

HR Quarterly

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That Will
SHAPE HR
in 2025

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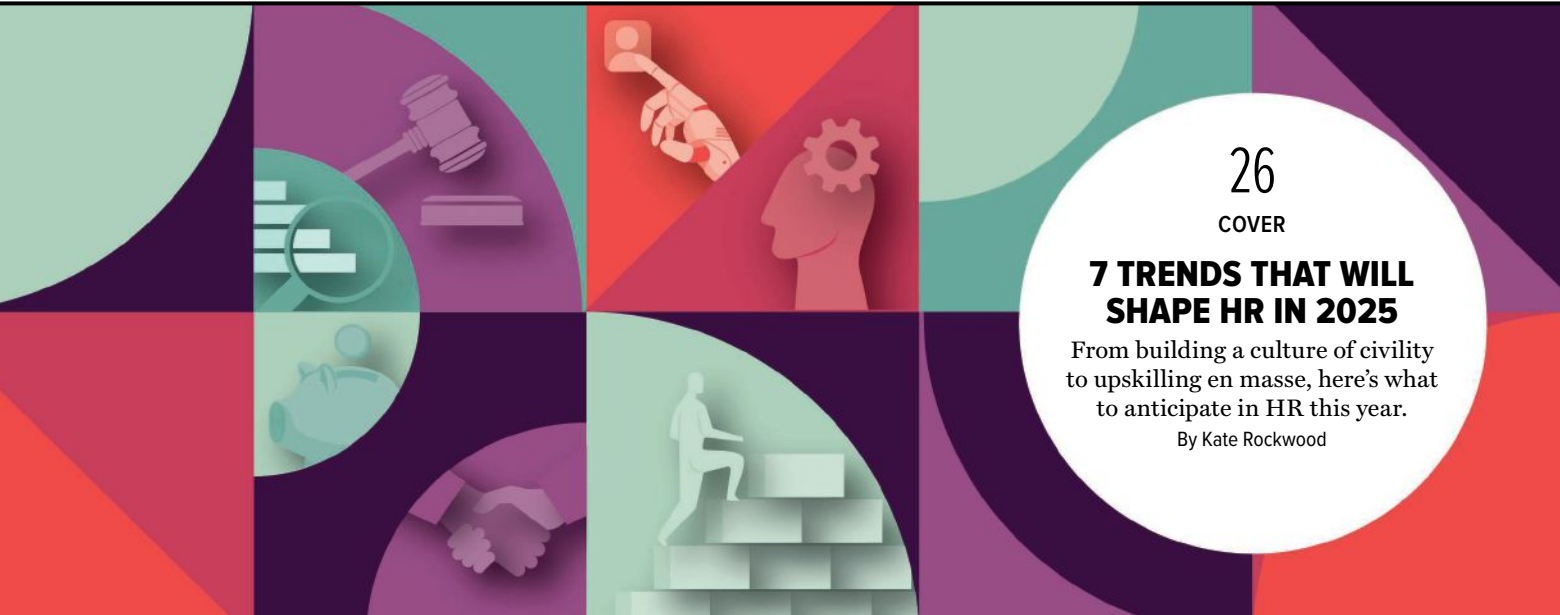
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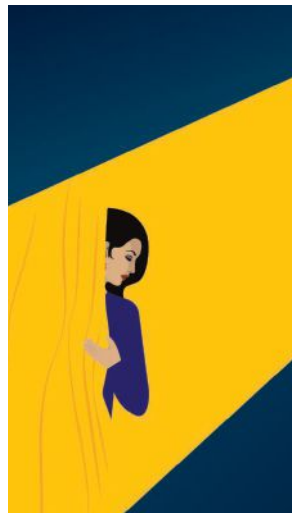


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FROM THE CEO

CULTIVATING A HEALTHY WORK CULTURE IN THE NEW YEAR

Want to retain your best employees? Promote their wellness year-round.

By Johnny C. Taylor, Jr., SHRM-SCP

Entering the new year, many of us are considering our New Year's resolutions. Perhaps you're taking a "new year, new me" approach or simply continuing to work toward your existing goals. Unsurprisingly, many of our resolutions tend to center on health and wellness. Like most of us, I keep up with my goals better—and for longer—when I have access to the necessary resources and support. How can we provide the same for our employees and create a supportive culture that enables them to be their best selves—and, in turn, build a stronger organization?

Well-being can take many different forms—physical, mental, emotional, and spiritual—each of them contributing to holistic health. When employees are healthy and feel good, they're more productive and produce higher-quality work. Organizations play a big role in their employees' well-being, too—after all, many employees spend 40 or more hours a week doing their jobs.

So, when a company partners with its employees to help them reach their goals, they both reap the benefits. Supporting workers can lead to lower turnover, higher job satisfaction, and stronger overall performance.

I challenge you to look at the benefits you currently offer employees and—equally important—what else you should offer them. How can you best help them achieve their own resolutions for better health and wellness? Options include paid time off, flexible work arrangements, employee assistance programs, financial advisory services, and well-being initiatives. It's also critical to ensure employees are aware of these benefits and to eliminate any hurdles to using them.

It's worth noting that sometimes, you can have all the right policies and benefits in place and still find something is missing. You see that your employees are unproductive, unmotivated, and, quite frankly, unhappy. If this is the case, my friends, I urge you to take a look in the mirror. Beyond policies and benefits, there's one more critical piece to employee well-being: culture.

In today's world, a place where you enjoy working can be hard to find. What excites one employee may bore another. That's precisely why organizations must define their culture upfront and then be clear to employees about what the organization stands for. From the very first interview, potential employees should get a clear sense of the workplace culture so they can make an informed decision about whether it's the best work environment for them. Employees who knowingly and willingly commit to an organization's culture are more likely to be happy and stay longer.

For this reason, it's the responsibility of employers to work with HR to make sure we stay true to our culture. We must also act as the safeguards of our culture—fighting against incivility, toxicity, and anything that threatens a healthy work environment.

By doing these two things well—supporting our employees with critical benefits and establishing a clear and healthy work culture—we set our employees and, consequently, our organizations up for success in creating better workplaces for a better world. **HR**



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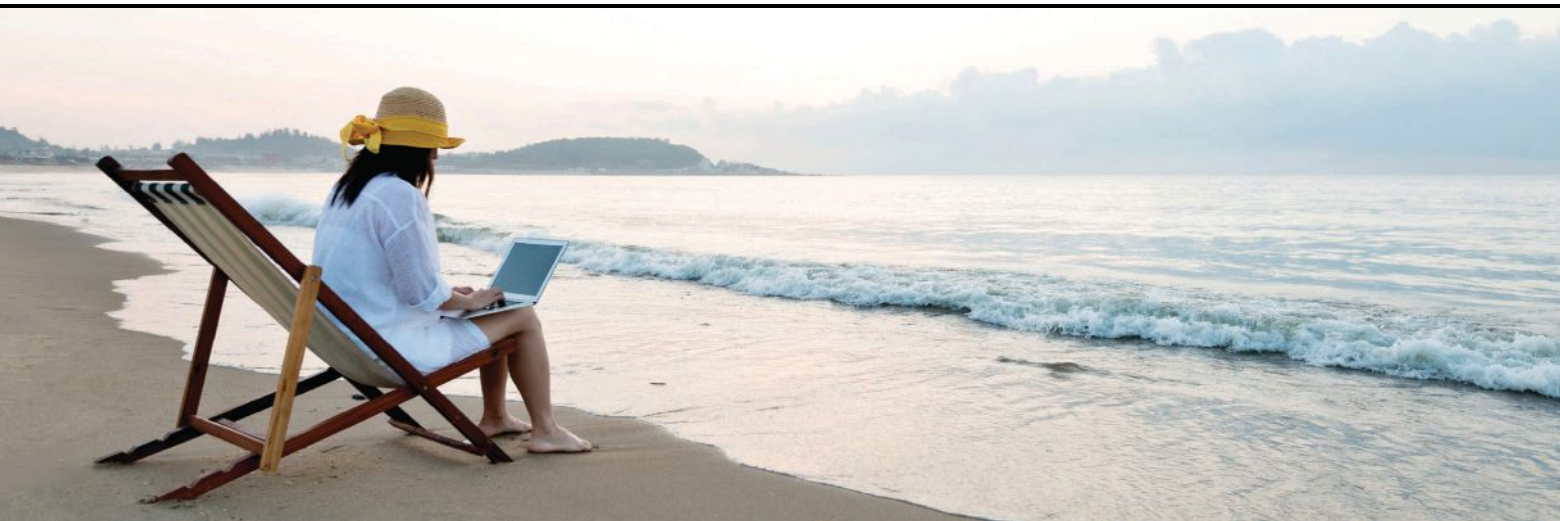
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*Source: *Gen Z Demands Flexible Workplace Benefits*, Forbes, Sept. 27, 2024

ALLTHINGSWORK



ON VACATION AND ON CALL

Employees increasingly feel obligated to work during vacation, but that comes with a cost for employers.

