



CRANET

CRANET Survey Highlights 2023



PennState
College of the Liberal Arts

CIHRS
Center for International
Human Resource Studies

**Human Resource Management
Policies and Practices in the U.S.**

TABLE OF CONTENTS

CRANET Survey Highlights 2023

I.	About CRANET and CIHRS	1
II.	The COVID-19 Context	2
III.	HRM Strategy	3
IV.	Staffing Practices	4
V.	Employee Development	5
VI.	Compensation and Benefits	6
VII.	Research Methodology	7

I. About CRANET & CIHRS

CRANET is a remarkable global network of academics conducting leading-edge scholarly research on human resource management (HRM) practices and policies worldwide. Research goals include gaining insight into HRM best practices, comparing HRM policies and practices across countries, and exploring how these change over time.

The Center for International Human Resource Studies (CIHRS) is an initiative of the School of Labor and Employment Relations at Penn State and serves as the central hub for CRANET. CIHRS is the U.S. partner of CRANET.

II. The COVID-19 Context

Human resources (HR) practitioners across the country were surveyed on how the nature of their job has changed during the COVID-19 pandemic. Most respondents indicated that because of COVID-19, workloads and work-related stress increased. The pandemic also created a unique opportunity for HR to emerge as champions, as organizations encountered difficulties in coping with the rapidly changing COVID-19 regulations and the high rates of employee turnover. Respondents also experienced disruptions in communication and sharp declines in social interactions as work shifted to remote operations.

"We have staff that were negatively affected by COVID: some died unexpectedly, leaving a sense of loss; others are fearful of getting COVID and requesting to work remotely although we are under a mandate to wear masks indoors. "

"Too much [work-from-home] overall; a lack of in-person connection overall; it takes too much time to get answers and get things done when communicating electronically or via phone; bonds and collegiality becoming fragile. "

Respondents also highlighted the increase in attention toward the well-being of employees and recognition of the added value of HR professionals in their role to help organizations adapt to the crisis.

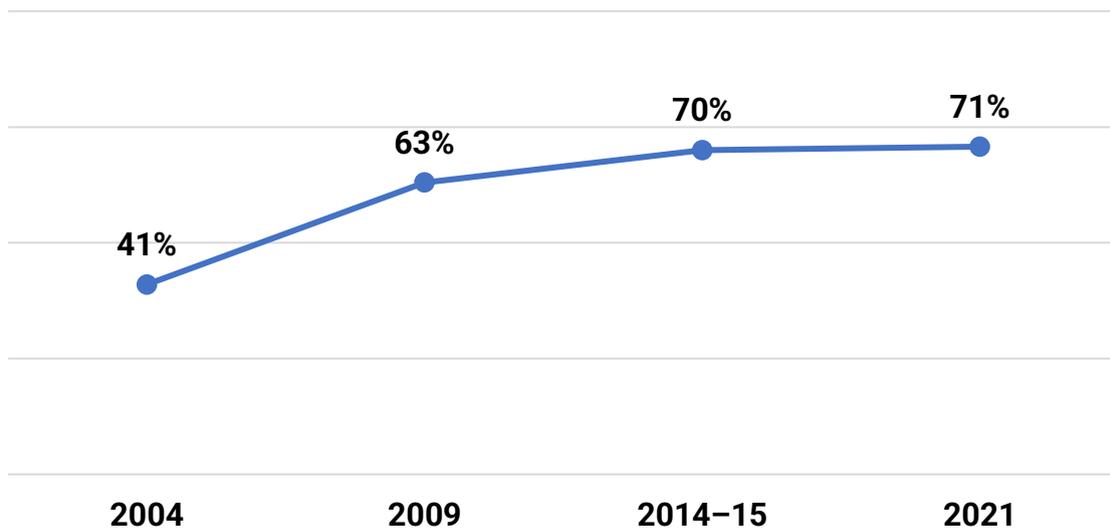
"I am enjoying the new flexibility of being able to work from home [...] I am more productive in my work, and I have time for self-care, such as a daily walk each morning instead of a work commute. "

III. HRM Strategy

Strategic Role of HR:

The pandemic work situation aside, just over half (58 percent) of responding organizations reported having a written HRM strategy. Overall, HR continued to increase its board of directors' presence compared to previous years:

Percentage of organizations where the head of HR has a place on the Board or equivalent top executive team.

