



SHRM State of the Society Speech Presented at the SHRM Leadership Conference Arlington, VA, November 2011

SHRM President and CEO HANK JACKSON:

Thank you, Jose. Good morning, everyone. Before I get started let me thank Dr. Howard Klein of the SHRM Foundation and Gardiner Hempel, CPA, GPHR of the HR Certification Institute for updating us on the work of their organizations. None of us would be successful without the ongoing efforts of our strategic affiliates.

Please join me in thanking them for their work.

I'm pleased to be here today because I again have the opportunity to tell a story of **success** a story of your society that continues to excel. We continue to experience the ripples of the global financial crisis and we all know of many associations that continue to struggle. Ladies and gentlemen I am extremely pleased to tell you that SHRM is **not** one of those associations. Our society is doing well...and should make us all very happy. Our future is bright.

I'd like to acknowledge some of my colleagues for their strategic leadership at this critical time. Let me introduce you to the SHRM leadership team who helped lead us to our success this past year.



- SHRM's senior vice president of Communications and Marketing, and U.S. Member Services Bob Carr, SPHR;

- Senior vice president of Professional Development and Strategic Partnerships plus head of global operations for the Americas and Europe Brian Dickson;



- The chief executive officer of SHRM India...and global operations for Asia-Pacific is G. Ravindran, GPHR or Ravi;

- Our senior vice president for Knowledge and Integration is Deb Cohen, SPHR; who is leading our development of global standards and HR competencies.



- Gary Rubin is the senior vice president of E-Media and publishing.

- Mary Mohney is the chief financial officer;





- Our general counsel is Henry Hart; and



- Margo Vickers is our chief of staff.

I know from experience that they all deserve a round of applause.

SHRM is strong...vibrant...and true to its mission...as we continue to aggressively pursue our four strategic priorities.

Our bold new Strategic Plan is **working**...we are moving SHRM toward a position of global thought leadership...on everything involving people management issues.

And...it's enabling us...to do what we do best...and to help you meet your challenges every day.

As you may know...our mission is to...

- Build and sustain business partnerships to address people management challenges
- Provide a community to share expertise and create innovative solutions
- Be a thought leader on people management issues and...
- Ensure that policymakers, lawmakers and regulators are aware of key people concerns in their decision making process

SHRM
SOCIETY FOR HUMAN RESOURCE MANAGEMENT

Mission

- Build and sustain business partnerships to address people management challenges
- Provide a community to share expertise and create innovative solutions
- Be a thought leader on people management issues
- Ensure that policymakers, lawmakers and regulators are aware of key people concerns in their decision making process

Hand in hand with the mission...is our vision...



The slide features the SHRM logo and a globe icon. The text reads: "Vision" followed by the bolded statement: "Be the globally recognized authority whose voice is heard on the most pressing people management issues".

...Be the globally recognized authority whose voice is heard on the most pressing people management issues.

Let me review just some of our accomplishments in 2011...within the framework of our strategic priorities.

Our four strategic pillars are ...

- Serve the Core Membership
- Be a Global Organization
- Be Financially Sustainable...and...
- Be a Thought Leader



The slide features the SHRM logo and a globe icon. The text reads: "Four Strategic Pillars" followed by a bulleted list: "Serve the Core Membership", "Be a Global Organization", "Be Financially Sustainable...and...", and "Be a Thought Leader".



The slide features the SHRM logo and a globe icon. The text reads: "Serve the Member" followed by "260,000 members in 140 countries". Below this is a bar chart titled "SHRM Total Membership 2006 - 2011" showing membership growth from 2006 to 2011, with a forecast for 2011. The chart shows a steady increase in membership over the period.

| Year | Membership |
|---------------|------------|
| 2006 | ~215,000 |
| 2007 | ~235,000 |
| 2008 | ~250,000 |
| 2009 | ~240,000 |
| 2010 | ~255,000 |
| 2011 Plan | ~260,000 |
| 2011 Forecast | ~260,000 |

By the end of the year...it is our goal to have a record 260,000 members...in 140 countries around the world.

As of today, we are confident of reaching that goal.

Much of that is attributed to our strength in renewals...which I think is the best barometer of how well we're **serv**ing our members.

Another highlight for us this year... is our international membership.

SHRM has more than 8300 members outside the U.S. -- the most ever.

Nearly 2,800 are in India.

But let's be honest...numbers are just numbers.

What matters to you and to the profession is our ability to influence.

If we are to continue to be influential in the HR profession around the world we must lead...on Capitol Hill... in the business community...and in your state legislatures...And **we** must become greater partners.

We have to ensure that our relationship with chapters is everything you **want** it to be... and everything it **must** be in order for us all to achieve our shared goals.

So...as SHRM continues to grow...we have to examine our institutional structure.

Pam Green talked about the results and recommendations of our chapter study yesterday...



This was a collaboration.

For the past year...we had the benefit of working with you... our volunteer leaders...to define the solutions that we will implement through 2017.

Our goal is to reduce the administrative burden on chapters...and to do a better job of synching chapter and SHRM activities.

