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**TOP 5 CHALLENGES FACING HR LEADERS**

**Sarah Kruger, CHRO of Accenture Australia, Kate Ashmore, former Head of Organisational Development at Allianz Australia, Lawrence Mitchell, CEO of the ANZ Wellbeing at Work Summit, Emma Egan, Managing Partner of Sterning HR, and Sarah Qeenan Founder & Managing Director of Humanify HR Consulting share their top 5 challenges.**

SYDNEY (13 February 2023) – The number one challenge facing Human Resources (HR) leaders today: Employee mental health.

HR leaders from Accenture, Allianz, Wellbeing at Work, Sterning HR and Humanify HR share their top learnings and challenges, and mental health is at the top of the list.

Coming off the back of a worldwide pandemic, lockdowns, homeschooling, working from home, and hybrid work … the past few years have been times of intense change.

“The job of the human resources professional has been profoundly difficult over the last two and a half years. And it's not just because of the constant change, it's actually managing the health of the organisation,” shares Emma Egan, Managing Partner of Sterning HR.

HR leaders have been on the front lines, and they’ve broken down their top five challenges:

1. Mental Health
2. Managing change
3. Engagement & Retention
4. Culture
5. Talent shortage

**1. Mental Health**

“I think very much overnight, the pandemic demonstrated the importance of people,” shares Sarah Queenan - Founder & Managing Director of Humanify HR Consulting.

“Prior to the pandemic for business leaders, the risk was that people had almost become a little bit of a commodity in some respects, you know, it was this mindset that they're always going to be there,”

“The pandemic brought into the forefront of business owners, leaders, managers minds that people really are an organisation's most important asset.

“And I think a lot of people were thinking about their mortality when COVID first started. People were genuinely questioning whether or not they were going to survive it.

“So it’s been very interesting in the sense that it accelerated the focus on people and wellbeing.”

Accenture CHRO Sarah Kruger agrees, saying that, “One thing that has changed significantly in the last three years is the focus on the whole health, wellbeing and safety of our employees.

“Safety to some degree used to be pretty black and white, as it was directed more at your heavy technology or your machinery dominated and rural sectors.

“It was all about the physical, but now health and safety is focused more around the mental. And it's harder to see, harder to measure, and harder to support.

“It's pretty easy to remove some cables off the ground that are going to cause a tripping hazard or electrocute someone, it's not as easy to set up the work environment in a mentally well way – in part because different people cope in and are impacted in different ways.”

Ensuring employees’ psychological safety isn’t just the right thing to do, WHS laws require employers to manage risks to mental health at work – which include things like job demands, poor support, and lack of job clarity (aka psychosocial risks).1

And “mental illness is the leading cause of absence and long-term incapacity in the workplace,” according to research by The Black Dog Institute.2

In fact, the World Health Organisation has predicted that by 2030, “Depression will be second only to AIDS as a cause of debilitating illness.3

**But how can you manage something you can’t see?**

Kate Ashmore, former Head of Organisational Development at Allianz Australia, explains that, “With hybrid working, the boundaries between work and home have become blurred. When people are on work calls, they're essentially inviting people into their homes.

“So there is that increasing responsibility to care for employees' wellbeing, and part of that is about making sure that they've got the right support, and that they're not being overloaded with work.

“You need to ensure an appropriate workload in appropriate conditions.”

CEO of the APAC Wellbeing at Work World Group, Lawrence Mitchell, sums it up saying that, **“I think the overarching point is that work should *enhance* your employees wellbeing rather than detract from it.**

“We're at this interesting point in time where leading companies are going beyond the peripheral, and looking at core issues like job design – asking if people are resourced to do the job or skilled to do the job.

“Whilst giving people access to meditation and yoga classes is very beneficial, but doesn’t get to the core problem – because if your employees are feeling that they can't cope with the workload, or they’re doing a job that really needs another two people, having access to wellness content could make things worse by adding to the overwhelm.

“And investing in people, of course, leads to revenues and margins, particularly if you shift the focus to a longer time-line which presents a very different picture.”

**So, what are some ways you can help look after your employee’s mental health and wellbeing?**

“HR leaders and HR practitioners and business owners more broadly, really need to be looking at energy as the new economy, and looking at ways they can support employees to maintain that energy to prevent burnout, shares Sarah Queenan.

“There is a global epidemic of burnout. People are quite fatigued, coming out of the COVID experience.

“So that energy piece is going to be really important – whether it's looking at new ways of working, or more broadly about flexibility that works for individuals, which really see the focus this year on personalising the employee experience.

**“People now have an expectation when they're coming into the workplace, that they're going to have a personalised experience, and that their employer is going to be able to adapt HR policies to suit their individual circumstances – it can no longer just be a one size fits all approach to managing HR.”**

Sarah Kruger shares that at Accenture, “We have the standard Employee Assistance (EAP) programmes available to our people, as well as their families.

“We also have health and wellbeing charters, which our leadership teams sign up to, that lay out the things that we're going to do to look after ourselves and our people.