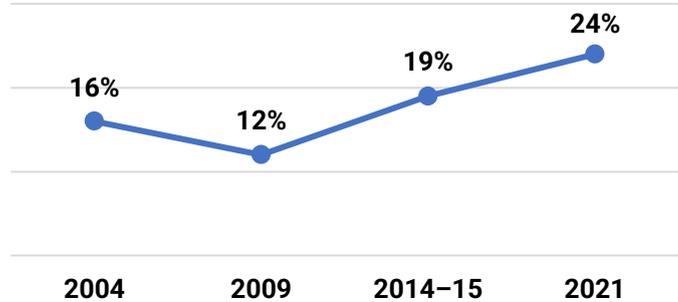


Although HR departments remained involved in the development of business strategy, their overall involvement has been marginally declining (80 percent in 2004, 78 percent in 2009, 76 percent in 2014-15, and 75 percent in 2021). Only 43 percent of HR departments report being consulted from the outset in 2021. Likewise, the percentage of responses indicating that HR departments were *not* consulted when the organization was going through a merger, relocation or acquisition has slightly increased over time (8 percent in 2004, 4 percent in 2009, 9 percent in 2014-15, and 11 percent in 2021). These percentages reflect a slight reduction in the strategic role of the HR department.

IV. Staffing Practices

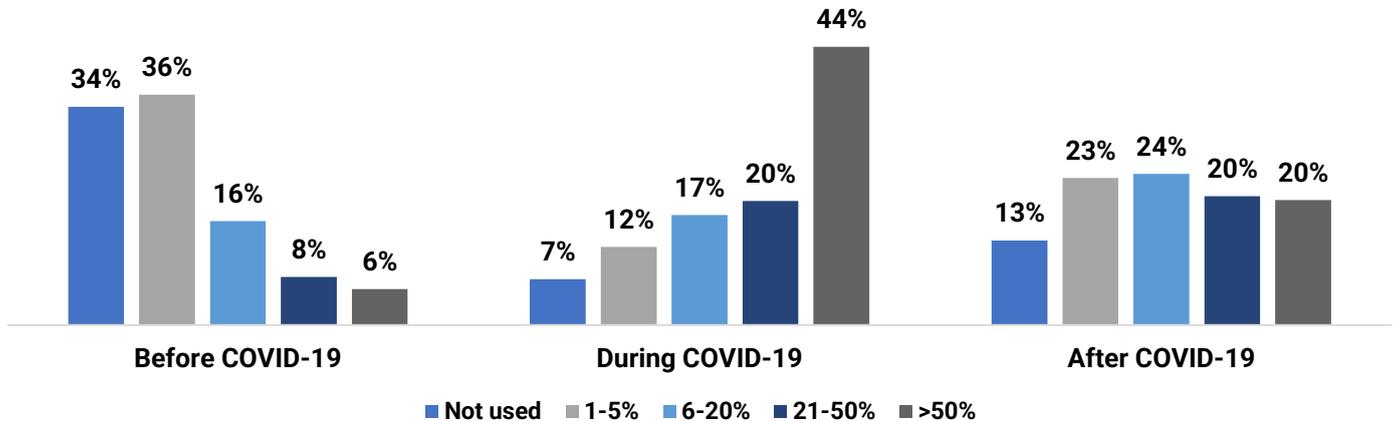
Movements in the Labor Market

The average annual turnover rate (both voluntary and involuntary combined) rose substantially from a low of 12 percent in 2009 to a high of 24 percent in 2021, in line with the *Great Resignation* trend.