We also simplified the SHRM Affiliate

Program for Excellence...or SHAPE.

The result of these changes will mean...less **paperwork** for you...and **more** time to serve your membership.

And...we will coordinate our administrative processes. As we explained yesterday, there's a lot more to this...

But, what is important to remember is that we will continue to collaborate...and make it easier for you to volunteer for your profession.

This plan represents the greatest roadmap to success for all of us.

Earlier I talked about how SHRM continues to do well...despite the economy.

Unfortunately...that isn't the case for many of our members who have lost their jobs.

We remain sensitive to their situation...and we have extended their membership...at no cost...for an additional year.

They will have access to our job boards...and the global networks... as they search for that next position.

Already...we've extended free membership to more than 1,300 of our colleagues.

I know you join me in wishing them well...and in hoping that...together...we can help them get back to work.

You may remember from my report here last year that we are looking closely at the demographics of our membership.



For example...we are expanding outreach to HR professionals under 30.

For the long-term sustainability of the association...we must be able to attract those who are just starting their careers.

We're partnering with volunteer leaders across the country to create networking opportunities for young professionals... to introduce them to SHRM and our chapters.

We've also brought on new members to our Young Professionals Advisory Council.

This council helps us attract...and retain...young professionals.

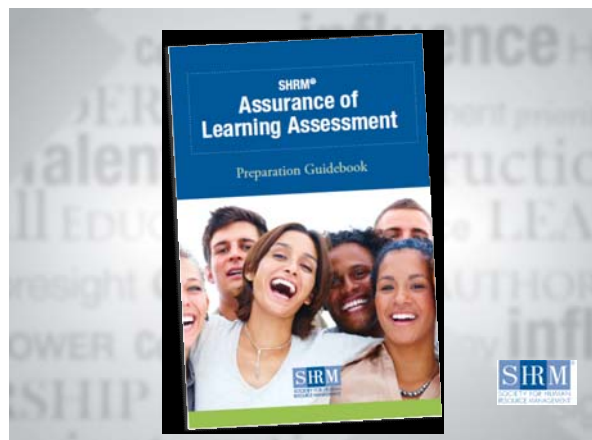
And it helps ensure that SHRM's activities are truly relevant to all of our members.

Here's another way we're helping young professionals...this year we launched SHRM's new Assurance of Learning Assessment.

It's an exit exam students take to show that they have acquired the knowledge needed...for their first HR position.

Already...more than 400 students have enrolled for the exam.

More importantly...universities are starting to **require** the exam as a prerequisite for graduation.



And, just the other day...we were told about a student who passed the exam...put it on his resume...talked about it in a job interview...and was told by his new employer that it made the difference in their decision to offer him the job.

So keep looking for it on those resumes.



How many of you were at the SHRM Annual Conference in Las Vegas in June?

Earlier in the year, we thought we were being pretty aggressive when we upped our target to 12,500 attendees...and yet the final number was nearly 14,000.

We had record sponsorship...up nearly 30 percent over 2010...we had nearly 1,100 international attendees from 73 countries -- the most ever.



And the buzz about the speakers...the sessions...and Keith Urban...has lasted for months.

We made the changes and improvements to the annual conference you suggested...and even more are on the way.

You ***must*** be in Atlanta in June for the great keynoters Pam mentioned yesterday .

And with Jerry Seinfeld coming...you know

Atlanta will be hotter than Vegas.

Where are all of our Atlanta volunteers? Please stand up so we can see you.

We want to thank you in advance for your hospitality.

Okay...let's talk about our next strategic priority...to be a global organization.



As you know, SHRM has offices in India and China...not to replicate our U.S. operations...but to serve our members and their companies globally.

Last summer, the Board approved key changes to our global strategy.

To allow management to better focus on global growth, the Alexandria office will drive our engagement in the Americas and Europe...while our operations for Asia-Pacific, Africa, and the Middle East will be led from the SHRM office in India.

And our revised strategy will be centered on strong business relationships with multinational enterprises...government agencies... and with other organizations that connect us to HR professionals around the world.

And...we will expand our global network of training partners...to create opportunities to better serve the profession and our members... globally.

As some of you may know...our Chair Jose Berrios recently spoke in Mexico...with our counterpart there...AMEDIHR.

While in Mexico...Jose and I met with SHRM members who lead HR functions in large multinational organizations.

We also led a delegation of HR professionals to Cuba...a trip supported by the U.S. State Department...additional recognition of SHRM's global influence and leadership of the profession.


While we were in Cuba...we learned how quickly their economy is changing.

SHRM can play a role in advancing HR...as businesses take advantage of that new market.

As I've said before, our focus globally will be on SHRM's leadership and elevating the profession...by exchanging ideas and best practices.

Next...let's talk about financials.

