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Acadia BENEFITS

UBA
HR Elements

Ideas and information for human resource professionals

ORGANIZATIONAL PSYCHOLOGY

Aligning with the C-Suite Agenda

If your CEO's Gmail calendar looks more like a colorful bar graph than a few simple meetings, it can be difficult to capture and retain their attention. Your "C-suite" (CIOs, CEOs, CTOs, CMOs, CFOs, etc.) have a lot of responsibility placed on their shoulders and are likely involved in many key decisions throughout the day. They are often pulled in many directions as managers and directors try to get buy-in for their next program or initiative. In such a fast-paced environment where each minute matters, how can you be efficient and get the latest and greatest programs off the ground?

Getting your own agenda in line with your CEO's is crucial, but studies show that not enough employees are doing it, particularly those in middle management. The latest Randstad Sourceright Talent Trends survey found a glaring disconnect between talent leaders and their executive among 700 human capital and C-suite leaders in 15 key markets around the world. Today we're sharing a few insights to help bridge this gap and align with any member of the C-suite team.

Align Your Programs to Business Strategy

When the C-suite is considering your pitch or proposition, they will be cross-checking your key points to see if they are aligned with the company's overarching business strategy and financial goals. Crafting your pitch with this in mind, and predicting what questions will be asked, is key to a successful presentation. Some points to consider as you're developing your presentation are your company's goals for:

- Profit generation
- Business growth
- Revenue advancement
- Operational efficiencies
- Risk management and mitigation

Another good way to be prepared is to anticipate questions. Depending on who is in the room during your meeting, you may hear things like: How does this program increase sales, decrease costs, improve efficiency or reduce risk? What is the projected ROI? What are the operating costs? Anticipating these types of questions and knowing the answers will make you look more prepared and help achieve a better outcome.

Identify Key Players

Often, winning over the CEO or CMO will not be enough when it comes to new initiatives, especially when they are coming from HR and involve company or hiring policies. Many times, your C-suite team will be reporting to a board of directors before any decisions are made. If there is no board present, there may be external partners or customers who are key decision makers that will weigh in. It's a good idea to do your research and tailor your program objectives to fit any of the above audiences.

Be Your Own Project Manager

We are all familiar with how jam-packed leadership schedules can be. Setting reasonable expectations for your own agenda with plenty of milestones along the way is key to a successful launch, whether you have a brand new idea or are kicking off this year's benefits roll-out. Leave a little bit of cushion in your timeline that allows for absences, unexpected deadlines, or shifting priorities among the C-suite team.

Putting It All Together

If you're broaching a new idea to your leadership team, preparation is your strongest tool. Understand how your initiative strengthens the company's broader strategy or business objective, and explicitly demonstrate how in a clear and efficient way. Remember all of the key stakeholders and audiences that could be affected by your plan—executives need to understand how it could impact every aspect of their business. Finally, be your own project manager, outlining preliminary milestones and timeline for the C-suite to consider. Put it all together, and you're well on your way to having your idea come to life.

ADMINISTRATION

The Potential of Pay Transparency

In the not-too-distant past, an individual's salary was a topic to be avoided. Bringing it up in the break room or at a dinner party was a major faux pas, almost taboo. But today, many HR departments are implementing more pay transparency into their policies—some even going as far as posting every employee's salary.

Pay reporting remains one of the more polarizing topics in the HR industry. In fact, the numbers suggest it's nearly a 50-50 split: LinkedIn's 2019 Global Trends report found that 51% of companies weren't openly sharing salary ranges with their employees, while 49% had either implemented pay reporting or planned to in the near future.

Why the stark divide? Some believe that transparency can solve some of the most persistent workplace problems, from negotiation headaches to wage disparities across gender and racial lines. Others fall into the camp that claims transparency actually hamstrings salary negotiation, and can cultivate a more negative, even resentful, office culture.

Pay reporting can seem like a counterintuitive idea, so we've investigated the argument for the contested issue, and have compiled our findings here. Read on to learn the potential of pay reporting and transparency, and decide if your office can benefit from it!