Remote Work:

Remote work grew sharply. Comparing company practices before and during the pandemic, organizations operating in self-described post-pandemic conditions were pulling back on remote work but still using it at higher levels than pre-pandemic.



Recruitment and Selection:

The most popular recruitment processes included: internal hiring, vacancy pages on a company or commercial job website, and word-of-mouth/employee referrals. Consideration of social media profiles for making selection decisions continued to rise – jumping from 15 percent in 2014-15 to 27 percent in 2021.

Diversity and Inclusion:

Organizations implemented diversity and inclusion initiatives primarily at the recruitment stage, with racial and ethnic minorities (56 percent), women (45 percent), and people with disabilities (37 percent) being the most frequently targeted groups.

V. Employee Development

Training and Development:

The survey data indicates that 65 percent of organizations spent less than 5 percent of their annual payroll costs on training. The average number of training days per year ranged from 8.8 days for clerical/manual employees to 10.7 for managers/professionals.

The most popular practices for career management in 2021 were on-the-job training, e-learning and digital learning, coaching, and mentoring, indicating that organizations largely prefer to implement low-cost, in-house training methods.

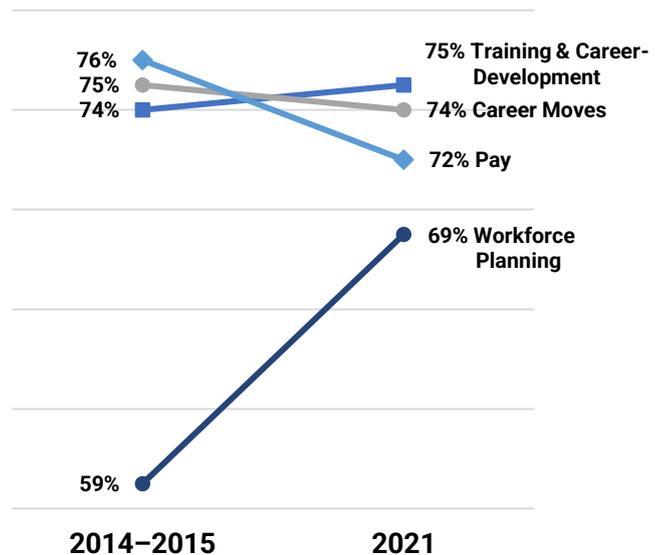
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Employee Appraisals:

81 percent of responding organizations reported having formal appraisal systems. These appraisal data are primarily used in decisions related to the issues of training and development, career moves, pay, and workforce planning. The extent of their use remained essentially unchanged from the 2014–15 survey, except for workforce planning, which rose from 59 percent to 69 percent.

