

# 2020 *HRO Today* Annual Top Concerns of CHROs<sup>©</sup>



Presented by the *HRO Today* Association  
CHRO Today Executive Network (C-TEN)



# introduction

This is the inaugural year of the 2020 *HRO Today* Annual Top Concerns of CHROs®, presented by the *HRO Today* Association CHRO Today Executive Network (C-TEN). While there are other studies that examine the perceptions of CEOs, there are none that truly capture the Chief Human Resources Officer (CHRO) outlook. Human Resources is most directly responsible for workforce planning and employee needs, so the insight gained from this analysis is unique and valuable. The 2020 *HRO Today* Annual Top Concerns of CHROs® includes over 150 top HR corporate executives from the North America, EMEA and APAC regions. Survey respondents were invited to participate in the study via an email invitation between April 21 and June 12, 2020.

The report focuses on CHRO insights and examines how COVID-19 is impacting workforce planning this year and long term. It also quantifies the extent of other concerns when planning for future staffing needs and assesses how organizations are training their workforce to meet anticipated needs.

To say that 2020 has been a tumultuous year is an understatement. The *HRO Today* Annual Top Concerns of CHROs® launched during the COVID-19 worldwide pandemic, and continued fielding through the Black Lives Matter protests across the United States. The worldwide employment picture changed nearly over night, from below 5% to its highest level in more than 25 years. World Bank forecasts a 5.2% decline in Global Economy in 2020 from the Coronavirus, making it one of the four most severe downturns in 150 years.<sup>1</sup> But Human Resources still has to grapple with the issues they started the year with: Meeting the needs of a new workforce, managing the skills gap and promoting an even better defining role of the function at the highest levels of an organization.

# Five key themes emerged:

**“Life is what happens while you’re busy making other plans.”**  
*Lyric from “Beautiful Boy (Darling Boy),”*  
*John Lennon, 1980*

COVID-19 completely knocked 2021 workforce planning on its head. Prior to the worldwide pandemic, nearly four-in-ten (39.8%) of respondent companies planned to increase the size of their workforce in 2021, while just over one-in-ten (11.9%) planned a decrease. But once the severity of the pandemic and its impact on business operations was beginning to be understood, the percentage of companies still planning to increase its workforce dropped by over seven percentage points. But more telling was the percentage that planned to decrease their size, 38.5%, up by a factor of three. Clearly the worldwide job loss has been staggering, but it is not just job eliminations and furloughs. Those industries like telecommunications and staples have prospered during the crisis, looking to add to their workforce at a frantic pace while other industries, like hospitality and entertainment, were devastated. Both groups and those in-between found 2021 plans completely scrapped, as organizations wrestled with an unpredictable year.

**“The Times they are a Changin’”**  
*Bob Dylan, 1964*

Meeting the needs of the new workforce is the foremost concern of CHROs, with nearly one-half highly concerned. All but the youngest of Baby Boomers are retiring or planning to retire over the next few years. In their place, Millennials and Gen Xers are making up the bulk of the workforce, with different life experiences and expectations about the nature of work. Shorter term jobs, flexible working hours and complete access to technology 24/7 change expectations and the demands they place on their employer. Workforce planning includes finding ways to meet the needs of the new workforce, as well as finding the skill sets needed to grow the business, all of which are top concerns for CHROs.

When fielding began for this study, diversity was not seen as high a concern as some of the skills and talent availability issues. Some companies may have also believed that they had made good progress on this issue. But over the course of the time we collected responses, concern about diversity nearly doubled, no doubt in reaction to the Black Lives Matter awareness initiative across the US. The largest companies (more than 3,000 employees here) showed the most concern for diversity. We expect smaller companies to follow suit.

**“Don’t Stand So Close to Me”**  
*The Police, 1980*

Foremost on the minds is the long-term impact of COVID-19 on company operations, with over one-half (52.0%) Extremely/Very concerned. In the span of a week and a half in late June, the number of coronavirus cases in the United States had doubled, yet officials are saying this is still the first wave of the pandemic. Further, in 40 states, the rates of infection are still going up, with a vaccine not likely to be available until late 2020, at the earliest.<sup>2</sup> Given this grim scenario, it is no wonder it is the biggest concern CHROs have right now. The impact on business operations for nearly all of 2020 will be unprecedented, with long-term planning completely scrapped as HR wrestles with workforce planning needs into next year.

**“Learning to Fly”**  
*Tom Petty, 1991*

Upskilling is the process of training employees with new skills that they can use in their work. In recent years, the pace of advances in technology has increased the impetus for upskilling. By 2022, 54% of all employees will require significant upskilling, according to the World Economic Forum. Evolving technology requires new skills, resulting in dynamic job requirements. Upskilling fills this skill gap through ongoing education. Upskilling also addresses the need for career growth, employee satisfaction, engagement, reduced turnover and helps keep the organization competitive.<sup>3</sup>

But despite the acknowledged need and great benefits of upskilling, there has been very limited progress in employee upskilling programs. Fewer than one-in-six CHROs believe significant progress in upskilling has been accomplished. Other research supports this contention: 56% of HR professionals surveyed said their organizations’ skills gaps are moderate to severe, according to The Upskilling Crisis, a 2019 study by West Monroe Partners and the Human Capital Media Research and Advisory Group.<sup>4</sup> Additionally, 63% said their organizations have not equipped managers with upskilling resources. It is little wonder then that progress has been slow.

**“Knowing me, Knowing you”**  
*ABBA, 1976*

There is much discussed about HR’s role with company senior leadership. Having a seat at the table allows HR insight into the minds of the leadership team and manages the expectations of the department to be viewed as a strategic partner.<sup>5</sup>

Being a strategic partner means knowing the business. The vast majority (81.4%) of senior HR leaders consider themselves as more of a business executive than HR policy managers, which is the best way to understand and communicate with other department heads. But this view of themselves contrasts with their opinions about their own department, where only 60.9% agreed they wished their department thought more like businesspeople than HR policy makers. HR departments are out of sync with their own leaders, and so they certainly cannot be in sync with the rest of the organization. The gap between expectations is even more pronounced in organizations of less than 3,000 employees than those with more than 3,000, limiting their ability to grow the business.

# Detailed Findings

## Plans for Workforce Change in 2021: Pre- and Post-COVID-19

Study respondents were asked about their plans for changing the size of their worldwide workforce in 2021. They initially selected either “Increase,” “Decrease,” or “Remain the same,” and they were shown a follow up question that quantified the extent of the planned change. These questions were asked twice, once referring to plans prior to the COVID-19 pandemic, and then again referencing plans since the pandemic. Responses were compared to see how much of an impact the pandemic had on planned changes to respondents’ size of the workforce.