Our third strategic pillar requires SHRM...to be financially sustainable.



| | 2011 Year-End Forecast | 2011 Annual Budget | Favorable (Unfavorable Variance \$) | Favorable (Unfavorable Variance %) |
|---|------------------------------|--------------------------|---|--|
| Revenue | \$ 111,540,100 | \$ 113,809,400 | \$ (2,269,300) | -2% |
| Expenses | 111,000,200 | 113,304,600 | 2,304,400 | 2% |
| Increase to Net Assets from Operations | 539,900 | 504,800 | 35,100 | 7% |

Despite the sluggish economy...**we are doing well.**

Our most recent figures show that we are projecting year-end revenues of nearly 112 million dollars...that is 8 percent higher than last year.

And, our operating expenses will be about one million dollars less.

In summary...we are on plan and meeting our operating goals.

Finally...we come to the last of our four pillars...Thought Leadership.

I think an argument...could be made...that this is the heart of serving our members and the profession.

Thought leadership will ensure the viability and relevance of SHRM for generations to come.

It's at the core of what's needed to engage business leaders...policy makers...and regulators...and ultimately better serve you and elevate the profession.

Together we must re-imagine the workplace. Here are just a **few** examples of what I mean.



Our effort to develop a competencies framework for all levels of the profession is on track to be released at the Annual Conference.

Having a useful model...supported by effective, practical tools...will help HR professionals grow in their careers.

Additionally, SHRM's lead position on HR standards with the American National

Standards Institute...or ANSI...and the International Organization for Standardization...ISO...is very important.

This has the potential to influence not only the practice of HR...but also how businesses will function ...at every level...around the world.

Just last week...our Technical Advisory Group on standards...which is comprised of more than 30 business leaders from around the world...held its first meeting here in Washington.

Finally...I believe workplace flexibility is the next major business imperative in the global marketplace...the issue that must move from the tactical to the strategic.

Flexible work environments...

increase productivity...

boost engagement and loyalty...

reduce absenteeism...

save money on overhead...

attract new employees...

improve diversity...

and retain the best you already have.

That's why SHRM has partnered with the Families and Work Institute...the preeminent research organization on work-flex.

We held our first Work-Life Conference here in Washington just last week.

Workplace flexibility isn't a benefit... it's a business strategy.

It will differentiate your organization from the competition.



I believe it's a critical tool to address many of the issues HR professionals face today.
Let me give you some examples...



Despite high unemployment...the U.S. faces a skills shortage.

So organizations have started to implement alternative strategies to attract talent.

Many are looking to older workers.

We have partnered with AARP-the world's largest association for people 50 and older-to help implement flexible strategies for leveraging the talents of seasoned professionals.

Other organizations...see workplace flexibility as a way to recruit military veterans.

We've partnered with the DOD's Employer Support of the Guard and Reserve...ESGR.

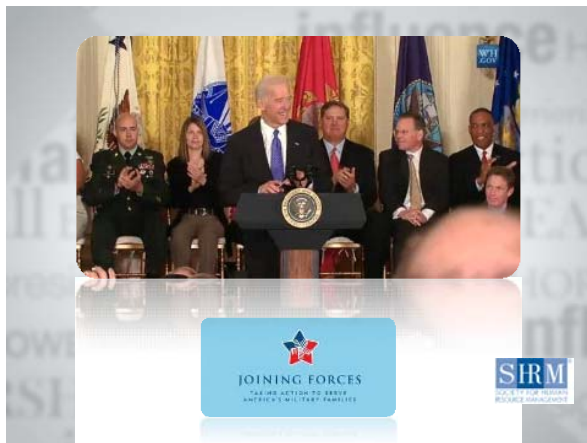
Many of you have joined us by signing your statement of support for ESGR.



We're working with the Department of Labor's Veterans Employment and Training Service...and we're a member of "Joining Forces," the White House's initiative on military spouses and families.

Another facet of workplace flexibility is diversity and inclusion.

It has the potential to create new opportunities for an ever changing global workforce.



SHRM has made great progress over the years in that area.

We recently hosted another superb Diversity and Inclusion conference.

We had attendees from around the globe...cultural diversity has emerged as a major business challenge.

We're planning to expand our D&I seminars...adding "Global Cultural Competencies for Business Leaders."

When it comes to these issues...working with veterans...hiring older workers...or cultural integration...workplace flexibility has become a cornerstone for business.

When you hire a diverse mix of skilled people...then give them the freedom to do their jobs...in the way that **works** best...for both the employer **and** the employee...you create a competitive...successful organization.



The business results speak for themselves...and you can dig into the numbers all you want.

But I already know what you'll find:

You will never be able to **cut** enough...**streamline** enough...or boost **efficiency** enough...to come **close** to what happens when you allow employees the freedom to flourish...and to optimize their talents.

That's when people find **meaning** in their work...when they stop watching the clock...when they start **engaging**...and embracing their role in moving the organization forward.

And **that** is why SHRM is leading that effort to rethink...and re-imagine the workplace.

Ladies and gentlemen...**that**...is the State of the Society.

Our message is being heard. Our influence and access is expanding. And you...will always be...our highest priority. We have a good story to tell. Thank you for listening...and for your invaluable contributions...to SHRM and our profession.