By Kathryn Mayer



Paid time off (PTO) has long been considered one of the most important benefits that employers offer, as well as one of the most valued by employees. But heavy workloads and an “always-on” work culture mean many employees aren’t recharging—if they even take time off at all.

An April 2024 Harris Poll found that when workers do take PTO, 60% of them said they struggle to fully disconnect from work, 86% said they check emails from their boss, and 56% take work-related calls. Nearly half said they felt guilty about taking time off at all.

“It’s a pretty common issue,” says Nicholette Leanza, a therapist at mental health provider LifeStance Health in North Royalton, Ohio, who notes that she, too, often checks work emails and messages while she is on vacation.

It’s part of the new working world. A couple decades ago, remote and hybrid work was much rarer, smartphones were nonexistent,

and employers couldn’t easily reach their workers when they weren’t in the office. Now, the new norm is smartphones equipped with texting capability and email, workplace messaging systems, easy-to-pack laptops, and lots of work being performed away from traditional offices.

The lines between work and home life are more blurred now than than in the past, says Paaras Parker, CHRO at Paycor, a human capital management software company based in Cincinnati.

“Because of new balance in the workplace, many employees are also running short errands, throwing laundry in the washing machine, or heading to a doctor appointment

during the workday,” Parker says. “PTO is likely no different.”

But while some employees may view checking in on work during vacation as the new normal, such habits can have a detrimental effect on employee well-being and even lead some workers to quit working for employers that show little respect for work/life integration.

“Constant connectivity, especially during PTO, does not allow the employee to step back from their jobs to truly rest and decompress,” Leanza says. “This will more than likely lead employees to feel burned out and stressed out, which will have a direct effect on their mental health by increasing stress and anxiety and even the potential for depression.”

A LOSE-LOSE SITUATION

There are drawbacks for employers, as well. Leanza says employees who continually feel burned out and stressed may “become more cynical about their jobs and less productive,”

which can “breed resentment and low morale.” That can, in turn, lead to an unhealthy company culture and poor retention.

A 2022 survey from software company Visier found that employees who work during their vacation, even voluntarily, are much more likely to think about quitting their jobs—and actually leave their organizations—than those who don’t work during their time off. These findings indicate that employers should do a better job respecting the purpose of paid time off: to truly disconnect and return to work refreshed.

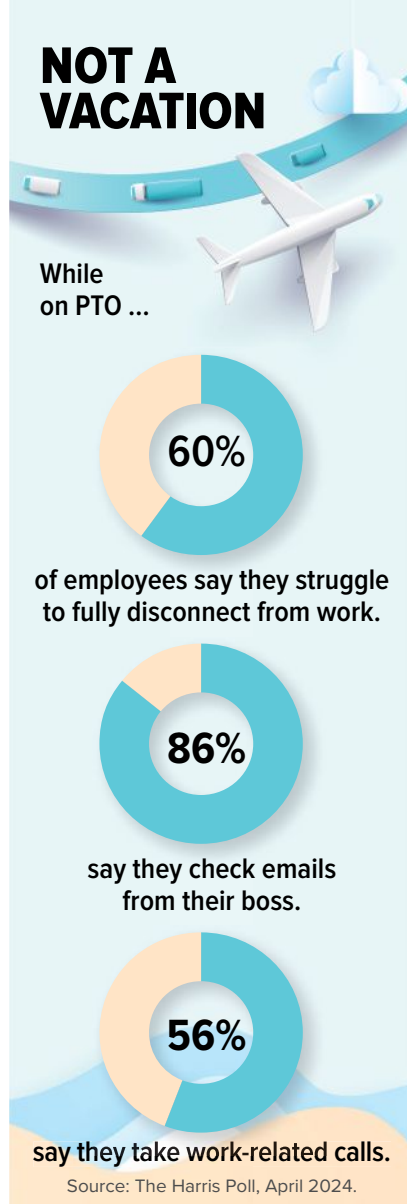
“Now more than ever, companies must address the feeling and expectation to be ‘always on’ by taking a stand and encouraging employees to unplug and decompress when out of the office,” says Mark Debus, clinical manager of behavioral health services at Sedgwick, a third-party claims administrator.

Employers can help mitigate the issue by better preparing for workers’ time off, explicitly telling employees not to answer emails, and creating and promoting a culture of work/life integration and overall well-being, and this approach starts at the top.

“Employees need to feel comfortable advocating for themselves and protecting their time off, and they often look toward their managers for cues on how to do this effectively,” Debus says. “If an employer truly values mental wellness in their workforce, they prioritize a work culture that supports employees and their managers taking time off.”

One way to do this is to encourage managers and supervisors to not respond to emails when they take PTO themselves nor text or email their employees while they are taking time off, Debus says.

If employees have a particularly difficult time disconnecting, managers may consider going a step further and blocking employees’ access to their work email accounts or messages while on PTO to dissuade any possible temptation to work.



Appropriately planning and arranging for additional help when employees are on vacation can help employers ensure workplace continuity while workers are away. Before taking their own time off, managers may want to create alternate work-streams that enable employees to make decisions or have a backup plan during their absence.

“This includes prioritizing coverage for employees who are out of office to proactively allow them to feel comfortable signing off during vacation,” Debus says.

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AI SURVEILLANCE LINKED TO EMPLOYEE RESISTANCE, TURNOVER

High-trust workplace cultures lead to productivity gains, research from Cornell University finds.



Workers tend to react negatively to on-the-job surveillance of any kind, but recent research from Cornell University found that being monitored by AI, in particular, results in more dissatisfaction and greater resistance among employees.

Nevertheless, some organizations are implementing artificial intelligence and algorithmic tools to monitor employee behavior and performance—potentially decreasing productivity and leading to lower retention rates, the research concluded.

AI-based surveillance most often takes the form of tools that monitor keystroke movement and track time online to gauge worker activity. “We found consistent evidence that algorithmic surveillance led participants to perceive they had less autonomy and to engage in more resistance behaviors, such as complaining more, performing worse, and intending to quit,” says study co-author Emily Zitek, associate professor of organizational behavior at Cornell’s School of Industrial and Labor Relations in Ithaca, N.Y.

“No one likes the idea of Big Brother,” agrees Katheryn Brekken, senior research analyst at the Institute for Corporate Productivity (i4cp) in Seattle. “What’s at stake is customer and employee trust. i4cp research shows that productivity flourishes in environments of high trust, and out of all the dimensions of trust we studied last year, employees’ trust in senior leadership was the most impactful.”

When employees know their activity is monitored, “it leads to ‘perfor-

mance work’—counterintuitive efforts like mouse jiggling—that are anything but productive,” says Brekken. She says the good news is that, so far, very few organizations are conducting AI surveillance. According to a 2023 i4cp study, only 6% of large companies reported that they use employee surveillance tools.



AI CAN GIVE HELPFUL FEEDBACK

Interestingly, the Cornell study also found that when participants were told that an AI tool would be used to provide *developmental* feedback, they resisted less.

“The lack of perceived autonomy and increased resistance can be alleviated if algorithmic surveillance is viewed as developmental,” Zitek says. “The problem occurs when people

feel like an evaluation is happening automatically, straight from the data, and they’re not able to contextualize it in any way.”

Brekken says a consistent theme emerges when thinking about how AI should be implemented at work. “People analytics leaders often stress how important it is for organizations to inform employees what data is being collected and for what purposes,” she notes. “The reporting needs to be in aggregate numbers so that individuals cannot be identified. To ensure this happens, particularly as the amount of data [that] companies have access to continues to grow, organizations need strong data governance and ethics policies.”

The Cornell research raises interesting questions about who should receive the data and why that matters, Brekken adds, explaining that if AI is framed as a way to enhance personal and team development, it has the powerful potential to improve coaching and development.

“The AI in this case could give you direct feedback after a meeting to tell you how to perform better,” she says. “This is like having a personal fitness tracker. Once you see data on your performance, it’s hard to ignore and kind of addicting. But the point is, you’re in charge of the data and you get to decide what to do with it. You have agency.”

If, on the other hand, the data is sent directly to a manager and the employee’s performance is perceived incorrectly, the technology has high potential to cause harm, Brekken adds.

