—and in turn, their role in the organization. They know that committing to making people net better off requires more than imaginative practices and policies. It means putting care and compassion at the heart of the work experience and building trust through transparency. People's potential can change when they are sufficiently supported.

In the end, Modern HR is an ethos, not a function, that focuses on designing and shaping work and work experiences that unleash the full potential of individuals, teams, organizations and communities. Our workforce and communities are counting on CHROs—in concert with the rest of C-suite—to support them and emerge stronger from this crisis than before. The future of HR depends on how we seize this moment.

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ACKNOWLEDGEMENTS

The authors would like to thank the following individuals from Accenture:

Business Sponsor

Eva Sage-Gavin, Senior Managing Director, Talent & Organization/Human Potential

Research Lead:

Kelly Monahan, Ph.D.

Project Team:

Andrew James, Joanne Kaufman, Francis Hintermann, Nataliya Sysenko, Tomas Castagnino, Tchicaya Robertson, Christine Yiannakis, Sarah Berger, Karen Saverino, Courtney Bonanno, Tracey Seward, Matthew McGuinness, Bradley Nixon, Veronica Filgueira, Paul Barbagallo

We would like to thank the following business leaders, experts and practitioners for their valuable insights during our interviews and conversations:

Paulette R. Alviti, Executive Vice President and Chief Human Resources Officer, Mondelēz International (US)

Melissa Anderson, Executive Vice President and Chief Human Resources Officer, Duke Energy (US)

Elaine Arden, Group Chief Human Resources Officer, HSBC (UK)

Nellie Borrero, Global Inclusion and Diversity Senior Managing Director, Accenture (US)

Sheri Bronstein, Chief Human Resources Officer, Bank of America (US)

Lisa M. Buckingham, Executive Vice President and Chief People, Place and Brand Officer, Lincoln Financial Group (US)

Boon Choo, Regional Head of Operations, Asia, Manulife (Hong Kong)

Mike Dallas, Global Head of Employee Experience, Manulife (Canada)

Michael D'Ambrose, Chief Human Resources Officer, The Boeing Company (US)

Pierre Deheunynck, Executive Vice President, Human Resources, Engie (France)

Jorge Figueredo, Former Executive Vice President, Human Resources, McKesson (US)

Kevin F. Hallock, Dean, Cornell SC Johnson College of Business (US)

Takaaki Ishii, Executive Vice President, Chief Operating Officer and Representative Director, Nippon Express (Japan)

Francine Katsoudas, Executive Vice President and Chief People Officer, CISCO (US)

Jaco Zheng Liangcai, President, Human Resources Department, Huawei Technologies Co., Ltd. (China)

Catherine Luelo, Senior Vice President and Chief Information Officer, Air Canada (Canada)

Cameron McDonald, Vice President, Human Resources Transformation and Employee Development, Duke Energy (US)

Lynn Minella, Executive Vice President and Chief Human Resources Officer, Johnson Controls (US)

Leslie Mitton, Chief Human Resources Officer, ICBC (Canada)

Donna Morris, Executive Vice President and Chief People Officer, Walmart

Rhonda Morris, Vice President and Chief Human Resources officer, Chevron (US)

Christy Pambianchi, Executive Vice President and Chief Human Resources Officer, Verizon (US)

Susan Podlogar, Executive Vice President and Chief Human Resources Officer, MetLife (US)

Jonathan Price, Chief Finance Officer, Teck Resources (UK)

Yang Sai, Director, HR Quality and Operation Department, Huawei Technologies Co., Ltd. (China)

Mr. Toru Shirowa, Chief Human Resources Officer, KDDI (Japan)

Perry Stuckey, Chief People Officer, Eastman (US)

Mr. Hiroki Totoki, Executive Vice President, Corporate Executive Officer & Chief Strategy Officer, Sony (Japan)

Chris Van Steenberg, Chief Human Resources Officer, Heineken Int. (Belgium)

Pat Wadors, Chief Talent Officer, ServiceNow (US)

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ABOUT THE RESEARCH

The Accenture Research program was built on four proprietary research initiatives:

- A survey of 15,665 workers across skill levels and generations from a range of large and small companies: 30 percent were management workers.
- A survey of 3,200+ C-level executives: 50 percent were HR decision makers and 50 percent, other CXOs.
- Both surveys covered 10 countries (Australia, Brazil, Canada, France, Germany, Japan, Spain, Singapore, United Kingdom, United States) and 15 industries (Aerospace & Defense, Banking, Communications, Consumer Goods & Services, Energy (Oil and Gas), Freight and Logistics, Health, Insurance, Media, Public Sector, Retail, Technology (High Tech), Travel, U.S. Federal Government, Utilities). These were carried out between October and November 2019.
- A follow-up survey was conducted in the months of April – July 2020 with 5,400 global workers and 700 C-suite executives.
- 35 in-depth interviews involving CHROs, CEOs and academic experts, conducted by Accenture Research and third parties.
- Econometric modeling to determine the relationship between Net Better Off and companies' revenues.