**“We encourage our people to take leave and take breaks to recharge.**

“And we strive to ensure that people have connections, so we bring people together – whether that’s virtually or in person.

“We’re also looking at the ways we can support our leaders to lead in a changing world. Because we're asking more and more of our leaders, we need to make sure they've got the tools, training, background and support to do that.”

Emma Egan explains that, “Having a platform like triiyo really helps.”

Australian startup triiyo (<https://triiyo.com/>) creates customised, online platforms for companies to share information and stay in touch with their employees before, during, and after leave periods like parental, carer’s, mental health, menopause, retirement, divorce and more (<https://triiyo.com/>)

Emma continues, “I know a lot of businesses have an EAP, but that's something that might sit on the intranet. So people are sometimes scared to use it because they don't know whether or not that's going to be reported back to their employer.

“I think investing in a tool like triiyo shows that you really do care about your employees.”

**“Offering training for leaders on psychological safety is really important.** If someone comes to you and they're in trouble or they're not feeling their best self, then you need to know how to have those difficult conversations. So that leadership training is really important.

Lawrence Mitchell adds that, “It comes down to a question of, ‘How do you personalise wellbeing?’

“How do you tailor programmes and initiatives to support people where they are in their life?

“We're at a point in time where there are five generations of people working together. Those generations all need different things, and each individual has unique needs.

“We need to move the heart more into the business, which means connecting with people where they are, so that they feel valued.”

“At our Wellbeing at Work Summits that now take place in 10 cities around the world, we’ve been asking our audience, ‘What does wellbeing mean to you?’

**“Many different words have come through, but the word that we have seen the most, is *balance* – that's what people are seeking.**

**2. Managing Change**

“If everything is fluid and continuously evolving, how do we support our people to be adaptable, to evolve?,” asks Lawrence Mitchell.

“And how are we able to support ourselves to be more resilient, more adaptable?

“I think the big legacy from the last few years is that we realise anything can happen. And it’s impossible to plan for everything.

**“I’m not saying, we don’t need a plan, but I am saying that we need to be willing to adapt it as the context changes.”**

As inflation rises and the economy tightens right across Australia, many companies are now facing tough changes.

Sarah Kruger shares that, “I think the thing that we at Accenture have gotten better at over time in relation to managing change is transparency, and really starting with, ‘Why are we making the changes that we're making?’ and, ‘What are the drivers behind it?’

“Because if people understand the rationale – how it’s going to affect everybody, and why it's the right thing to do – it’s easier to accept.

**“So we believe in being really honest, transparent, and providing as much openness as possible about the changes that are happening.”**

“Authenticity, too. I think people have got to believe their leaders, and leaders need to articulate why things are happening.”

“**Communication is key**,” explains Emma Egan.

“It's all about communication and putting the human first rather than putting a bottom line first.

“There will be an upturn again, so it’s important to keep in mind you may want to rehire the people you had to let go.

“Having access to a tool like triiyo during redundancies helps too, because it's something outside of the organisation.

“Give your team access to career advisors, career information, information on how to put their CV together and what their LinkedIn profile should look like.

“I think it's really important to communicate that it's not *them* being made redundant. It's their position being made redundant, because they're not a redundant person.

**“So that human centred approach is really important.”**

**3. Engagement & Retention**

“**Workplaces are communities, and if you can nurture and support these communities, then you get engaged employees, retention and productivity**,” shares Lawrence Mitchell.

Making a conscious effort to nurture your community of employees means more than just team building events and long lunches – it’s about meeting them where they are.

Lawrence continues, “If you want to connect to your people, you need to recognise the whole person, and encourage them to bring their whole self to work. And what does that mean?

**“It means recognising that the person who is working for you has a life outside of work.**

“Now, it’s important to recognise that by seeing employees as whole people, it provides the opportunity to align roles to suit that individual – taking into account their values, their passions and their ambitions.

**“It's all about balance – balancing the needs of the individual with the needs of the business. And if you can get that right, magic happens.”**

Parental leave is a major area of focus for retention. As of November 2017, there were about 582,000 Australian women who were mothers to a child under the age of two.4

Only 42% of these women had returned to work after the birth of their child.4

Emma Egan explains, “When someone's on maternity leave, or they're on long service leave, or they're on a sabbatical career break, the risk for them to become disengaged from their workplaces is higher.

“A lot of people returning from a course of parental or maternity leave struggle to enter back into the workplace.

“Each time I've gone on maternity leave, I felt like I was forgotten.

**“Employers need to create a space for people to remain connected – whether that be through a technology solution like triiyo, or making sure that managers are more consciously staying connected with people that are on leave and not forgetting that they exist – because that can be quite easy to do.**

“It really does come back to diversity, inclusion and belonging. And if you put a big onus on that, then you will respect someone coming back into the organisation. You know, having a platform like triiyo keeps those lines of communication open.