The Argument for Pay Reporting

Improved Retention

In 2019, PayScale conducted a Best Practices Compensation survey that, among other questions, asked its participants that had left their previous companies the reason for their exit. The top answer was simply "seeking higher pay elsewhere."

On its own, this isn't that surprising. But PayScale also found that most employees also didn't actually know how their pay compared to the rest of the market. What does this mean for employers? That they just lost a capable employee who took a gamble, when they could have retained that person by showing how their salary compared to others in the market. More open and honest communication about pay means employees understand how they're valued and gives them additional incentive to stay.

The Next Generation of Labor

It's worth mentioning that millennials, who now make up a considerable amount of the workforce, as well as Gen Z, who will be entering it in the coming years, value transparency in companies—both the ones they work for and the ones they interact with. Brands that target these demographics often opt for more honest and transparent communications, in order to instill trust in the consumer. And just as, in the advent of the Internet age, consumers began to expect all companies to have a digital presence, these same workers may begin to expect transparency from the companies they work for as well.

Fight the Wage Gap

By far the most popular argument for pay transparency is the closing of both gender and racial wage gaps, a problem that still persists across companies of every size and sector. The social media management company Buffer, that made headlines in 2013 when it publicly posted every employee's salary on the Internet, completely eliminated the gender pay gap by role. Buffer's an extreme example, but its philosophy of transparency helped reduce one of the most ingrained issues in the workplace.

It's important to note that pay transparency alone can't narrow the wage gap between men and women. Even in Buffer, women still make 9.25% less than men on average. But shedding light on that disparity is the first step to ending the wage gap entirely.

WORKPLACE CULTURE

Battle Tips to Win the War for Talent

In the late 2000s, major headlines concerning the economy and jobs were usually related to unemployment. Qualified people might struggle to get an interview or retain a position in a volatile job market. This was especially true for millennials graduating college at the height of the most recent financial recession in 2008. But unemployment is at a historic low here in the new decade, so it's no longer the employee struggling to find a good fit—it's the employer.

From Factory to Cubicle

Since the 1940s, the U.S. economy has been moving further and further away from manufacturing as its primary labor market. In fact, it's estimated that 900 million service-based jobs have been created in the past 30 years alone. With technology and industrialization moving at a rapid pace, many economists fear there won't be enough qualified people to fill new jobs. A *McKinsey Quarterly* article stated that by 2020 the world could have 40 million too few college-educated workers, and developing economies could have a shortage of 45 million workers with secondary-school education and vocational training. In more advanced countries, the number of employees lacking the right skills could be as high as 95 million.

An Employee's Market

If our economy were a poker table, employees would be the dealer. Among the small pocket of those qualified for the booming amount of jobs created, it's really an employee-driven market, and top talent is driving the next move. Studies show that high-performing and highly-qualified employees will "shop around" for organizations that align with their core values, even if that shopping around is at the expense of the company's needs or bottom line. In short, company loyalty is decreasing at a rapid pace.

Ways to Play the Game (and Succeed)

Keeping with our poker analogy, let's take a look at the strategies employers are using today to help win the war for talent. According to the annual Business Pulse Survey by SunTrust, businesses are taking the following actions to attract and retain talent, in order to succeed in the labor market. Is there anything your business can glean from this list that will help boost employee engagement and retention?

- Increased wages (45%)
- Increased benefits (43%)
- Offering more flexible work arrangements (36%)
- Training current employees to fill vacant positions (31%)
- Hiring more employees that take up-front training (24%)
- Offering additional recognition programs (23%)
- Offering college loan repayment and college savings programs (17%)

Final Thoughts

Research shows that a company's culture and its financial success are inextricably linked, and employees are the drivers of both metrics. Even the most buttoned-up hiring processes have gaps to fill, and hiring the wrong person is costly, time-consuming, and can have devastating effects on morale if it's not executed well. 2020 is a great time to do an audit or reset on your hiring AND benefits process and ensure both are aligned to the changing labor market.