*Prior to the COVID-19 pandemic, what were your plans as to the change in the size of your worldwide workforce in 2021?*

**AND**

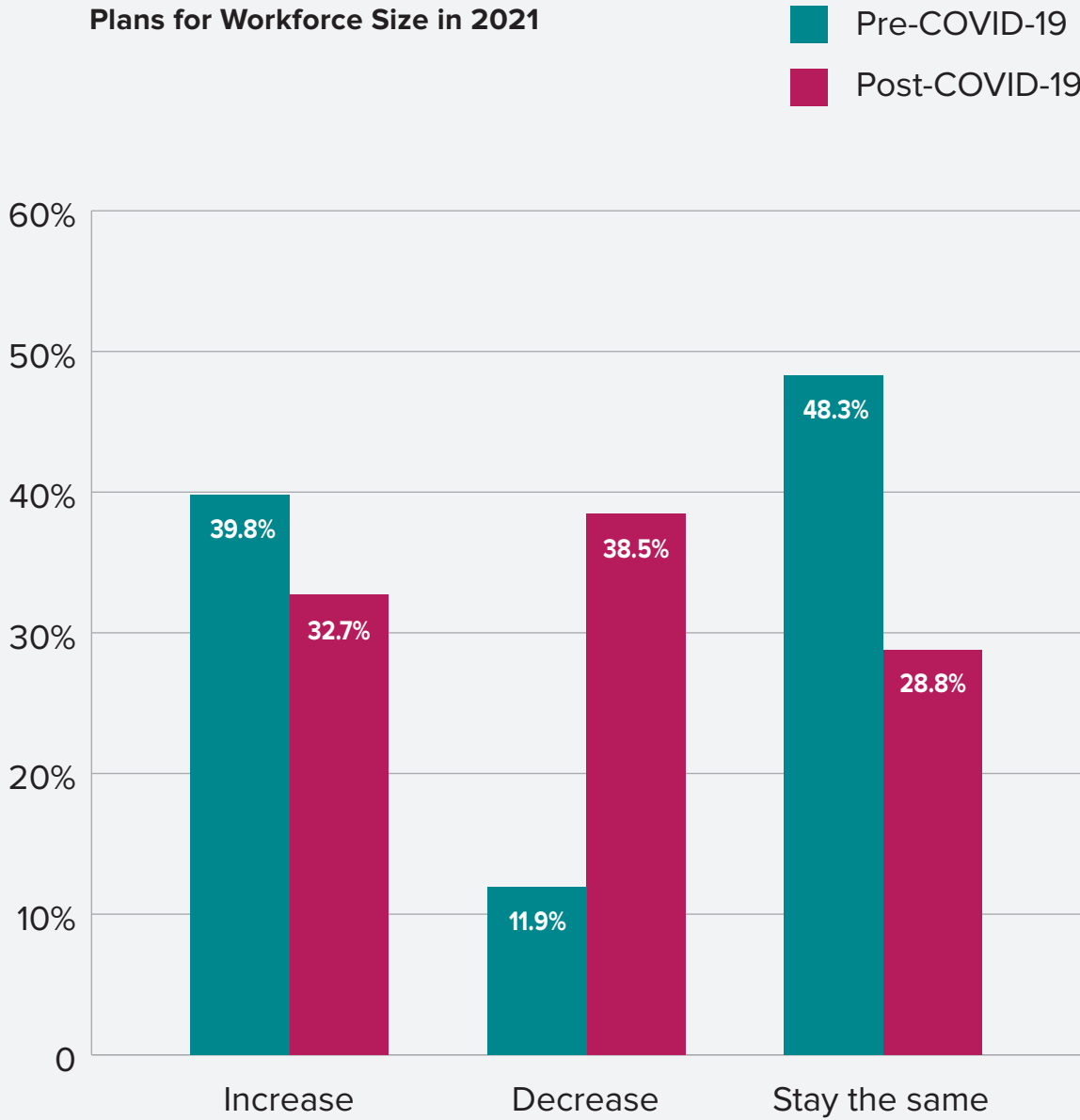
*Since the COVID-19 pandemic outbreak, what were your plans as to the change in the size of your worldwide workforce in 2021?*

Initially, nearly four-in-ten (39.8%) respondent companies planned to increase the size of their workforce in 2021. But after the start of the pandemic, that percentage dropped by 7.1 percentage points to 32.7%.

Even more pronounced was the impact on planned decreases in the size of the workforce. Prior to the pandemic, only 11.9% planned a decrease. But once the pandemic hit, that percentage increased dramatically to 38.5%, over three times as high.

In the United States, the unemployment rate is projected to decline to 9.5% by the end of 2021. Under that projection, the unemployment rate at the end of 2021 would be about 6 percentage points higher than the rate projected in January 2020, and the labor force would have about 6 million fewer people.<sup>6</sup>

Because of the pandemic, worldwide unemployment is projected to rise to its highest level in more than 25 years, while the average unemployment rate is projected to rise to between 9.2% and 10.0%.<sup>7</sup>





## Plans for Workforce in 2021: Pre- and Post-COVID-19 (cont'd)

### *What was the planned increase in size of your workforce as percentage of the total?*

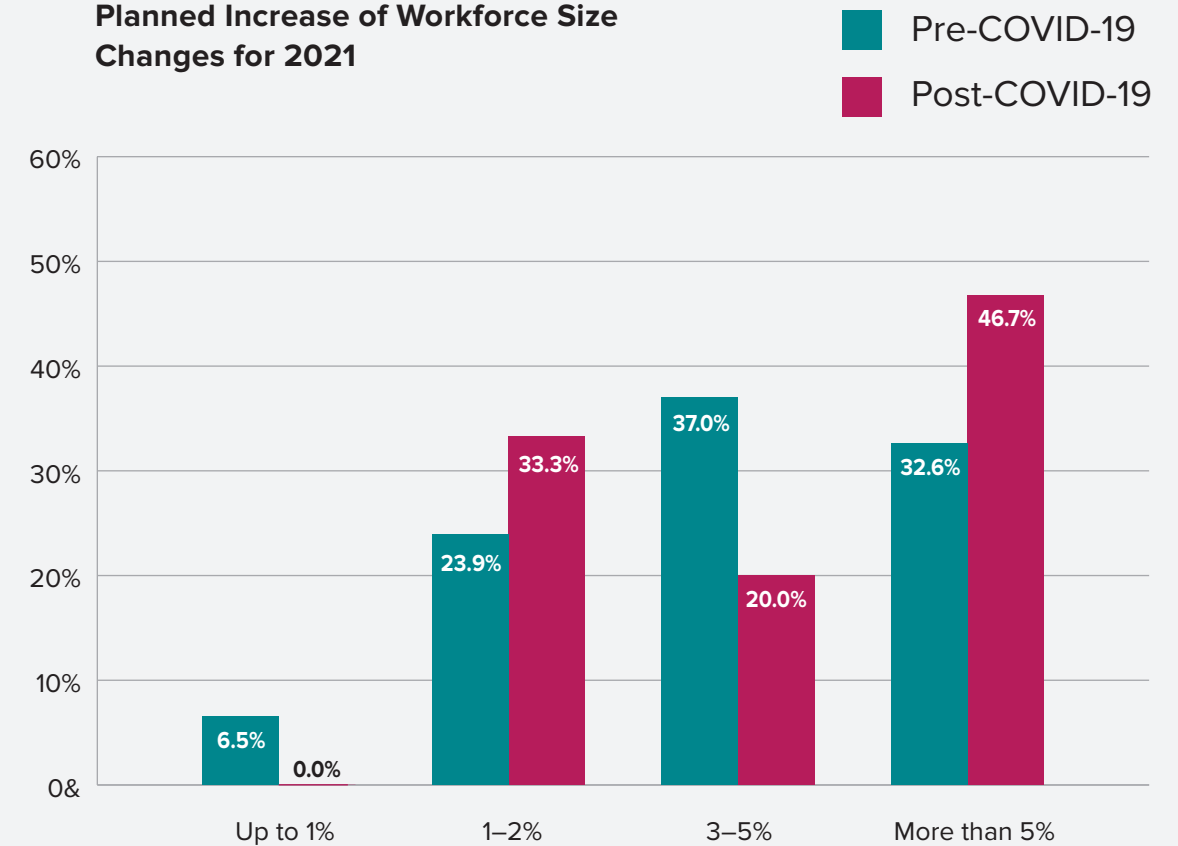
Those respondents who indicated they planned to increase the size of their workforce in 2021 prior to the pandemic were then asked to select the range of increase. Over two-thirds (69.6%) of respondents indicated an increase of at least 3%, with an average increase of 4.2%.