—Roy Maurer

CALLS CONTINUE FOR FEDERAL LEGISLATION TO PROHIBIT HAIR DISCRIMINATION

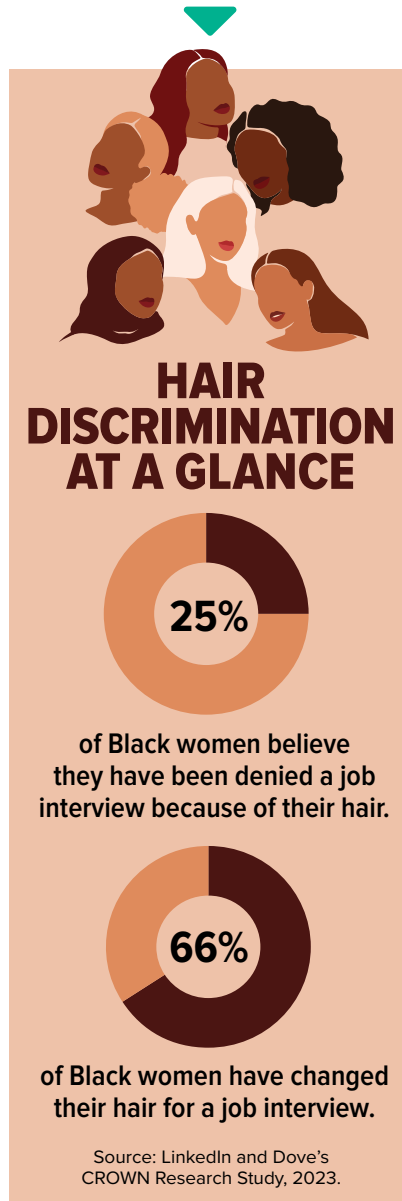
Race-based hair discrimination is prohibited in many states and cities, but there still isn't a federal law specifically banning it. That's something many are working to change.

Adjoa B. Asamoah, founder and CEO of ABA Consulting LLC in Washington, D.C., says conducting training on how to avoid race-based hair discrimination is a good idea in light of the many state and local Creating a Respectful and Open World for Natural Hair (CROWN) acts—legislation that prohibits race-based hair discrimination, including discrimination against employees wearing locs, cornrows, twists, braids, Bantu knots, Afros, or any other hairstyle commonly associated with a particular race or national origin.

Asamoah isn't the only one calling for a federal CROWN Act. On May 1, Rep. Bonnie Watson Coleman, D-N.J., sponsored the reintroduction of a CROWN Act in the U.S. House of Representatives.

Race-based hair discrimination “is more common than many think,” says Asamoah, who leads the CROWN Act movement on behalf of the CROWN Coalition. She says such discrimination can lead to offers of employment being rescinded, workers being passed over for promotions, disparate pay, and termination of employment.

Lawmakers who oppose the federal CROWN Act argue that existing laws banning race-based discrimination already apply. For example, Title VII of the Civil Rights Act of 1964 protects workers from discrimination based on race, color, national origin, religion, and sex. At the federal level, the U.S. Equal Employment Opportunity Commission has already challenged grooming and appearance policies for targeting certain hairstyles associated with race,



and such policies are facing increased scrutiny from the courts.

However, Asamoah says a federal CROWN Act is needed because courts are ruling that hair is not a racial characteristic, finding instead that it's mutable rather than immutable. The federal CROWN Act, sponsored by Watson Coleman, would explicitly clarify that hair can be a racial characteristic.

Lauren Baker, global brand manager for Dove, says hair discrimination

cannot truly end until there is a national law. “The CROWN Act is important to ending hair-based discrimination so people can thrive and celebrate their own beauty,” she explains.

STATE AND LOCAL LEGISLATION

Twenty-five states with CROWN acts prohibit race-based hair discrimination: Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Illinois, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Oregon, Tennessee, Texas, Vermont, Virginia, and Washington, according to the CROWN Coalition. Arizona and Kentucky have executive orders inspired by the CROWN Act.

In addition, 50 local governments have enacted the law, as well as the U.S. Virgin Islands and Puerto Rico. Raleigh, N.C., and St. Louis have passed CROWN acts, even though their states have yet to do so.

“Employers should anticipate this state and local legislative trend to continue,” says Corinn Jackson, an attorney with Littler in Seattle. “Employers across the country should consider revisiting and potentially updating grooming standards, policies, and training practices.”

Camille Hamilton Pating, an attorney with Meyers Nave in Oakland, Calif., says employers should conduct periodic audits to assess whether a policy disproportionately impacts a group of people in a protected category. “Policies should not explicitly prohibit hairstyles that are historically associated with race,” she says. “Employers should consider alternatives, such as hair ties, hairnets, and safety equipment, when addressing health and safety concerns.”

—Allen Smith, J.D.

GLP-1 DRUGS DRIVE INCREASE IN 2025 HEALTH BENEFITS COSTS



GLP-1 drugs, inflation, and catastrophic medical claims will push employer health care costs significantly higher next year, according to new projections. Two reports found that employers' health care costs will rise between 8% and 9% in 2025 if organizations don't find ways to reduce spending.

The average cost of employer-sponsored health care coverage in the U.S. is expected to increase by 9% in 2025, surpassing \$16,000 per employee, according to an analysis from Aon. That's significantly higher than the 6.4% increase in health care budgets that employers experienced from 2023 to 2024, with an average cost of \$14,823 per employee. Meanwhile, a survey from the International Foundation of Employee Benefit Plans (IFEBC) predicted a slightly lower—but still high—increase for 2025, finding that U.S. employers project a median health care plan cost increase of 8%.

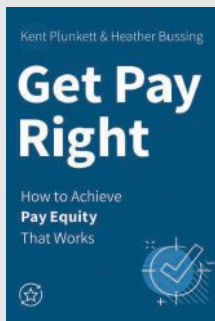
One big trend pushing employer health care costs higher is the use of pricey GLP-1 (glucagon-like peptide-1) drugs, such as Ozempic and Wegovy, which have soared in popularity over the past year. Although the drugs have been in high demand from employees and have shown promise for treating obesity, their high cost—typically between \$1,000 and \$1,500 a month per patient—is a considerable amount for employers.

“Specialty drugs remain the leading factor in spending, even though they represent a small fraction of overall utilization,” says Debbie Ashford, North America chief actuary for health solutions at Aon. “The demand for GLP-1 medications has skyrocketed, and a surge in new drugs in the GLP-1 category is expected to drive up costs even further.”

—Kathryn Mayer

BOOKSHELF

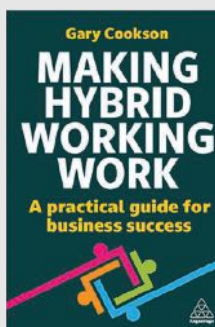
RECOMMENDED READING



GET PAY RIGHT: HOW TO ACHIEVE PAY EQUITY THAT WORKS

By Kent Plunkett
and Heather Bussing

Salary.com CEO Kent Plunkett and employment attorney Heather Bussing draw on their more than 25 years of experience to offer practical guidance on understanding and addressing pay equity issues within organizations. They define pay equity as “equal pay for comparable work that is internally equitable, externally competitive, and transparently communicated” and argue that embracing pay equity not only fosters an inclusive workplace culture but also boosts engagement, performance, and return on investment—crucial elements for businesses that want to be competitive in their markets. As the labor market combats the permanent decline of available workers and faces unprecedented challenges on the horizon, *Get Pay Right* serves as a timely road map for organizations to navigate the complexities of pay equity and build a culture of transparency and accountability.



MAKING HYBRID WORKING WORK: A PRACTICAL GUIDE FOR BUSINESS SUCCESS

By Gary Cookson

This instructional guide can help HR professionals better understand how to structure their organizations, design workflows, and engage their teams within a hybrid work environment. Its guidance on how to support learning and engagement among employees as they divide their work between home and the office is packed with insights from the latest research on hybrid working, incorporating real-world examples from large organizations that have made an asset of their hybrid work structures.

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ASK AN EXPERT

HOW SHOULD EMPLOYERS ACCOUNT FOR SHORT PTO FOR EXEMPT EMPLOYEES?

Multiple regulations cover whether employers can deduct PTO for exempt employees in short increments.

By Regan Gross, SHRM-SCP

Whether exempt employees can be required to use their paid time off (PTO)—such as vacation and sick leave—in full-day, half-day, or hourly increments is a common source of confusion in HR.

The Fair Labor Standards Act (FLSA) requires that exempt employees receive a fixed weekly salary, regardless of the number of hours worked each week. There are exceptions to this rule, but permissible salary deductions are generally limited to instances in which an exempt employee takes a full day off for personal or vacation-related reasons without working any part of that day.

Deductions from an exempt employee's salary for illness-related absences are allowed only if the employer has a bona fide plan or policy that explicitly outlines such a practice. For disciplinary suspensions, salary deductions may be permitted in cases of workplace misconduct or safety violations, but they must comply with FLSA regulations. Be cautious: Improper salary deductions can jeopardize the exempt status of the employee and others in the same job class, potentially leading to costly overtime liabilities.