Econometric modeling:

The Sweet Spot practices were derived using regression modeling to evaluate practices that significantly drove Net Better Off and organizational growth. Through four steps, we combined employees' and CXOs' survey insights with econometric modeling to estimate the effect of improved business practices on workers' Net Better Off scores and on company financial performance.

Step 1: Employees' Net Better Off Score

We used the worker survey to estimate the Net Better Off score against the models' six dimensions. We used regression analysis to determine the relationship between these dimensions and the current level of maturity of Sweet Spot practices; and to determine the relationship between Net Better Off scores and employees' rating of their employer as "a great place to work."

Step 2: Development of Sweet Spot Practices

We asked CXOs about the current level of maturity of Sweet Spot practices, using a scale of 1 to 7 to measure the extent to which they were implementing each. Using the relationship between the maturity of these practices and employees' Net Better Off scores from step 1, we derived workers' Net Better Off scores given companies' capabilities.

3: Net Better Off score effect on financial performance

We collected estimates on financial performance from various academic papers. For the impact on revenues, we used Green, Huang, Wen, and Zhou, 'Crowdsourced Employer Reviews and Stock Returns' (2018), Journal of Financial Economics, which captures the relationship between employees' reviews of companies as "great places to work" (based on Glassdoor) and revenue growth.

To estimate the financial impact of the Net Better Off score, we used an econometrically informed relationship between "great place to work" ratings and Net Better Off scores from step 1, and derived companies' Net Better Off scores from step 2. For revenue growth estimates, we sourced S&P Capital IQ financial data of 2,476 global companies, respecting size, industry and country features of the CXO survey.

Step 4: Scenarios of improvements in Sweet Spot Practices

We then simulated scenarios of Sweet Spot improvements and potential uplifts in Net Better Off scores and financial performance. In the best scenario, practices were simulated to grow to maximum potential; in the moderate scenario, they grow to the middle point between the current and maximum levels. In the small uplift scenario, we simulated growth potential of capabilities by 10 percent. The small uplift scenario was chosen for this report and research.

About the authors



Ellyn Shook

Chief Leadership & Human Resources Officer, Accenture



Ellyn is responsible for helping Accenture's half a million people succeed both professionally and personally. Her global team of HR leaders is reimagining leadership and talent practices—including innovative uses of technology to unlock people's potential—to create the most truly human work environment. She frequently advises clients who seek to learn from the large-scale talent transformation she's led within Accenture.

A member of the company's Global Management Committee and Investment Committee, Ellyn is a strong advocate for diversity and equality. Ellyn is a member of the World Economic Forum's Global Shaper Community Foundation Board, the Women's Leadership Board of the Women and Public Policy program at Harvard's Kennedy School, and the steering committee of Paradigm for Parity. She also serves on the HR Policy Association's Board of Directors and is an active member of the HR50 division of World50.



David Rodriguez, Ph.D.

Global Chief Human Resources Officer, Marriott International



David joined Marriott International in 1998 and assumed the role of global chief human resources officer in 2006. He was appointed a corporate officer in 2000, and in 2004, to the board of directors' Committee for Excellence, which focuses on advancing employee well-being and inclusion in the company. Prior to joining Marriott, he held various human resources leadership positions at Citibank.

Drawing on his background as an organizational psychologist, David is an outspoken champion for advancing employee well-being and company culture as the most powerful path to sustainable business success. He earned a doctorate degree in industrial/organizational psychology from New York University in 1987. David is chairman of the American Health Policy Institute, a vice chair of the Human Resources Policy Association and a governor on the board of the Health Transformation Alliance. He was elected to the American Woodmark board of directors in 2020. David was inducted as a Fellow of the National Academy of Human Resources in 2014 and was named HR Executive of the Year by Human Resource Executive magazine in 2019.

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