METRICS AND ANALYTICS

Using the Power of Predictive Analytics

How does your HR department make key decisions? Your personal experience? Cold, hard data? An educated guess? Gut feeling? All of the above?

Making major HR decisions is difficult. There are countless dependencies and variables, especially when you're unsure what the future holds. That's why more and more companies are turning to predictive analytics to predict outcomes for their business and plan accordingly.

Wait, What's Predictive Analytics?

While "predictive analytics" on its own may sound like a complex or even intimidating idea, as a concept it's really not that novel. After all, HR departments have been using analytics to inform their business decisions for decades. Even before the digital age, HR departments collected qualitative employee feedback with (gasp) just a few pens and paper.

Predictive analytics essentially works the same way—leveraging data to make business choices—but instead of using previous data to respond to current issues, predictive analytics combines that same historical data with industry trends to predict future events.

A Digital Swiss Army Knife

What kind of future events can predictive analytics foretell for human resource departments? Everything from turnover rate (by leveraging data from economic indicators and the job market) to employee performance (based on previous performance and current industry trends). Hewlett-Packard saved an estimated $300 million dollars, simply by using predictive analytics to help them mitigate the turnover rate across their departments, some of which had reached a turnover of over 20%.

In fact, there's not much on an HR director's to-do list that predictive analytics *can't* help with (though if you're searching for sure-fire Super Bowl predictions or tomorrow's lotto numbers, you'll have to look elsewhere).

Predictive analytics can serve as your department's Swiss Army knife, offering a variety of different use cases and applications. Some recruiters use predictive analytics to recommend applicants for new job openings, determining the best fit from a pool of candidates by looking at their background, previous experience, skill set, and more. This can even be extended to internal employees, in order to determine if management should hire from within or seek outside the company.

Others have applied predictive analytics to the problem of employee engagement—not just by forecasting engagement as it fluctuates throughout the year, but by recommending incentives can be used to bolster it.

It's Still Human Resources

It's easy to see why some HR departments might balk at the idea of using a data processor to help them make people-centric decisions. But predictive analytics isn't here to replace the human element that factors into all HR decisions—it's here to complement it. It adds a quantitative element to qualitative data, making it easier to process and digest. With predictive analytics, you have another powerful tool in your HR arsenal to aid you in forming smarter policy, making wiser business decisions, and ultimately fostering a better, higher performing workplace environment.

EMPLOYER WEBINAR

What Employers Need to Know about Handling Benefits When Employees are on Medical Leave

Tuesday, February 11, 2019 • 2:00 p.m. ET / 11:00 a.m. PT

This webinar will:

- Provide an overview of state paid disability leave laws and when an employer must continue benefits for an employee under these laws
- Provide an overview of employer provided short-term / long-term disability insurance and common employer provided disability leave policies, including when an employer must continue benefits for an employee who is on disability leave
- Provide an overview of states with family and medical leave laws and when an employer must continue benefits for an employee under these laws
- Briefly discuss when the Family and Medical Leave Act (FMLA), Americans with Disabilities Act (ADA), and state workers' compensation laws may be implicated when an employee is going on leave
- Describe best practices for collecting premiums while an employee is out on leave
- Describe best practices for administering benefits when an employee qualifies for multiple types of leave

This 60-minute intermediate level webinar will help employers understand the multiple laws and requirements for continuing benefits when an employee is on leave.

Registration
Register here for the webinar. The presentation will be posted on the UBA website the afternoon before the webinar.

About the Presenter
Melissa Shimizu is Of Counsel in the Irvine office of Fisher Phillips. She focuses on helping employers navigate the Employee Retirement Income Security Act (ERISA) and other state and federal laws impacting the design, implementation and ongoing compliance of their employee benefit plans and programs. She advises clients with respect to all aspects of employee benefits, including retirement plans, health and other welfare benefit plans.

Certification
This webinar has been submitted to the Human Resource Certification Institute and the Society for Human Resource Management to qualify for 1 recertification credit hour.