It's important to note that applying PTO to cover hours not worked does not constitute a deduction from an exempt employee's salary. Employers are allowed to allocate PTO in hourly, partial-day, or full-day increments to satisfy the FLSA's salary basis requirement. However, many employers



opt to apply PTO only in half-day or full-day increments because it helps maintain employee morale, especially for exempt employees who often work extended hours. Requiring an employee who frequently works late or starts early to use PTO for brief absences—such as an hour for a doctor's appointment—can cause employees to feel undervalued and cultivate staff dissatisfaction.

To avoid misunderstandings, employers should ensure that the company's PTO policy clearly outlines how leave will be applied to exempt employees' time not worked. The policy should

be uniformly enforced and communicated to all affected employees.

Employers also need to consider state laws when it comes to this practice because a few states have their own salary basis requirements. In addition, city and county laws may have paid sick, anytime, small necessities, and other leave laws that limit the time increments that employers can apply to time not worked and accordingly deduct from an employee's PTO. [HR](#)

Regan Gross, SHRM-SCP, is an HR Knowledge Advisor at SHRM.



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SMALL ORGANIZATIONS, BIG OPPORTUNITIES: ATTRACTING GOOD INTERNS

On the surface, small organizations face challenges when recruiting interns—but they also have advantages over their larger counterparts.

By Kathryn Mayer

A valuable addition to an employer's talent pipeline, interns provide organizations with fresh perspectives, young energy, and new ideas. On the surface, however, small businesses—those with less money, perks, and name recognition than large employers—face challenges when recruiting talented interns.

“Large corporations have marketing budgets and familiar names,” says Jennifer Schielke, CEO and co-founder of Summit Group Solutions, an IT staffing and recruiting firm in Bellevue, Wash., and author of *Leading for Impact: The CEO's Guide to Influencing with Integrity* (Advantage Media Group, 2024). “Most people discount small businesses without realizing the reach and collective impact they make across our nation.”

Smaller organizations also face other limitations, such as fewer financial resources and a lack of staffing to oversee programs. Along with every challenge, however, comes an opportunity, with some experts contending that small organizations actually possess several advantages in developing intern programs—and incentives to attract interns—that larger companies do not.

ATTRACTIVE ADVANTAGES

Small businesses make up a huge portion of U.S. companies—as of 2023, they numbered around 33 mil-



‘Set the intern up for success, and show them you are committed to their growth.’

JENNIFER
SCHIELKE

lion, according to the Small Business Administration. As such, they make a significant market impact. Additionally, a smaller organization often has less bureaucracy to overcome when organizing an internship program.

“Smaller companies can often be nimbler, and the buy-in process—

needing approval from several layers of management to get an internship program off the ground—may be less complex,” says Julie Lammers, senior vice president of advocacy and corporate social responsibility at the nonprofit organization American Student Assistance.

This agility can signify an organization's culture of innovation, Schielke says—a boon to potential interns.

“Many large corporations have well-documented, well-run programs and systems. Small businesses may or may not have the same formal setting, but don't overlook the beauty of organized chaos,” she explains. “Letting go of the rigidity of tradition can foster innovation and a more humanized touch in the culture and output. It invites in purposeful impact from every resource on board.”

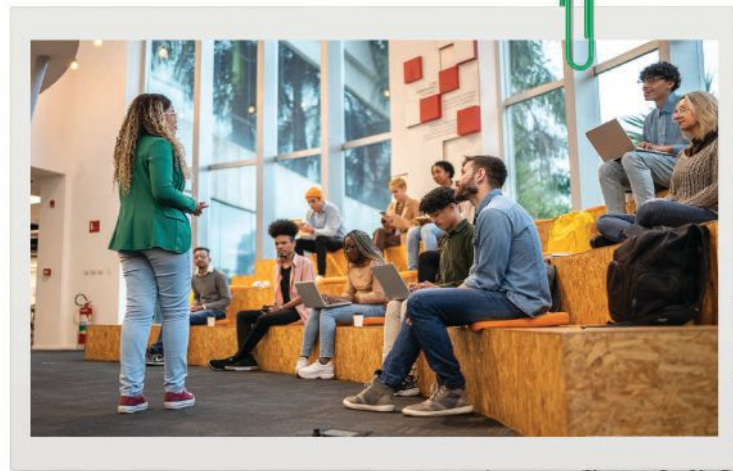
Meanwhile, interns at small organizations benefit from hands-on experience—rather than checking off a to-do list of administrative tasks—and better access to executives, allowing for more mentorship opportunities. According to a 2022 survey by Inside Higher Ed and College Pulse, college students ranked developing career-specific skills as the most important outcome of an internship, followed by gaining general workplace skills, growing knowledge of subject matters and industries they are passionate about, and acquiring professional experience to include on a resume. These benefits even topped making money during their internship, the survey found.

CREATING A GAME PLAN

According to experts, small organizations should keep in mind a number of best practices when implementing—or enhancing—an internship program to attract interns who align with their business strategy.

Dedicate time to creating an intentional plan. “No business has the luxury of wasted resources,” Schielke says. Small organizations should ensure success from the start by assessing business needs, designing the program's structure, and evaluating timing and bandwidth.

Organizations should also define the role of an intern. “Remain adapt-



‘An internship can be just one step on the journey to find what young people love to do and where they want to fit in the working world.’

JULIE LAMMERS

able, but have a general job description and focus area, as well as goals and guidelines,” Schielke recommends. “Set the intern up for success, and show them you are committed to their growth.”

Evaluate your HR bandwidth.

Someone must oversee the program and the people. Make sure your intern(s) know the organization's point of contact and understand how and with whom to communicate daily, Schielke says.

“Welcome them with an intentional onboarding schedule to set a positive first impression,” she suggests. “Be in constant communication. Setting up a daily agenda and check-in points is a good idea to ensure they remain focused and connected and,

together, your goals for the program are achieved.”

Identify—and tout—the draw for interns. “Set yourself apart through your commitment to the program you create, offering resume building, career path opportunities, exit evaluations and recommendations, networking, mentorship, culture, flexibility, and anything else that makes you stand out and/or brings value,” Schielke says.

Additionally, emphasize that students may find more opportunity for growth and learning, along with better access to people and resources, when they intern at smaller organizations.

“Students have more opportunities to build social capital, understand

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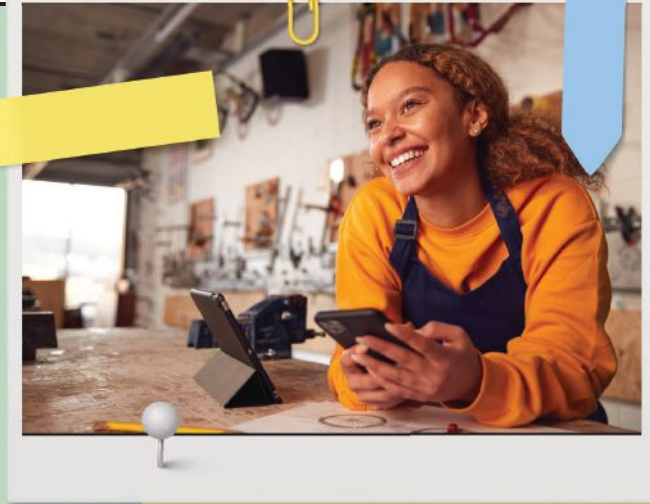
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PRIMARY BENEFICIARY TEST

The Fair Labor Standards Act requires companies to appropriately pay employees for their work. Whether student interns fall into that category can be murky. To determine whether an internship can be unpaid, the U.S. Department of Labor (DOL) uses a seven-factor “primary beneficiary test.” To pass the test, certain conditions must be met:

- The intern and employer understand there is no expectation of compensation.
- The internship provides training similar to an educational environment.
- The internship is connected to the intern’s formal education through coursework or credit.
- The internship aligns with the intern’s academic commitments and calendar.
- The internship duration is limited to the period of beneficial learning.
- The intern’s work complements, not replaces, paid employees and provides educational value.
- There is no entitlement to a paid job after the internship.



Does your program meet the DOL’s requirements for unpaid internships?

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their workplace identity, and develop workplace skills, because in a smaller organization, it’s all hands on deck,” Lammers says. “And again, less bureaucracy may be an advantage, in that it may allow interns to more easily meet and observe employees at all levels, including the C-suite. The key is to understand that an internship can be just one step on the journey to find what young people love to do and where they want to fit in the working world.”

Convey your brand story and culture. If you want the best intern for your business, invest in communicating your story well. The better you communicate your culture, the more likely you are to find interns who are a good fit for your organization. “This is a critical part of connecting with people, attracting them to your business, and creating meaningful alignment,” Schielke says.

Recruit through local resources. To find interns for your small organization, contact local universities and colleges, as well as professional associations. “Knock down the barriers for

students and businesses by partnering with the source organizations that provide the academic development purposed to translate to the job market,” Schielke says. Intermediaries such as local workforce boards, coalitions, or chambers of commerce are excellent resources for recruiting good interns, Lammer says—as well as reducing the internal administrative burden of running a program.