Plans for increases in the size of the workforce after the pandemic struck were similar. Over two-thirds (66.7%) planned an increase, with an average increase of 4.6%, which was a higher average than prior to the pandemic (4.2%).

This finding seems counter intuitive. But a deeper dive into the data provides some insight. Fewer companies planned an increase in the post-COVID 19 world. But the pandemic has not been as devastating to some industries as others, and those still planning an increase in workforce have fared well. So, while the number planning the increase is smaller, the percentage change in their plans was greater.

Further, despite most industries experiencing rapid declines in revenue, many are positioned to do well in an economy ravaged by the pandemic. Those industries include staples, discount and bulk retail, information technology and remote work, and utilities and telecommunications.<sup>8</sup>

### Planned Increase of Workforce Size Changes for 2021



### Average Planned Increase

**4.2**  
Pre-COVID-19

**4.6**  
Post-COVID-19



## Plans for Workforce in 2021: Pre- and Post-COVID-19 (cont'd)

*By what percentage was the size of your workforce planned to decrease?*

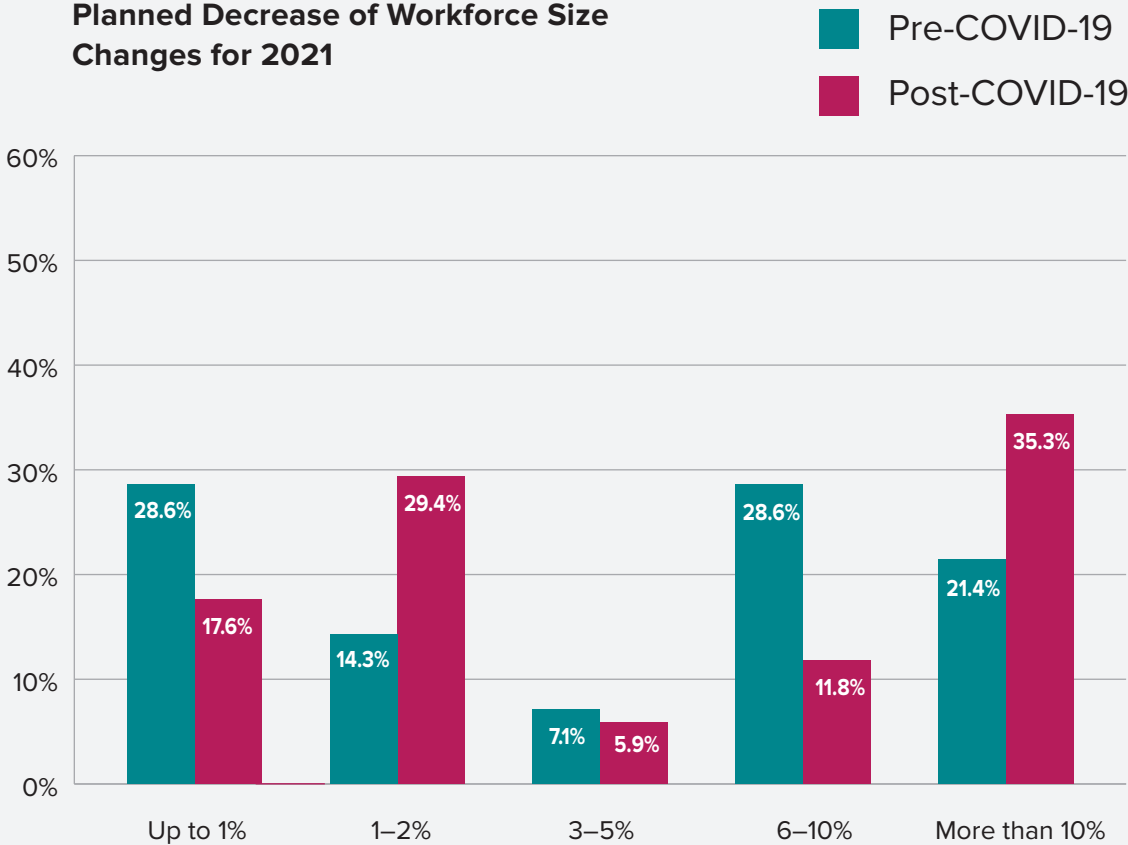
Those respondents who indicated they planned to decrease the size of their workforce in 2021 prior to the pandemic were then asked to select the range of increase. One-half (50.0%) of respondents indicated a decrease of six percent or more, with an average decrease of 6.9%.

Plans for decreases in the size of the workforce after the pandemic struck were more pronounced, but only marginally so. Again, about one-half (47.1%) planned a decrease, but with a higher average decrease of 7.4%.

The result is that there was not a dramatic change in plans in pre-COVID-19 plans vs. Post-COVID-19 plans for decreasing the size of workforce. That is likely due to the decrease that already took place in 2020. Many companies began decreasing in 2020 and plan more decreases in 2021.

Economists expect non-farm payrolls to shed a monthly average of more than 4.5 million jobs from April through June as the pandemic keeps the economy largely frozen.<sup>9</sup>

### Planned Decrease of Workforce Size Changes for 2021



### Average Planned Decrease

6.9  
Pre-COVID-19

7.4  
Post-COVID-19



“

As a CHRO of a healthcare system, we are dealing with the paradox of furloughing staff while planning to staff a surge. Screening, testing, contact tracing to protect staff and patients are significant challenges we are dealing with, in addition to supporting a remote workforce. We are also supporting rapid change and preparing the organization for a future in which we predict care delivery will look very different.”

**Chief Human Resource Officer**

Healthcare, 10,000 – 24,999 employees

“

We are in the process of evaluating options to move to a split in-office/remote workforce to reduce our physical footprint and associated costs while potentially creating the opportunity to reach new hire talent pools.”

**SVP/VP HR, Fire/Insurance/Real Estate**

**Insurance and Financial Services**

500 – 2,999 employees

“

Quite frankly, there’s a lot of triage and survival focus right now. It’s hard to think about 2021 when you’re trying to damage control on what happening today.”

**Chief Human Resource Officer (CHRO),  
Professional Services**

500 – 2,999 employees

Extent of Concern: Preparing for future staffing needs

How concerned are you, if at all, about each of the following areas that relate to preparing for future staffing needs?

Study participants were asked to indicate their extent of concern for nine elements related to future staffing requirements. The foremost concern was meeting the needs of the new workforce. Nearly one-half (41.2%) felt “Extremely” or “Very” concerned about this area, with nearly every respondent expressing at least moderate concern.