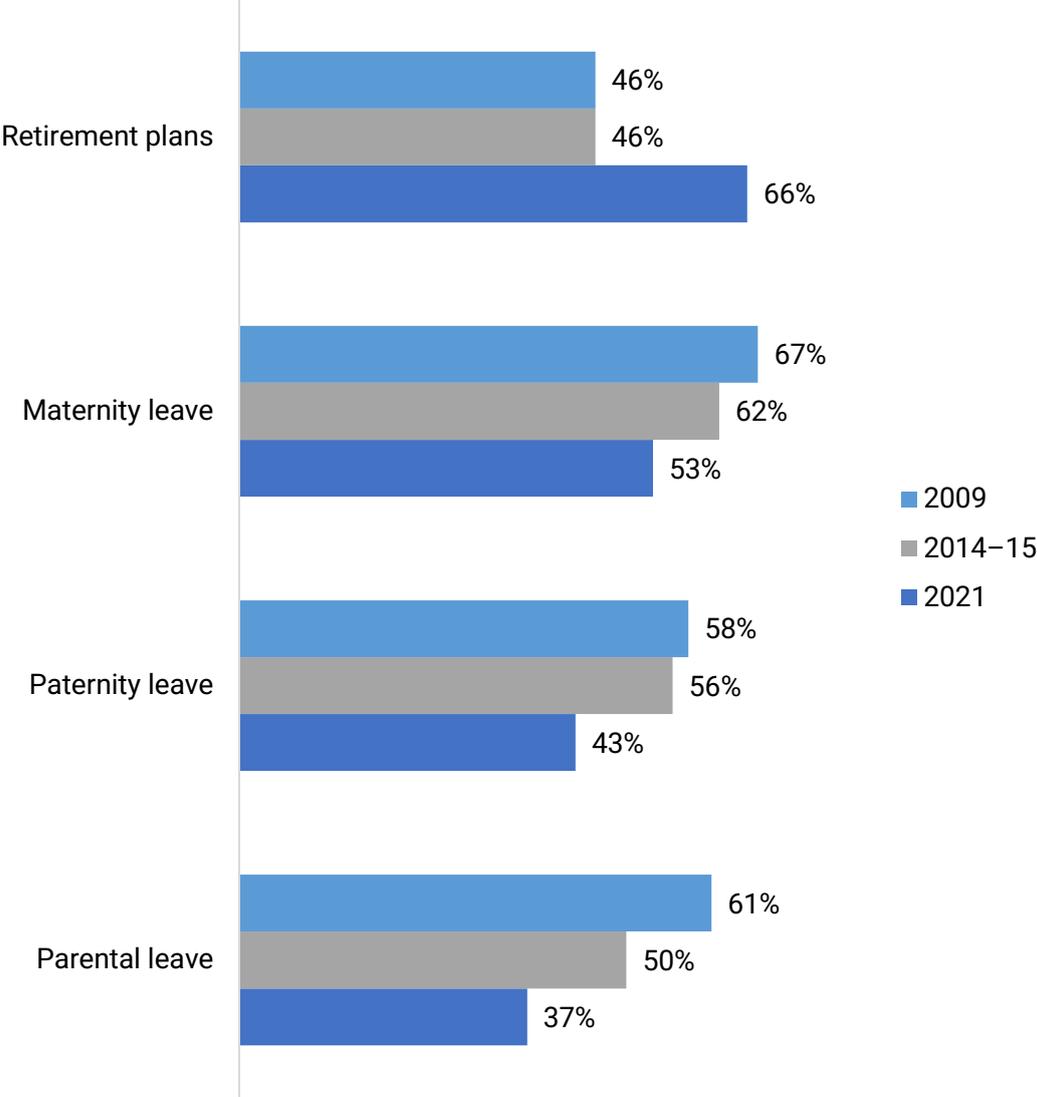
Employees' immediate supervisors are the most common sources of appraisal input. This is followed by self-appraisals and the supervisors' superiors. Subordinate and peer inputs are rarely considered.

Proportion of organizations using appraisal data for different decisions



VI. Compensation and Benefits

The percentage of organizations providing retirement plans that exceed statutory requirements increased substantially from 46 percent in both 2009 and 2014–15 to 66 percent in 2021. Organizations that offer parental leave (both maternity and paternity) above and beyond statutory requirements have declined since 2014-15 from 50 percent to 37 percent.



VII. Research Methodology

The CRANET survey was carried out by researchers in the Center for International Human Resource Studies (CIHRS) at Penn State.

The CRANET Survey Highlights 2023 report draws on the U.S. CRANET surveys conducted in 2004, 2009, 2014–15, and 2021. To participate in the survey, respondents were required to be senior-level HR practitioners based in the United States and at an organization with at least 100 employees. Only one response per organization site was requested.

Data for 2021 was collected between June 8 and December 31, 2021, which included 320 usable organization responses.

Contact us:

For more information on this report's details, please contact the Center for International Human Resource Studies (CIHRS) at Penn State.

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