Consider professional development and full-time potential. Some internships can turn into permanent full-time positions—a win-win for both interns and organizations. This may be more likely at small organizations because of the hands-on experience interns gain—as well as the close relationships they often develop with colleagues, managers, and directors—as opposed to the more generalized experience interns may receive at larger organizations.

Provide incentives. Of course, interns love a paying gig. And, depending on various factors, payment might be legally required to comply with the Fair Labor Stan-

dards Act. (See box above to learn more.)

However, if your interns meet the criteria to be considered interns and not employees, and doling out money isn’t feasible, consider other perks to persuade them to join your organization, such as college credits, additional learning opportunities (for instance, traveling to a conference), gift cards, or other small monetary awards. Assurances to help them in their career endeavors—by writing a letter of recommendation, giving them hiring priority, or introducing them to other firms or contacts—are other potential draws.

Commit to intern success. Finally, Schielke says, planning an internship program is only as useful as the execution of it. “Everyone gets busy,” she says. “Ensure that the key persons responsible for the intern and the program invest in the people and the process with priority and authority.” 

Kathryn Mayer is a senior specialist, B2C Content, at SHRM.



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LEGAL TRENDS

NAVIGATING THE MAZE OF MINIMUM WAGE RULES

The federal minimum wage is just one part of the labyrinth of minimum wage mandates.

By Lisa Nagele-Piazza, J.D., SHRM-SCP

When it comes to minimum wage compliance, HR professionals have a lot more to consider than just federal and state thresholds. For example, an employer's jurisdiction may permit a lower minimum wage rate for tipped employees. And there is a federal law that allows employers to pay lower wages to certain workers with disabilities when a certificate is approved, an allowance some lawmakers are seeking to undo.

On the flip side, an employer could be obligated to pay higher rates if employees are covered by certain local ordinances, industry rules, or prevailing wage rules.

Compensation questions are among the top issues fielded by the SHRM HR Knowledge Advisors, who offer resources to assist SHRM members with their HR-related inquiries. "We are often asked for multistate resources on state and local minimum wages, as well as prevailing wages," says Amber Clayton, SHRM-SCP, senior director of SHRM HR Knowledge Center operations. "In addition, we are often asked about which wage and hour laws apply to specific employers."

Here are some tips to help employers cut through the confusion.

REVIEW ALL RULES THAT APPLY

Employers should identify all wage statutes that apply to workers. "This analysis should be conducted at the outset of employment and should be re-evaluated on a regular basis,"

says Patrick Dalin, an attorney with Fisher Phillips in Philadelphia.

These rules may include:

- **Federal minimum wage:** Under the Fair Labor Standards Act (FLSA), nonexempt employees must be paid at least \$7.25 an hour.
- **State and local rates:** These may be higher than federal requirements.
- **Industry-specific rates:** For example, California recently set a higher minimum wage for fast-food workers.
- **Requirements for government contractors:** President Joe Biden signed an executive order in 2021 establishing minimum wages for federal contract workers. The 9th



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U.S. Circuit Court of Appeals had vacated this requirement as of press time.

- **Prevailing wage rules:** Federal and state regulations may require employers to pay workers certain minimum wages and benefits when they are working on public projects. For example, the Davis-Bacon Act applies to workers on certain federally funded or assisted contracts. If prevailing wages apply, the employer will need to determine which job category each worker falls into because the applicable wage rate typically varies per job category and changes over time.

So, which rate applies when an employee is covered by multiple minimum wage laws? “Typically, the employer has to pay the highest rate that applies to the worker,” Dalin explains. “Therefore, making an accurate assessment of which laws apply is critical.”

UNDERSTAND SUBMINIMUM WAGE RULES

In some circumstances, employers can pay less than the standard federal or state minimum wage. For example:

- An employer may be able to pay tipped workers, such as servers and bartenders, as little as \$2.13 an hour if they make at least the standard minimum wage with tips added. The idea is that these employees generally make most of their income through gratuities. However, a growing number of states and localities have banned or are gradually abolishing what’s often called the “tip credit.”

‘Typically, the employer has to pay the highest rate that applies to the worker.’

PATRICK DALIN

CREATE A COMPLIANCE CHECKLIST

Employers can take a number of steps to ensure compliance, including:

- Reviewing the project bid package for wage determination if the employer is a government contractor.
- Understanding wage requirements outlined in a collective bargaining agreement if the employer has a unionized workforce.
- Ensuring wage and hour information in the employer’s payroll system is updated as necessary.
- Tapping into SHRM member resources, including the Ask an Advisor service.
- Seeking legal counsel to help with complex compliance issues.

- The FLSA allows employers to seek a 14(c) certificate to pay subminimum wages to certain workers whose earning capacity is limited by physical or mental disabilities. Supporters say this practice enables more people with disabilities to find employment, while opponents argue that it creates barriers to full workplace inclusion.

Additional subminimum wage rules may apply to student learners (who are at least 16 years old, employed part time, and enrolled in an eligible program), apprentices, and certain seasonal workers.

Notably, these laws have stringent requirements, and states may have higher wage thresholds than federal law or may altogether ban subminimum wages.

AVOID THESE COMMON MISTAKES

Common mistakes for employers to avoid include:

- **Misclassifying employees as exempt.** “One of the most common mistakes is misclassifying an employee as exempt and not paying them the minimum wage in the first place,” explains Sarah Wieselthier, an attorney with Fisher Phillips in Berkeley Heights, N.J. The FLSA and many state laws set specific criteria for exemptions, and

employers should consider routinely performing audits to determine whether exempt employees are properly classified and if any changes should be made.

- **Failing to account for employee expenses.** When assessing minimum or prevailing wage compliance, Dalin says that employers should account for expenses, such as mileage and board, that employees incur while performing their work duties. Employee-paid expenses can drive their hourly rate down below the required minimum or prevailing wage.
- **Failing to ensure timekeeping and recordkeeping practices are accurate and up-to-date.** Even if employers are paying an adequate hourly rate for employees’ work time that is captured in their records, Dalin says, if an employee has additional work time that was not accurately captured, this could potentially drive their true hourly rate below the required amount.

“Whether you have a team of HR professionals or are in an HR department of one, seek guidance if you are uncertain how to comply with the laws,” Clayton says. “Don’t go it alone.”



Lisa Nagele-Piazza, J.D., SHRM-SCP, is legal content counsel for Fisher Phillips in Washington, D.C.

TECH TALK

EMPOWERING EMPLOYEES TO UNLOCK AI'S POTENTIAL

Drive AI adoption through employee engagement and strategic implementation.

By Nichol Bradford



In the evolving landscape of HR, generative artificial intelligence (GenAI) is becoming increasingly central to daily operations. GenAI tools hold the potential to make HR both more efficient and more strategic in functions such as talent acquisition, employee engagement, and performance management. However, knowing these tools exist and getting your team to use them effectively are two entirely different challenges.

For HR managers, successful long-term AI integration requires clear objectives and well-defined use case. The process begins by engaging with your organization's leaders, who should have a vision of the business functions they most want to enhance with AI.

For example, say your company wants to boost its service quality to improve customer experience and satisfaction. Your leaders are likely asking these key questions:

- What business problem(s) are we addressing?
- What's our strategic goal?
- How can we improve the customer experience?

None of these questions mentions AI—yet. At this point, your organization is defining its business strategy to align with AI technology adoption, so the focus is not yet on the tools themselves. During this process, ask yourself: How can my HR team help the organization achieve its goal of

better customer satisfaction by using AI? It's key that the company has the right employees working with customers, and it's your team's job to recruit those employees. AI can help them succeed in that task.

RALLY THE HR TEAM

For managers—particularly those just beginning to implement AI tools—the first challenge is getting your team on board and ensuring they use the resources to their full potential. How can you best encourage this? It all comes down to how you position these tools to the staff, starting with how GenAI can benefit them personally by empowering the development of new capabilities and efficiencies.

SHRM has developed a four-pillar framework to help HR leaders guide the change management necessary for the thoughtful adoption of AI:

- **Empower.**
- **Steward.**
- **Explore.**
- **Activate.**

These pillars reflect key components that align organizations'

AI can be used to identify skills gaps, recommend personalized development plans, and assist in curating learning content for your employees—but none of this matters if your team doesn't trust or understand the internal use of AI.

business needs with AI opportunities and focus on the most critical part of implementation: your people. HR has the capability to lead people-centric change across the organization, but you must first and foremost execute each pillar in a way that helps secure buy-in from HR employees.

EMPOWER: CRAFT A CLEAR BUSINESS VISION. Your organization's vision for its business depends heavily on the quality of its workforce to execute that vision. When it comes to recruiting staff, AI can be an invaluable tool for performing rote tasks such as creating job descriptions, screening candidates, managing talent pipelines, and assisting with initial outreach.