We are rapidly approaching a tipping point in the American workforce. Baby Boomers are retiring en masse, giving Gen Xers and Millennials an unprecedented opportunity for career advancement. At the same time, the oldest members of Gen Z are graduating college and filling entry-level positions.

The future of many companies is dependent upon hiring and retaining the best Millennial and Gen Z talent—a tall order in the modern “gig economy” where many younger Americans work multiple jobs, often for short periods of time.<sup>10</sup>

Millennials and Gen Zers are more likely to proactively seek out self-development and training schemes, taking a more active role in reskilling than prior generations. Younger generation managers are more likely to embrace remote working, both for

their employees and their staff, and more than twice as likely as baby boomers to have increased their use of freelancers in the past few years, and are projected to continue increasing their usage going forward.<sup>11</sup>

Over one-third (38.2%) of respondents felt “Extremely” or “Very” concerned about workforce planning. Workforce planning is related to the systematic identification and analysis of what an organization is going to need in terms of the size, type, experience, knowledge, and skills of its workforce to achieve its objectives.<sup>12</sup> It covers the overarching role of evaluating and planning for future staffing needs and budgets.

The availability of skilled workers in the categories needed was a high concern for 37.4%. Low unemployment in most of the industrialized world for multiple years likely drove this concern, followed by the increasing impact of technology in the workforce. How quickly the worldwide economy recovers from the shock of an unprecedented shutdown will greatly influence concerns over recruiting, but it is always a challenge for businesses to get the right people in the right roles.

Extent of Concern: Preparing for Future Staffing Needs



Diversity scored fairly low in terms of the extent of concern, with less than one-quarter (22.5%) finding it “Extremely” or “Very” much a concern. The largest organizations, those with at least 3,000 employees, were more than twice as likely to rank diversity as a high concern than those with fewer than 3,000 employees, 33.3% vs. 15.4%, respectively.

Concern Over Diversity By Company Size: Diversity: Extremely/Very Concerned



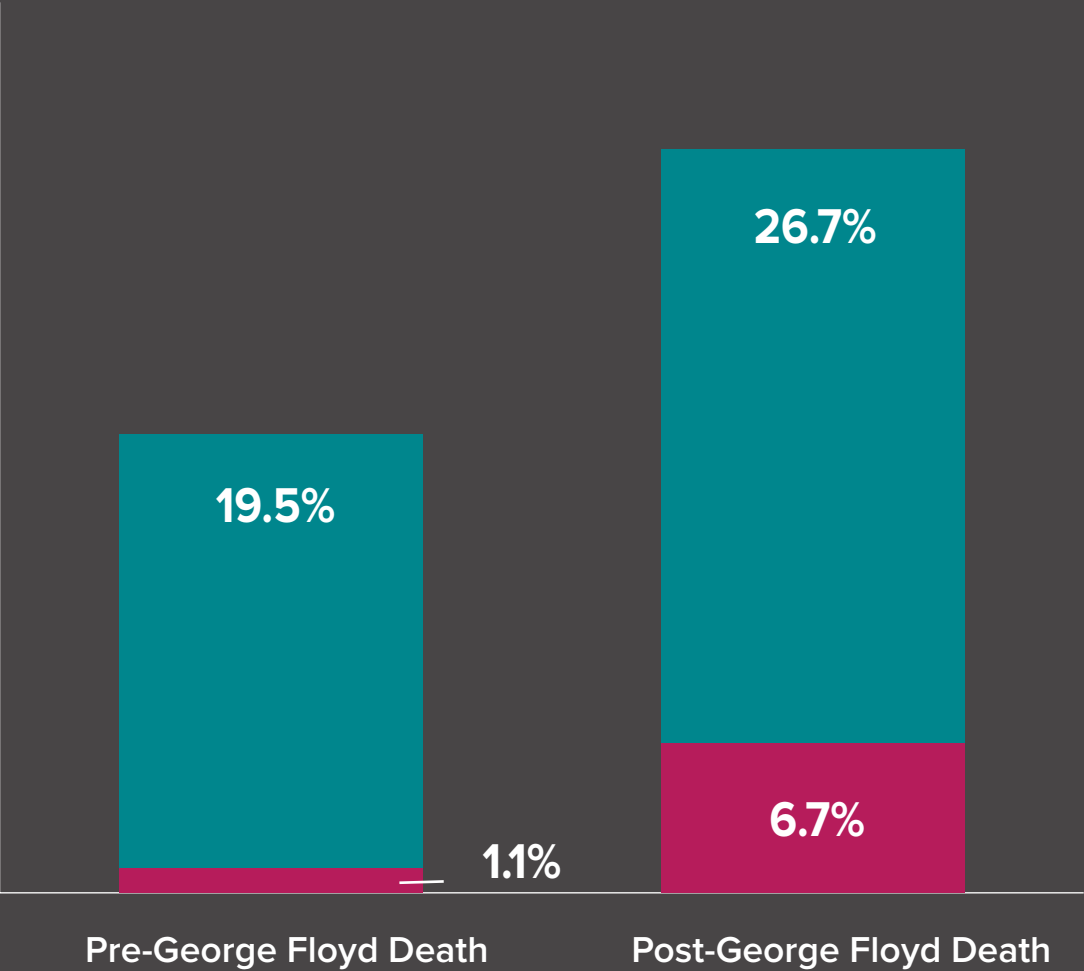


# Diversity Concern Increased with Black Lives Matter Protests

Diversity concern changed greatly during the period this study was fielded. On May 25th, 2020, African American George Floyd was killed by police while in their custody. The killing of Floyd triggered massive protests in the United States with curfews being imposed in cities across the country, igniting the already established Black Lives Matter movement, which focuses on racial inequality. The chart to the right shows how diversity concerns changed. Prior to Floyd's death, only 20.7% considered diversity a high concern, compared to 33.3% afterwards, a 46.7 percentage change. Clearly the movement influenced the concerns of Corporate America.

Changes in Concern Over Diversity:  
Impact of George Floyd

- Very Concerned
- Extremely Concerned



## Extent of Concern: HR Responsibilities

*How concerned are you about each of the following areas that are included, at least in part, among HR responsibilities?*

Study respondents were asked to indicate the extent of their concern about issues directly or indirectly related to HR’s area of responsibility. Foremost on their minds is the long-term impact of COVID-19 on company operations, with over one-half (52.0%) Extremely/Very concerned. This was the only area examined with more than one-half indicating high concern.