“I think it's important to understand what that person wants to do from a career perspective as well. And that can add into your employee value proposition (EVP), because you're really valuing the person and their contribution and understanding that they do have career aspirations.

“triiyo’s, great from an employee perspective, because it can see what's going on in the organisation and the team – and it helps them keep in touch.

“And from the employer's perspective, you’re making sure you bring some really good talent back into the business.

**If you look after your employees whilst they’re on leave, they'll stay with you and they'll be more engaged than ever before.”**

**4. Culture**

“Once you've got the hygiene factors right – remuneration and benefits – candidates are looking for organisations that create the right culture for their employees,” shares Kate Ashmore.

**“People want to work for companies that offer work-life balance, that care for the wellbeing of their employees, and that create a positive environment to let them really flourish and do their best work – but that are also aligned to a very clear purpose, and that gives back to the community.**

“I also think sustainability agendas will become an increasing area of focus for organisations, and an increasing area of pull for employees looking to join organisations.”

“For us, one of our consistent points of pride, and I think that this is really important for any successful organisation, is the diversity and inclusion agenda.

**“We really put an emphasis here on creating a culture of belonging and inclusion.**

“So, we actively seek out diverse talent – recruiting people from all different walks of life – and we make sure that they feel comfortable and able to do their best work.

**“I think diversity creates different types of thinking and innovation within a company. It creates more trust within a company, because you can see that people from all different backgrounds can succeed there.**

“If people feel they have to hide parts of themselves, or like they have to act a certain way to get ahead or survive in a company, that's draining and it takes them away from doing their best work.

“We want people to be able to show up and be themselves authentically.”

Emma Egan agrees, saying, “Diversity really is the future.”

In fact, more than 50% of Australian residents were either born overseas themselves or have one parent who was born overseas – according to the Australian Bureau of Statistics (ABS) snapshot report.5

**5. Talent Shortage**

In August 2022, there were 309,9000 advertised jobs – 42% more open jobs than the same time last year, according to the 2022 Skills Priority List Key Findings Report.6

This, coupled with the Great Resignation has meant that every Australian company has been swept up in the “War on Talent.” But some companies have resorted to desperate measures like “job washing” just to get people in the door – or not being completely honest about the challenges of a role when advertising and hiring.

**So, what’s the best way to attract top talent?**

**“Tell the truth**,” shares Emma Egan.

**“**Talk about the challenges and obstacles a candidate will need to overcome in their role. Talk about how you're all going to pull in the same direction to meet those challenges.

“One of the key things that people have been saying is that the leaders in the business aren't acknowledging that there are these challenges that need to be overcome. So there's no light at the end of the tunnel.

“**Keep investing in technology.** Take away some of the nitty gritty work and automate some of the systems.

“**Invest in the development of your people.** You don't want to underestimate what that development can do in terms of engagement and employee value proposition.”

More and more companies are realising the importance of reskilling and upskilling their people, and helping staff not just do their jobs but also build*sustainable careers*inside of the organisation. And that means getting up to speed on new technologies – sometimes even pivoting careers within the organisation.

Kate Ashmore explains that, “I think the other thing that that an organisation has responsibility for, and that we're doing a lot of great work in Allianz on, is looking at the future skills that are required.

“How do you equip people with the right sort of digital mindset and skills? Because that becomes part of everybody's job going forward.

**“And how do you start getting people the right skills and learning so that they can future proof themselves in their careers?**

“We're doing a lot around continuous learning. So we're really focused on instilling in our employees that mindset of, ‘You need to keep investing in your own skills. You need to keep learning and developing.’

**“We're doing a lot of work around adopting a growth mindset as well. Things aren't fixed. Your skills and your abilities, your intelligence, they're not fixed. They're always in a state of growth.”**

Candidates now are looking for more than just a stable job with a competitive salary. They’re focused on finding a company they connect with on a personal level.

**“It's the ability to attract people through meaningful work, and people look for an organisation whose purpose they are aligned to,” shares Sarah Kruger.**

“That's the organisation that can effectively demonstrate how they are more than what is delivered through a bottom line revenue or sales number, how they actually enable and grow their people, and how they do the right thing by the society.

“**I think candidates want to align with the company’s greater purpose and understand how their role contributes to it.**”

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**-ENDS-**

**EDITOR’S NOTES**

“triiyo” is always lower case (2 i’s and 1 y)

Images are in this folder: <https://drive.google.com/drive/folders/1zxMq67pYJoprb1PqRkJBV-EnLADkvZsd?usp=share_link>

triiyo’s Parental Leave Best Practice Guide (free download): <https://triiyo.com/download-parental-leave-best-practice-guide>

Video - How triiyo transforms Parental Leave for organisations: <https://www.youtube.com/watch?v=fh30BHlfuC0>

Case Study - Fujifilm: <https://triiyo.com/blog/fujifilm-career-revive-case-study>

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triiyo includes a library of resources, curated by experts, accessible by all at any time. Their external platform provides a safe, proactive space for people to seek advice and support, confidentially, anywhere.

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