Before introducing the technology to the HR team, craft an employee-centered story that connects the organization's vision to the recruiters' daily tasks. Rather than presenting AI as just another thing to learn, encourage recruiters to envision how it can address their pain points. For example, explain how the technology decreases the time devoted to the tedious sorting of resumes and allows for more focus on high-value tasks, such as building relationships with candidates. This frames AI as a solution that enables them to focus on the tasks they've wanted—but haven't been able—to prioritize.

Once you've conveyed that message, shift to problem-solving. Ask recruiters to identify areas in which they feel overwhelmed or that need improvement and then encourage them to explore how AI can tackle those specific challenges. This approach moves the conversation from "Here's a new tool" to "Here's how a new tool can help you achieve what truly matters."

STEWARD: ESTABLISH ETHICAL GUIDELINES. Incorporating AI into the workplace as a whole requires HR to serve as a steward, working closely with other departments to develop a strong ethical framework that ensures responsible AI use aligns with the organization's val-

Rather than presenting AI as just another thing to learn, encourage recruiters to envision how it can address their pain points.

ues. HR's unique vantage point on employee experience makes it well suited to craft policies that govern AI's impact across the entire employee life cycle, from recruitment and development to performance management and beyond.

Begin by creating policies that center around fairness, transparency, and accuracy, ensuring these principles become the foundation for AI's role in the organization. For employees, this means helping them understand exactly how AI affects their work experience and knowing that it operates with respect for their privacy and fairness in mind.

For example, HR can outline how AI tools will handle sensitive data, clearly communicating how privacy is protected and how decisions are made without bias. Once these policies are established, let employees know that HR will continually revisit and refine them as AI use evolves internally, ensuring they remain relevant and aligned with ethical advancements and employee feedback.

EXPLORE: ENCOURAGE EXPERIMENTATION. When evaluating the capabilities of AI tools, organizations often test use cases to assess their viability. A testing environment that fosters cross-functional collaboration and encourages employee experimentation is essential to the ultimate success of new AI tools.

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HR teams should be encouraged to explore AI-driven engagement tools in a creative, low-pressure environment in which they can experiment freely without feeling that they have to “get it right” the first time. HR managers can take an active role in collecting staff feedback through pulse surveys and engagement metrics. However, start by allowing for open experimentation. This approach lowers the barrier to entry and builds familiarity with AI tools.

After initial exploration, move into a phase of directed experimentation in which employees share their experiences, insights, and results. A collaborative environment supports workers as they integrate AI into their workflows, developing a sense of ownership as they increase their comfort with these technologies.

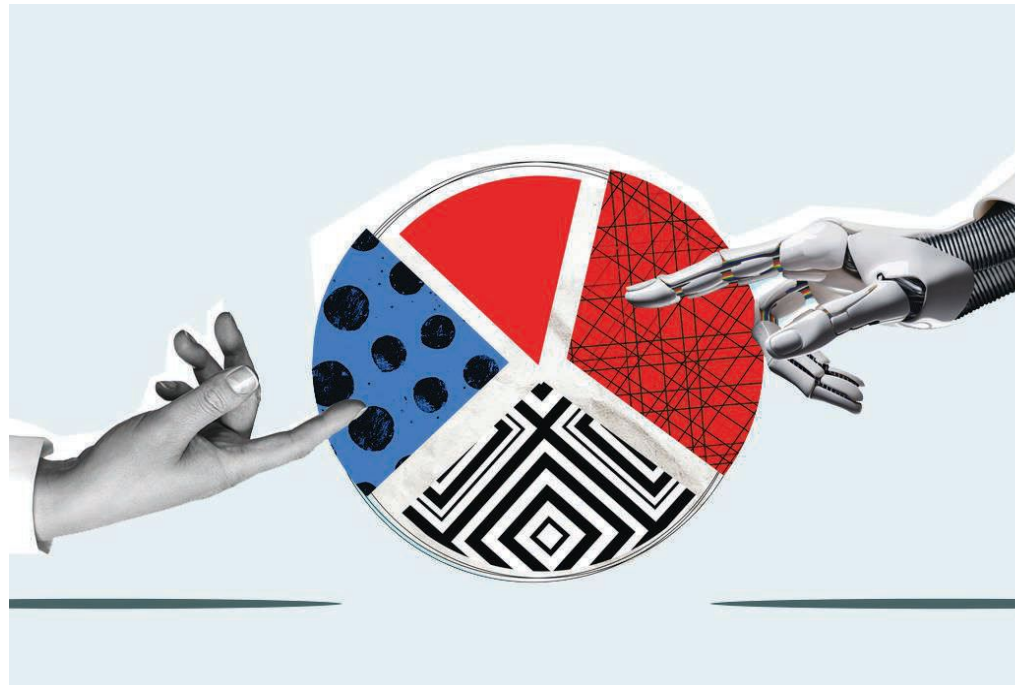
ACTIVATE: BUILD WORKFORCE READINESS. If you plan to use AI as a tool for continual learning and the enhancement of workplace efficiencies, it's essential to establish trust with your team. For example, AI can be used to identify skills gaps, recommend personalized development plans, and assist in curating learning content for your employees—but none of this matters if your team doesn't trust the internal use of AI.

When managers use AI as a means for employee development, it's important to explain to the team how it analyzes data to suggest personalized learning or upskilling opportunities. Clarify that AI is an augmenter, not a replacer, that is designed to support employees' growth rather than supplant their decision-making agency. One approach is to encourage your team to see AI feedback as a “personal coach” that can help them grow and evolve as professionals.

The more they trust AI as a partner in their growth, the more open they will be to its potential.

THE IMPACT OF HERO CASES

When implementing AI tools, it's crucial to offer “hero cases” to drive organizational adoption. These are



fully documented examples that demonstrate measurable success and transformative potential in real business contexts. A strong hero case showcases quantifiable improvements in business metrics, fundamental shifts in operating models, and the ability to scale across large operations or teams.

The most compelling cases highlight how AI empowers employees with innovative tools and capabilities while delivering significant efficiency gains, such as Microsoft's documented reduction in manual tasks that freed up employees for higher-value work. These examples go beyond theoretical benefits to demonstrate tangible value through before-and-after metrics, specific workflow improvements, and clear return on investment.

HR leaders develop hero cases by collaborating with key stakeholders and creating powerful narratives to promote further AI adoption within an organization.

By demonstrating a tangible, positive impact on employee growth and business outcomes, these

success stories can be key to driving wider AI adoption.

THE HUMAN ELEMENT

HR managers can play a critical role in their organizations' successful adoption of AI tools by ensuring that the human element remains at the forefront of AI experimentation and integration and that the adoption process reflects the concerns and experiences of the workforce, fostering trust and engagement.

According to a research report from RAND, 80% of AI projects fail—often not due to technical issues but because of human-centered challenges, such as leadership misalignment and poor collaboration. By focusing on executing the four-pillar framework, implementing human-centered strategies, and showcasing tried-and-true hero cases, HR managers can ensure that AI integration within their team—and

their organizations—leads to measurable improvements and long-term success. **HR**

Nichol Bradford is executive in residence for AI+HI at SHRM.