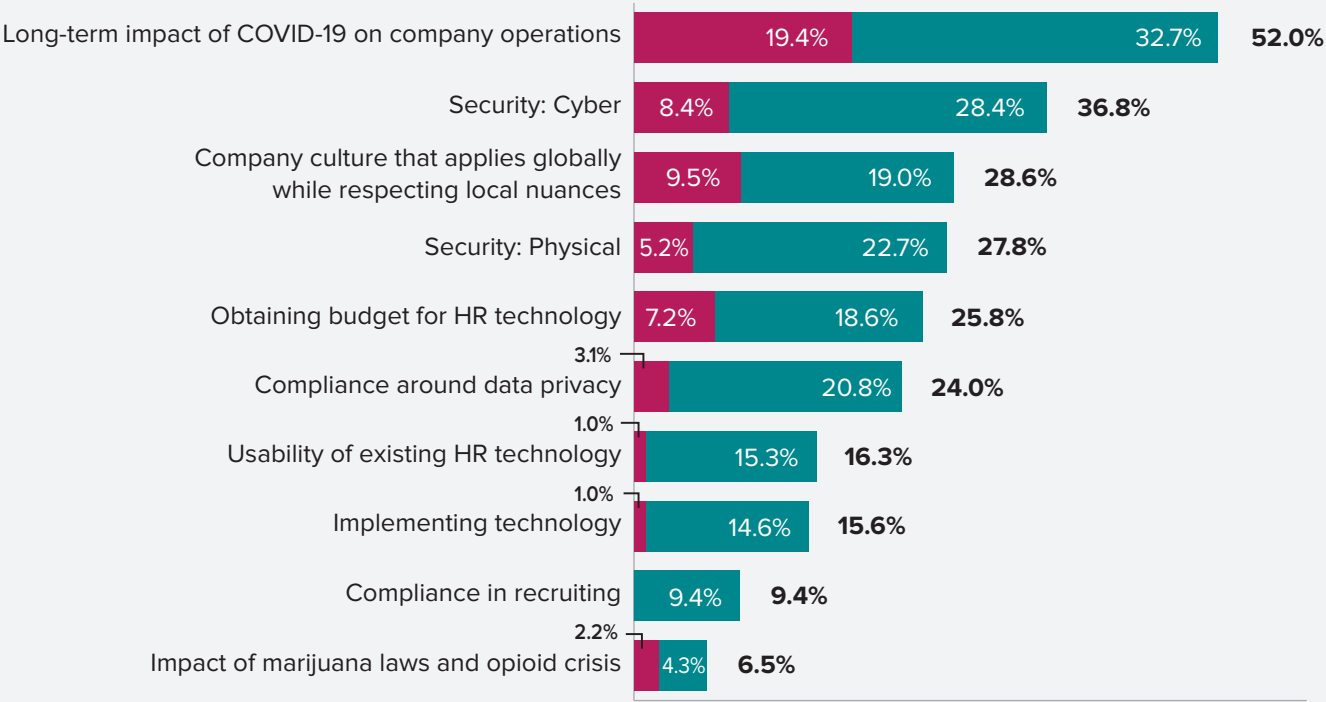
Concern over the long-term impact of the pandemic is certainly justified. The Conference Board predicts the US GDP will contract by 5.7% for 2020 and could fall to 6.1% if the second wave of COVID-19 continues to expand.<sup>13</sup> This contraction has led to the loss of more than 36 million jobs in the US.<sup>14</sup> The global outlook is not positive — the UN’s International Labour Organization predicts 1.6 billion informal economy workers could suffer “massive damage” to their livelihoods. In the second quarter of 2020, COVID-19 may cost the equivalent of 305 million full-time jobs.<sup>15</sup>

Cyber security was selected by over one-third (36.8%) as an area of Extreme/Very high concern. Prior to the pandemic, cyber security was very much in the news. Related to cyber security is compliance

around data privacy, selected by nearly one-quarter (24.0%) as an area of extreme or very high concern. Data privacy laws are designed, in part, to protect employee and customer data from being accessed by unauthorized sources. According to a 2018 report from The Council of Economic Advisers, malicious cyber activity cost the U.S. economy between \$57 billion and \$109 billion in 2016.<sup>16</sup>

Obtaining budget for HR technology is always a concern, and continues to be, as it was the third highest area of concern. According to *HRO Today*, in 2019 there was \$6.9 billion invested worldwide in funding HR technology products.<sup>17</sup> Staying up to date and not risk falling behind in the war for talent because of inferior HCM systems remains a huge fear. And trying to get allocation for budget when competing with other areas such as operations and marketing that often produce better ROI justification data to the C-suite.

## Extent of Concern: HR Responsibilities





“First and foremost, we want our employees to be safe. We are prepared for a long recovery back to on site work, while balancing the needs of our employees managing their personal lives as well. We have a pandemic response team in addition to our business continuity team. Each cover all major areas of the company. HR is directly involved on each core team as well as at the business unit level. We have a very strong practice of working remotely prior to the pandemic and have taken many measures to improve our technology and best-known practices for working and managing remotely. We are very focused on ensuring the mental health of our employees as the pandemic may be with us for many more months.”

**SVP/VP HR, IT, Technology, Software,**  
100,000+

“The normal as we knew before COVID will not exist now. From 10% workforce earlier working from home, it will be 80% working from home. We are implementing the following:

1. Technology to support remote working
2. Training of managers to handle remote workers
3. Re-negotiating contracts with employees — percentage of variable increased and linked to KIAs
4. Building e-learning and mobile learning platforms
5. Re-skilling of entry level workforce”

**Chief Human Resource Officer (CHRO),**  
**Professional Services**  
Less than 500 employees

“We are trying our best to forecast impact to revenues; cutting costs in short term to preserve capital; identifying longer term cost levers to pull if needed; re-looking at real estate needs and workspace planning including more remote working options; identifying critical skills and skill gaps and prioritizing talent acquisition strategies around these areas.”

**Chief Human Resource Officer (CHRO),**  
**Waste Management**  
3,000 – 9,999 employees

## Progress in Establishing Upskilling Programs

How much progress has your organization made in establishing an upskilling program that develops a mix of soft, technical, and digital skills?

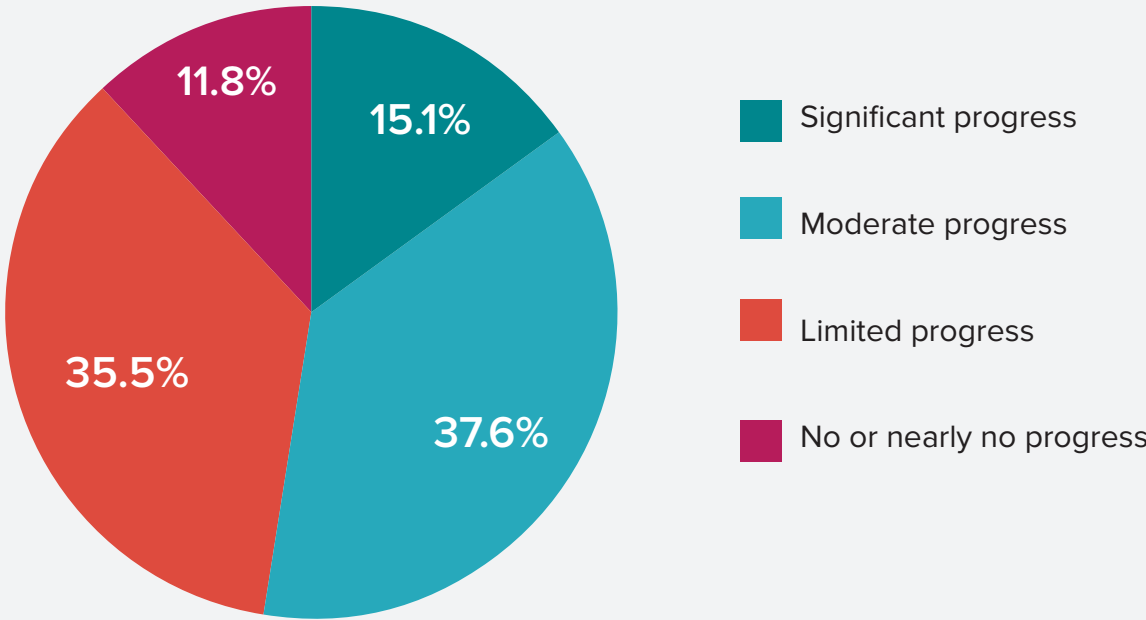
In the 2018 PwC report Will robots really steal our jobs? An international analysis of the potential long-term impact of automation, PwC found that 30% of jobs are potentially subject to automation by the mid-2030s, and that workers with lower education levels will be hardest hit initially.<sup>18</sup> Because of the demand for workers possessing the skills needed, compensation levels are prohibitive for many businesses. Employers and employees must unite and invest in upskilling or risk irrelevance.

With the need for upskilling paramount, *HRO Today* thought a comparison between CEO and CHRO opinions on worker upskilling progress would be compelling. Progress in upskilling is modest at best. Only about one-half (52.7%) of senior HR leaders felt their organizations have made significant or moderate progress in establishing an upskilling program that develops a mix of soft, technical, and digital skills.

Looking deeper into the data, only 15.1% of senior HR leaders believe significant progress has been made. It would seem CHROs are very much in agreement with CEOs on this topic. In the 23rd Annual Global CEO Survey by PwC, fewer than one in five leaders (18%) believe their organization has made ‘significant progress’ in establishing an upskilling program. In North America, that percentage falls to below 12%.<sup>19</sup>

Upskilling is a topic generating much interest in recent years, so the lack of progress on it is concerning. Further, the unprecedented impact to the global economy from COVID-19 and resulting job loss could completely change business priorities as they pertain to employee upskilling initiatives.

## Progress in Establishing Upskilling Programs



## Closing the Skills Gap

*Which is the most important to close a potential skills gap in your organization?*

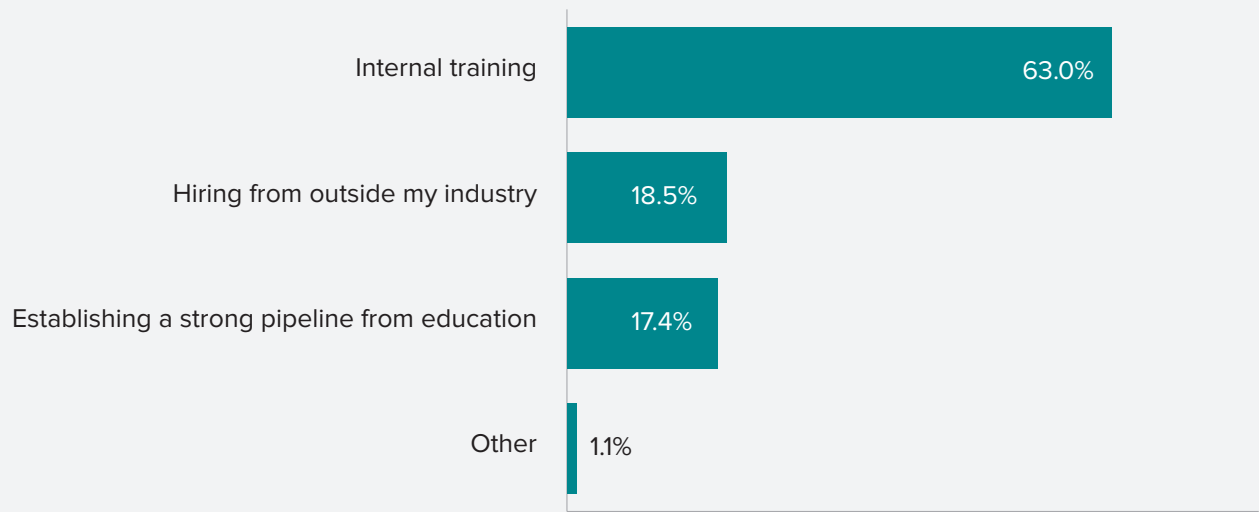
Respondents were asked which of the following is the most important to close a potential skills gap in their organizations. Overwhelmingly, internal training was the clear choice, as indicated by nearly two-thirds (63.0%) of respondents, three and a half times more than any other area. HR is clearly looking to focus internally.

While most organizations focus more on internal training to address the skills gap, there is a 22.7 percentage point gap in selection between the two groups. The largest companies are more inclined than smaller to look outside, either by hiring from outside their industry or establishing a pipeline through education.

But there is a paradox between what is stated as the priority in HR to close the skills gap, and what companies actually do. In an article for Harvard Business Review Peter Cappelli, the George W. Taylor Professor of Management at the Wharton School and a director of its Center for Human Resources wrote “Openings are now filled more often by hiring from the outside than by promoting from within....When (corporations) hire from outside, organizations don’t have to pay to train and develop

their employees.”<sup>20</sup> Until this contradiction is rectified, problems with the skills gap will not be properly addressed.

### Closing the Skills Gap



### Closing the Skills Gap By Company Employee Size

	LESS THAN 3,000 EE'S	MORE THAN 3,000 EE'S
Internal training	74.4%	51.6%
Hiring from outside my industry	15.4%	25.8%
Establishing a strong pipeline from education	10.3%	19.4%
Other	0.0%	3.2%

Interest in Skills-Related HR Goals

Please rank (1–7) the following in order of interest:

Study participants were asked to rank seven items in order of interest in skills-related HR goals. Better managing disruption of day-to-day business activities was ranked first, having the greatest interest. The pandemic has clearly had an unprecedented impact, and it likely contributed to the great interest in developing skills to manage disruption of business activities.

The next three highest ranked items all focus on employee skill sets: Retaining employees who have been upskilled, defining skills the organization should build and measuring the ROI on upskilling programs. Given the limited progress made in establishing upskilling programs, the interest in them is perplexing. It may be a lack of funding or total buy-in from the C-suite.

While the data at right shows the order in which the goals were ranked, the difference between the average of highest ranked vs. lowest ranked was minimal, suggesting that there are a broadly diversified set of priorities. The tasks faced by HR are difficult, given so many priorities internally and across organizations.

Interest in Skills-Related HR Goals

	Rank
Better managing disruption of day-to-day business activities	1
Retaining employees who have been upskilled	2
Defining the skills your organization should build	3
Measuring the return on investment of our upskilling program	4
Ability of employees to learn new skills needed for the future	5
Dedicating additional resources to conduct the upskilling programs we need	6
Activity encouraging employees to learn and apply their learning	7

## Deployment of AI/Machine Learning

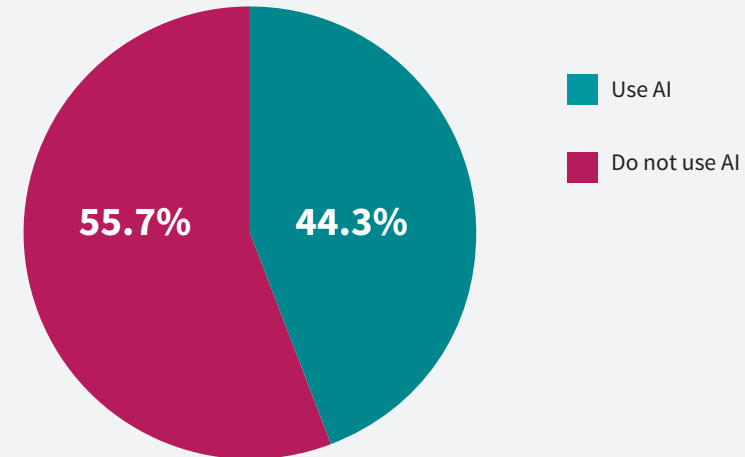
*Where in your department are you employing use of artificial intelligence/machine learning? Please select all that apply.*

Respondents were asked where in their HR Departments they are using AI/machine learning. Less than one-half (44.3%) are currently using AI in HR, suggesting that while AI adoption continues, there remains a larger user base not yet engaging it.