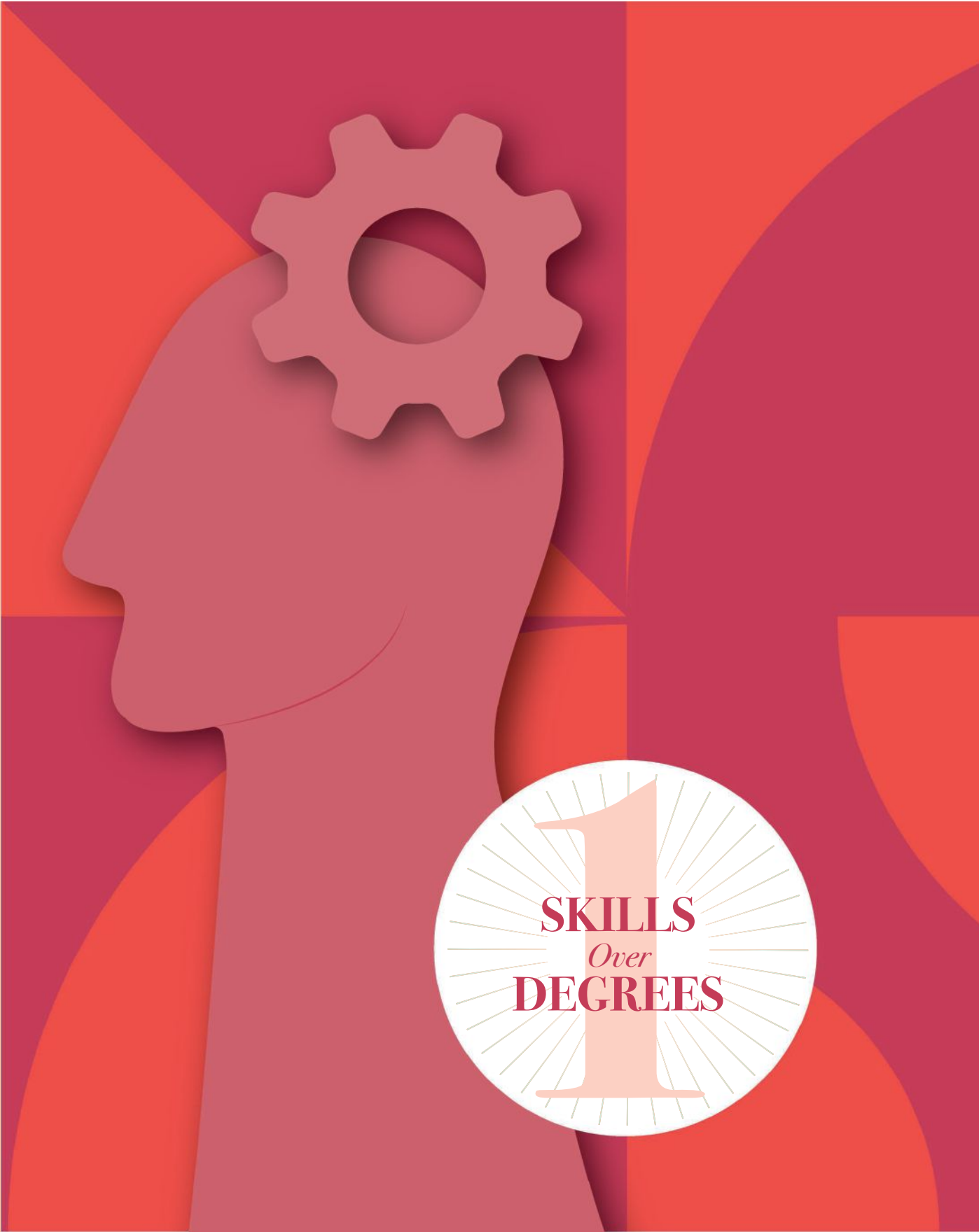
TRENDS
That Will
SHAPE HR
in 2025

From building a culture of civility to upskilling en masse, here's what HR professionals can anticipate this year.

BY KATE ROCKWOOD

ILLUSTRATIONS BY SARAH GAYDOS

The world of work is changing at a staggering pace. From changes in talent acquisition practices to the rise in people analytics to the can't-be-talked-about-enough impact of AI, 2025 is sure to be a year of new opportunities and new challenges driven by the need for the workforce to be increasingly flexible and skilled to meet market demands. With that in mind, SHRM experts shared their insights on seven major trends that are likely to impact HR in the year ahead.



Momentum is surging around skills-based hiring, which is the idea that workers' skills and capabilities matter more than their educational background or work history. Focusing on what employees can do—not where or how they learned to do it—widens the talent pool, helps solve skills shortages, and boosts retention, says Justin Ladner, senior labor economist at SHRM.

The practice is catching on quickly: In 2024, 81% of employers practiced skills-based hiring, up from 73% in 2023 and just 56% in 2022, according to research from TestGorilla, a talent assessment platform.

“The ongoing labor shortage provides a strong incentive for firms to search for ways to expand their ability to recruit and retain workers,” Ladner says.

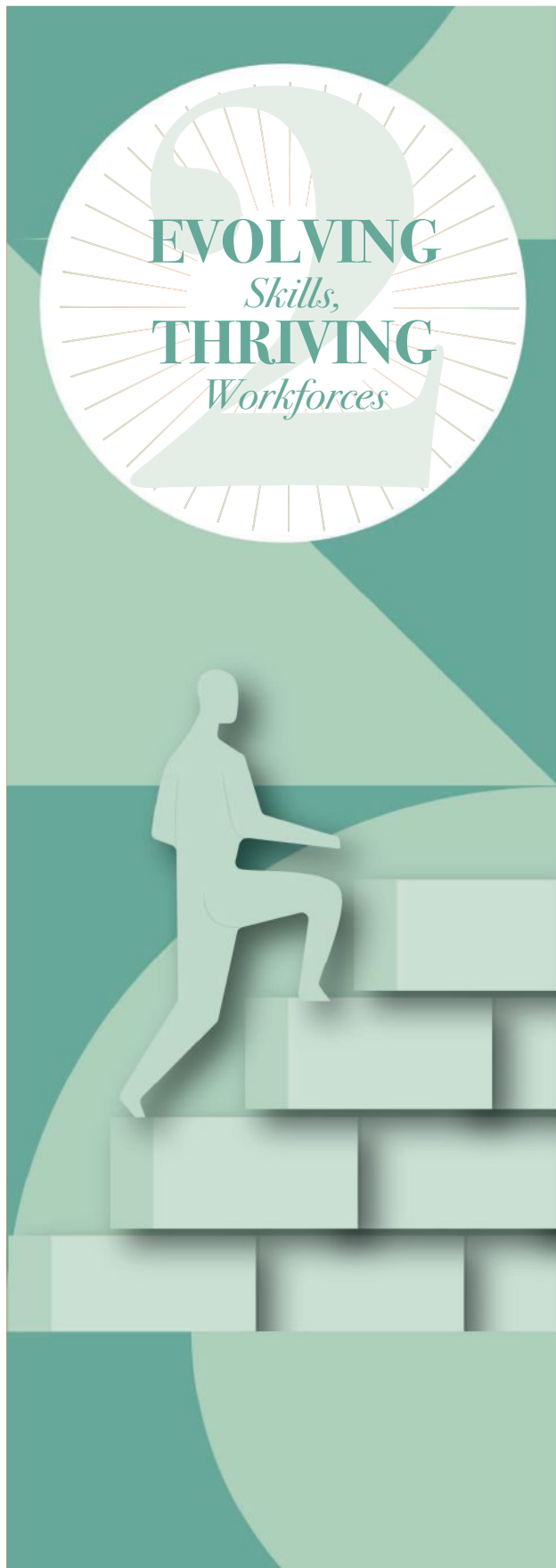
Disruptive events such as the pandemic and the subsequent labor shortages, as well as the rise of AI, have taught employers that an adaptable workforce is one of the most critical ingredients in future-proofing an organization. Therefore, says SHRM CHRO Jim Link, SHRM-SCP, companies are seeking employees who are persuasive, open to learning, and able to communicate well.

“We used to think about [business] sustainability in terms of things,” Link says. “Going forward, we’re going to think that way about people. Do we have the right people with the right skills and enough workforce numbers for today and tomorrow?”

Some employers will also continue to rethink college degree requirements for certain roles. An analysis by Indeed found the number of job postings requiring at least a four-year degree fell to 17.8% in January 2024, compared with 20.4% in 2019. Of employers who eliminated degree requirements for some roles, 73% said they had successfully hired one or more candidates who previously would not have qualified, SHRM’s 2024 *Talent Trends* research reveals.

‘The ongoing labor shortage provides a strong incentive for firms to search for ways to expand their ability to recruit and retain workers.’

JUSTIN LADNER



The need for updated skills in the workplace is accelerating—so quickly, in fact, that new employees may need more training even before they’ve finished onboarding, says James Atkinson, vice president, thought leadership, at SHRM.

Technology is driving this quickening pace of upskilling and reskilling. Quite simply, in a world where AI exists, employees’ skills can’t remain static. In fact, 83% of HR leaders believe upskilling will be essential for workers to remain competitive in a job market shaped by AI, SHRM data shows.

As more organizations pursue AI, machine learning, and other advanced technology, they are taking stock of their employees’ skills and trying to “match that, as best they can, to what their future needs are likely to be,” Link says.

Additionally, Atkinson says, employers are realizing the importance of determining how employees can work with technology in a role that’s being transformed or one that’s just emerging.

Organizational growth and employee expectations will also continue to drive upskilling and reskilling. “The fact that customers are more demanding means companies increasingly need to develop new products, and employees need to be more productive to keep up,” Atkinson says.

Employees are equally eager to stay competitive by updating their skills. According to a 2024 PwC survey, almost half of employees say that having opportunities to learn new skills is a key consideration when deciding whether to change employers. “This need for these workers to stay at the top of their game coincides with organizations’ needs to pull in that talent,” Atkinson says.

There’s more to explore and implement. While a majority of employers plan to upskill or reskill employees, according to a 2024 Express Employment Professionals-Harris Poll survey, just 29% of organizations have taken proactive measures to train and upskill employees who work alongside AI, SHRM research finds.

‘If we can get through these waves of crisis, all the foundational pieces ... are there to build more adaptable, efficient, and welcoming workplaces.’