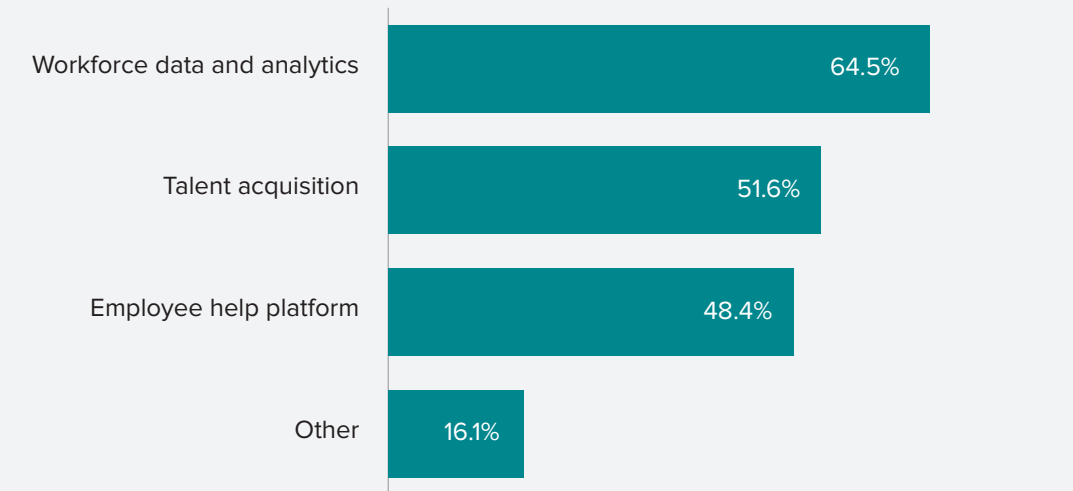
AI/Machine Learning is commonly applied to each of the areas examined. It is used most often for workforce data and analytics, as indicated by nearly two-thirds (64.5%) of respondents now using it. Among other uses, HR Managers can use real-time analytics to show the impact that absences, open shifts, and unplanned schedule changes will have on key performance indicators.

Talent acquisition is a use of AI for just over one-half (51.6%), while an employee help platform used nearly as often, 48.4%. AI-powered chatbots are often used to answer routine questions in employee help platforms. Chatbots have the advantage of always being available, no matter the time.

### Use AI/Machine Learning in HR



### Deployment of AI/Machine Learning Base: Use AI/Machine Learning



Looking at use of AI/Machine Learning by company size, twice as many of the largest organizations have adopted the technology vs. smaller organizations, 61.3% vs. 30.8%, respectively.

Larger organizations are more likely than smaller to use AI/Machine Learning for workforce data and analytics, 68.4% vs 58.3% respectively. Often, the largest organizations have dedicated personnel within HR to focus on the analytics produced by advanced technology and have the budget to incorporate the capability into their HCM systems. Conversely, smaller organizations use AI/Machine Learning as part of their employee help platforms more than larger organizations, 58.3% vs 42.1%. AI use in these areas can result in department cost reduction and reallocation of staff time to other priorities.

### Deployment of AI/Machine Learning By Company Employee Size

	LESS THAN 3,000 EE'S	MORE THAN 3,000 EE'S
Use AI in HR	30.8%	61.3%
Workforce data and analytics	58.3%	68.4%
Talent acquisition	50.0%	52.6%
Employee help platform	58.3%	42.1%
Other	25.0%	10.5%



## Working towards HR Business Agility

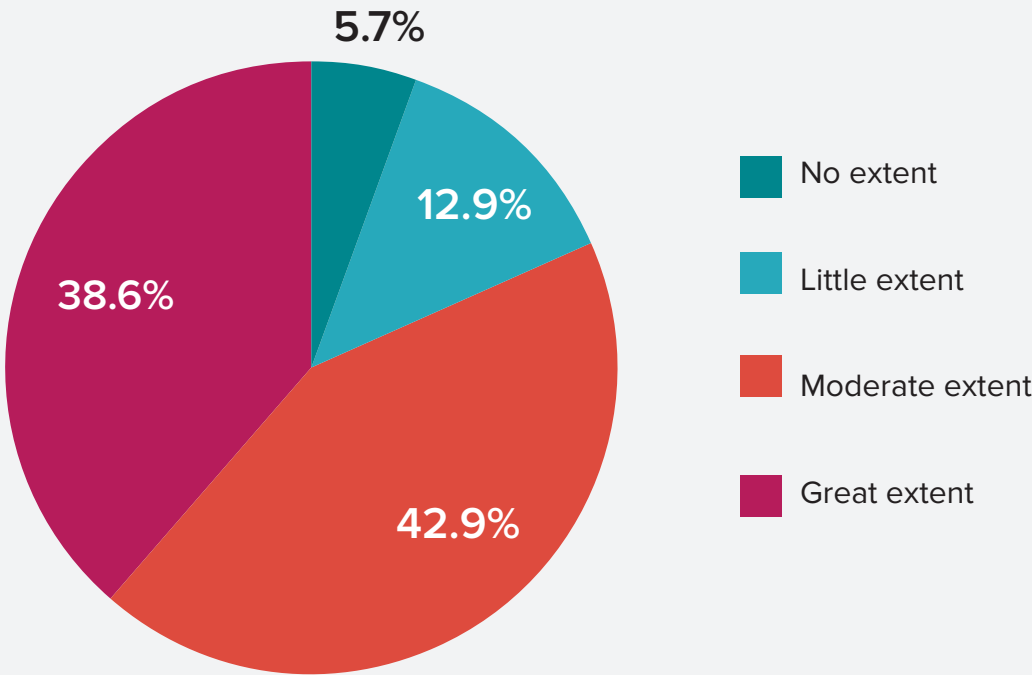
*To what extent are you working towards achieving increased business agility in HR?*

Study participants were asked to indicate the extent to which they are working towards achieving business agility in HR, a topic of much discussion in recent years.

HR agility is the capability of the HR function to respond more quickly and effectively to changing employee expectations, workplace disruptions, and business requirements. However, there is a lurking concern that HR agility is in danger of becoming the trending buzzword in corporate conversations, rather than delivering on its promise.<sup>21</sup>

While most respondents (81.4%) are working towards HR business agility to some extent, just over one-third (38.6%) are working towards it to a great extent. With new priorities this year, such as the focus on recovery after the pandemic or a reemphasis on diversity issues, HR agility progress is at risk of becoming sidelined.

Working towards HR Business Agility





## Focusing on Business vs. Human Resources

Please indicate the extent of your agreement with both statements below:

*I consider myself more of a business executive than HR manager.*

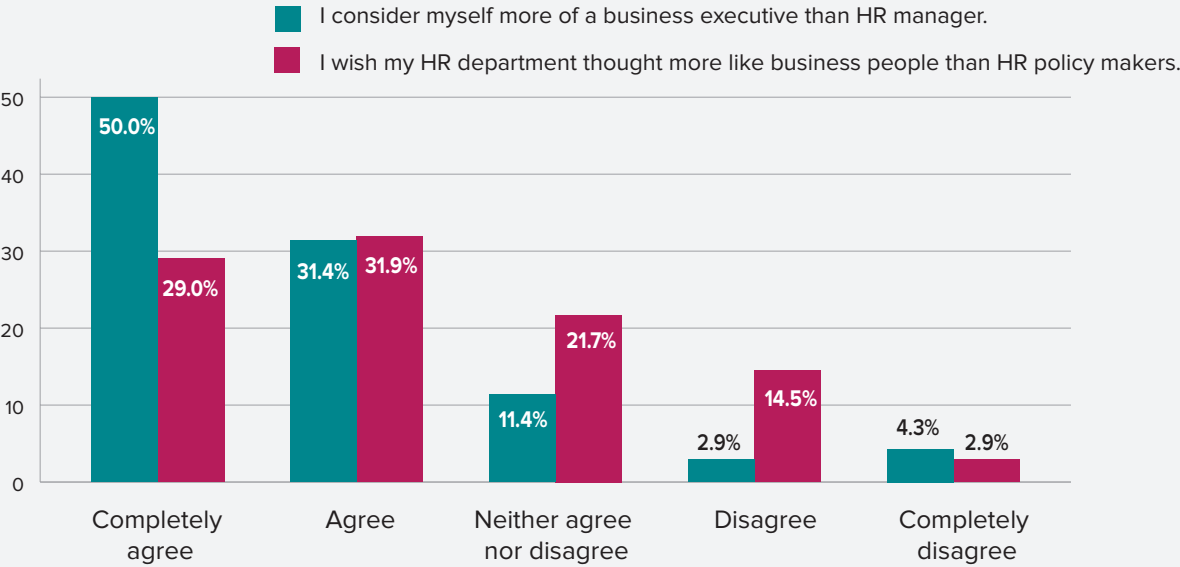
**AND**

*I wish my HR department thought more like businesspeople than HR policy makers.*

Respondents were asked two questions about the focus of HR practitioners being seen more as business executives or HR managers. The first question asked if the survey respondent, who is a senior HR executive, considered themselves more of a business executive than a HR manager. The second question asked if they wished their HR department thought more like businesspeople than HR policy makers. Their responses to both questions are summarized in the graph at right.

The vast majority (81.4%) Completely Agree/Agree that they consider themselves more of a business executive than HR manager, with 50.0% completely agreeing. This contrasts with their opinions about their department, where only 60.9% Completely Agreed/Agreed they wished their department thought more like businesspeople than HR policy makers, a difference of 20.5 percentage points. There is a disconnect between the goals of the HR leaders and their departments.

## Focusing on Business vs. Human Resources



Digging deeper into the results, respondents from the largest companies are more inclined than those from smaller organizations to agree that both themselves (87.1%) and their departments (71.0%) have more of a business focus.

Focusing on Business vs. Human Resources By Company Employee Size	LESS THAN 3,000 EE'S	MORE THAN 3,000 EE'S
I consider myself more of a business executive than HR manager.	76.9%	87.1%
I wish my HR department thought more like businesspeople than HR policy makers.	52.6%	71.0%

## Demographics

JOB TITLE	
Chief Human Resource Officer (CHRO)	46.4%
SVP/VP/GM	37.7%
Director	5.8%
Manager	7.2%
Other	2.9%

NUMBER OF FULL-TIME EQUIVALENTS (FTEs) GLOBALLY	
Fewer than 500	18.6%
500 – 2,999	37.1%
3,000 – 9,999	18.6%
10,000 – 24,999	8.6%
25,000 – 49,999	5.7%
50,000 – 99,999	7.1%
100,000+	4.3%

REGION	
North America	74.2%
EMEA	19.2%
APAC	6.7%

PRIMARY INDUSTRY	
Automotive	1.4%
Chemicals	1.4%
Construction	1.4%
Education	2.8%
Finance, Insurance & Real Estate	11.3%
Healthcare	9.9%
Hospitality	4.2%
IT, Technology, Software	12.7%
Manufacturing	8.5%
Media	2.8%
Non-Profit	4.2%
Other	4.2%
Pharmaceuticals	1.4%
Professional Services	19.7%
Retail trade	8.5%
Transportation and storage	1.4%
Utilities	4.2%



## A message from Elliot Clark

### Can you show me where it hurts?

— *Pink Floyd, “Comfortably Numb,”*  
*The Wall Album, 1979*

It is safe to say no one is “Comfortably Numb” this year. Since we were using song lyrics earlier in the report, it seemed this line was most appropriate, and the answer is that it hurts in a lot of places. We have seen a stunning amount of change and change management and there is a sense of numbness in many of the executives in both large and small enterprises. However, there is no opportunity to lay down the burden of leadership or to stop flying the banner of cautious optimism in the face of adversity.

From my own experience, I understand that there is no more fatiguing and psychologically painful process than a reduction in force, but in most circumstances, leaders see it coming. They know the warning signs and while the anticipation may be unspoken, the possibility is in the back of their mind. No one saw 2020 coming.

The Top Concerns of CHROs® report by *HRO Today* is really a compendium of the top concerns of every level of HR. This year, between the global pandemic, the movement to the remote workforce to the accelerated implementation of collaboration software suites, HR has had to manage both human and technology challenges in unprecedented ways. In the midst of these challenges, the issues of equality, diversity and inclusion were thrust into the forefront of both public and corporate consciousness. A long standing effort by HR to eradicate systemic manifestations of racism and achieve diversity and inclusion and the progress made in those areas had to be re-examined.

Yet in the middle of these “sudden” emergent challenges, future facing issues such as re-skilling workers and the availability and ability to attract needed talent in the future still have to be addressed. And, finally, the very definition of not only the role of CHRO but also the supporting executive of HR. Do CHROs see themselves as

business executives who do HR? Yes, but they are less convinced about their teams, who many see as HR people doing business. A subtle issue linguistically, but a huge philosophical issue about the future of the HR profession and how it defines itself.

It has been a challenging year and the pace of change is not likely to slow, but we hope there are less global emergencies in years to come. This report is more designed to have you ask questions about your own HR operations than to necessarily provide you with collective answers. We hope you find it useful.

A handwritten signature in black ink, reading "Elliot H. Clark". The signature is stylized and cursive.

Elliot H. Clark  
CEO, *HRO Today*

## End Notes

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## About C-TEN

*HRO Today* and the Wharton Center for Human Resources have combined forces to create the CHRO Today Executive Network (C-TEN). This professional peer group provides CHROs with a safe place to seek advice on the critical issues, share successes, and discuss future trends. C-TEN is not like other networks. For one, it is small by design to ensure members develop closer relationships. And it is cross-industry, offering a variety of different perspectives. C-TEN is sensitive to the busy schedules of HR leaders, meeting virtually for one hour, once a month.

C-TEN is a peer group that HR leaders can turn to for guidance to ensure they are making the best choices.

For more information please go to <https://www.hrotoday.com/c-ten>, or contact Renee Preston at +1-215-606-9562, or at [renee.preston@sharedxpertise.com](mailto:renee.preston@sharedxpertise.com).