JIM LINK, SHRM-SCP



PEOPLE ANALYTICS

Shaping the Future

In a still-tight talent market, organizations must find smart, effective ways to encourage long-term employee loyalty. A potential solution is people analytics, the science of using data on employee performance, skills, engagement, and sentiment to predict and shape the future of the workforce.

People analytics can reveal a variety of insights. Combing through employee engagement survey data, for example, can help companies determine employee morale or recurring reasons for departure or turnover. People analytics can also identify potential learning and development opportunities, such as skills gaps that may hinder forward momentum. Link also sees people analytics as an opportunity for employers to provide interventions such as mental health resources before such issues become a crisis.

Currently, HR professionals most commonly use people analytics to assess employee retention and turnover (82%) and for recruitment, interviewing, and hiring (71%), according to the report *The Use of People Analytics in Human Resources* (SHRM, 2023). Some organizations also use AI to identify potential high-performing employees using profiles based on past successful employees. That way, Atkinson says, “They can focus on retaining those employees and helping them grow and thrive.”

Going forward, Atkinson expects more employers to use people data for predictive modeling around workplace planning. “It’s not where a lot of organizations are right now, but it’s an exciting opportunity for the future,” he says.



If the world seems less courteous or empathetic lately, you're not imagining it. SHRM launched its civility campaign in 2024 precisely because of "rising concerns about an incivility in society that's bubbling up and overflowing into the workforce," Atkinson says.

The SHRM Q3 2024 Civility Index survey of more than 1,600 U.S. workers, conducted Aug. 27-Sept. 4, 2024, proved these concerns to be well-founded. Workers said they experience 190 million acts of incivility per day, 58% of which happen in the workplace. The biggest drivers of incivility were:

- Political viewpoints.
- Disagreements on social issues.
- Generational gaps.
- Racial or ethnic differences.
- The direction of U.S. society.

Politics was firmly in mind when SHRM launched its civility campaign in what was the biggest year in history for global elections. "Half the world's population went through elections in 2024," Atkinson says. "And we know with elections in general that you're pitting parties against each other and pulling out differences."

Those feelings won't just disappear in 2025. "Almost half of your employees are going to be disappointed, frustrated, mad," he adds. "As a leadership team, as an HR professional, you need to recognize that."

Atkinson recommends having those difficult conversations rather than simply making controversial topics



The
CONCERNING
RISE *of*
INCIVILITY

taboo. “It’s not about removing conflict entirely; it’s about how you manage the conflict when it occurs,” he says. “Be clear about what workplace culture you want, and make sure that your leaders model it.”

Communication problems are often at the root of rising incivility, Atkinson says. Take social media, for example, which has made it easier for people to “more quickly engage in uncivil sentiments and not take time to think through alternatives or consequences.”

On top of that, generational differences are making workplace conversations even more difficult, experts say. Older employees may be uncomfortable with younger employees’ desire for more transparent and personal conversations, while younger workers may

take constructive criticism as a personal attack. Remote workforces can also make it harder for employees to forge personal connections.

Tackling incivility in the workplace, though, is paramount. Workers who rate their workplaces as uncivil are three times more likely to be dissatisfied with their job, SHRM research has found. In the year ahead, employers may want to try strategies such as encouraging respectful dissent, creating diverse teams, and providing conflict resolution training.

Employers are also increasingly offering workplace etiquette classes, ResumeBuilder reports, with appropriate workplace conversations being at the top of the training agenda.



There's growing momentum among smart employers to thoughtfully consider the role they play in employee wellness. While physical and mental health have been top of mind for years, financial health is now part of the conversation.

It's become crystal clear how deeply employees' financial wellness impacts their personal and professional lives, Link says. As a result, more employers are beefing up financial wellness benefits. In 2023, just 14% of U.S. employees had access to financial planning benefits at work. By 2024, that number doubled to 28%, according to PNC Bank's *Financial Wellness in the Workplace Report*. By the end of 2026, nearly half of employers are expected to offer a comprehensive financial wellness program, according to Transamerica.

"Financial wellness is moving from an enhanced benefit to a primary benefit," Link says. That's critical, considering that more than half of employees say they are stressed about their finances daily or multiple times a day, according to a survey of 5,000 employees by financial services

company ZayZoon. The most in-demand financial wellness benefits, according to Morgan Stanley research, are:

- Assistance with retirement preparation.
- Help with financial planning.
- Guidance on goals-based retirement investment planning.

Heading into 2025, employees also increasingly expect financial benefits that are personalized to their needs. Younger employees, for example, may want help saving for a down payment on a home or managing student loans. Meanwhile, Baby Boomers prioritize financial education, and Millennials and Generation Z favor personalized financial coaching and planning, says Ragan Decker, Ph.D., SHRM-CP, manager of Executive Network and Enterprise Solutions research at SHRM. While Baby Boomers, Gen Xers, and Millennials all agree that saving for retirement is their top financial goal, Gen Zers' top priority is boosting their credit score, PNC Bank's research found.

"This highlights the need for organizations to consider the unique financial needs and preferences of different generations to better support the workforce," Decker says.



AI'S IMPACT *on* TALENT STRATEGY

As AI usage becomes ever more ubiquitous, an increasing number of organizations are harnessing this still-evolving technology to transform talent acquisition. However, that's a relatively recent development—of the 1 in 4 organizations that use AI to support HR-related tasks, nearly two-thirds only began doing so in 2023, according to SHRM's *2024 Talent Trends: Artificial Intelligence in HR* report. In other words, most organizations have yet to tap into AI's vast number of potential applications.

Those who are, though, most commonly put AI into play to support recruitment, interviewing, and hiring by streamlining or increasing efficiency. What does that look like in practice?

- Nearly 2 in 3 companies use AI to develop job descriptions.
- More than 42% use it to customize or target job postings to specific groups.
- Around two-thirds use AI to review or screen applicant resumes, communicate with applicants during the interview process, or automate candidate searches.

"By streamlining these tasks, we're really seeing employees who feel they're able to be more efficient and effective, and as a result, they're more engaged," Link says.

The use of AI can also be a boon to improving diversity in the applicant pool, SHRM's research shows, with nearly 30% of companies reporting that AI allows them to better tap into underrepresented talent networks.

In addition to talent acquisition, HR professionals are drawing on AI to increase and encourage workforce knowledge and development, identify gaps in employee knowledge, and track employees' learning and development progress.

"The best employers today are basically offering very large learning management systems (LMSs) so people can tackle any type of learning that they want to have," Link says.

That is key, he explains, because many younger employees are no longer content to wait years to gain exposure to certain skills or experiences. Employers that give these workers the knowledge they seek may be able to hang onto them longer.

'Be clear about what workplace culture you want, and make sure that your leaders model it.'

JAMES ATKINSON



New regulations are introduced every year, but on the heels of a presidential and congressional election, 2025 could give HR professionals a bit of whiplash. Not only are new policies likely to come to the forefront, but it's possible that existing ones may be scaled back or eliminated altogether.

For example, the new presidential administration could result in either a less or more pro-labor stance, says Emily M. Dickens, J.D., SHRM chief of staff, head of government affairs, and corporate secretary. If a worker shortage persists, she adds, "it will be very interesting to see how the government handles worker visas to allow workers into the country."

Potential laws, regulations, and enforcement actions that could affect HR professionals include:

- The possibility of intensified workplace enforcement and immigration raids.
- The Trump administration letting stand any court decision striking down the Biden administration's overtime rule or independent contractor status rule. At press time, a district court had struck down the overtime rule nationwide.
- The National Labor Relations Board taking a less aggressive approach on existing workplace rules once it has a Republican majority.

- State laws and regulations on paid leave, artificial intelligence, and captive audience meetings.

For more specifics on these legal developments and others, as well as how they might impact the HR profession, turn to page 38 to read "Trump's Return to the White House."

'This need for these workers to stay at the top of their game coincides with organizations' needs to pull in that talent.'

JAMES ATKINSON

Acclimating and Excelling

As the coming year takes shape, HR professionals will be challenged by all of these trends. However, organizations that meet these challenges head-on are those that will succeed in the next era of work.

"If we can get through these waves of crisis, all the foundational pieces—more awareness by employers, increasing employee aptitude, and AI-powered technological developments—are there to build more adaptable, efficient, and welcoming workplaces," Link says. [IR](#)

Kate Rockwood is a freelance writer based in Chicago.

TRUMP'S RETURN TO THE WHITE HOUSE

What will the next four years bring
for the HR profession?

By Allen Smith, J.D.





A change of presidents always brings some uncertainty with it, even if the incoming president—like Donald Trump—has been in the Oval Office before. What’s certain is that there will be changes that impact the workplace. These will not only involve immigration, legal experts say, but could also pertain to overtime, labor relations, and even paid family leave. Trump’s first term holds clues as to what lies ahead. Many expect Trump’s second term will reverse course on many of the priorities of President Joe Biden’s administration.

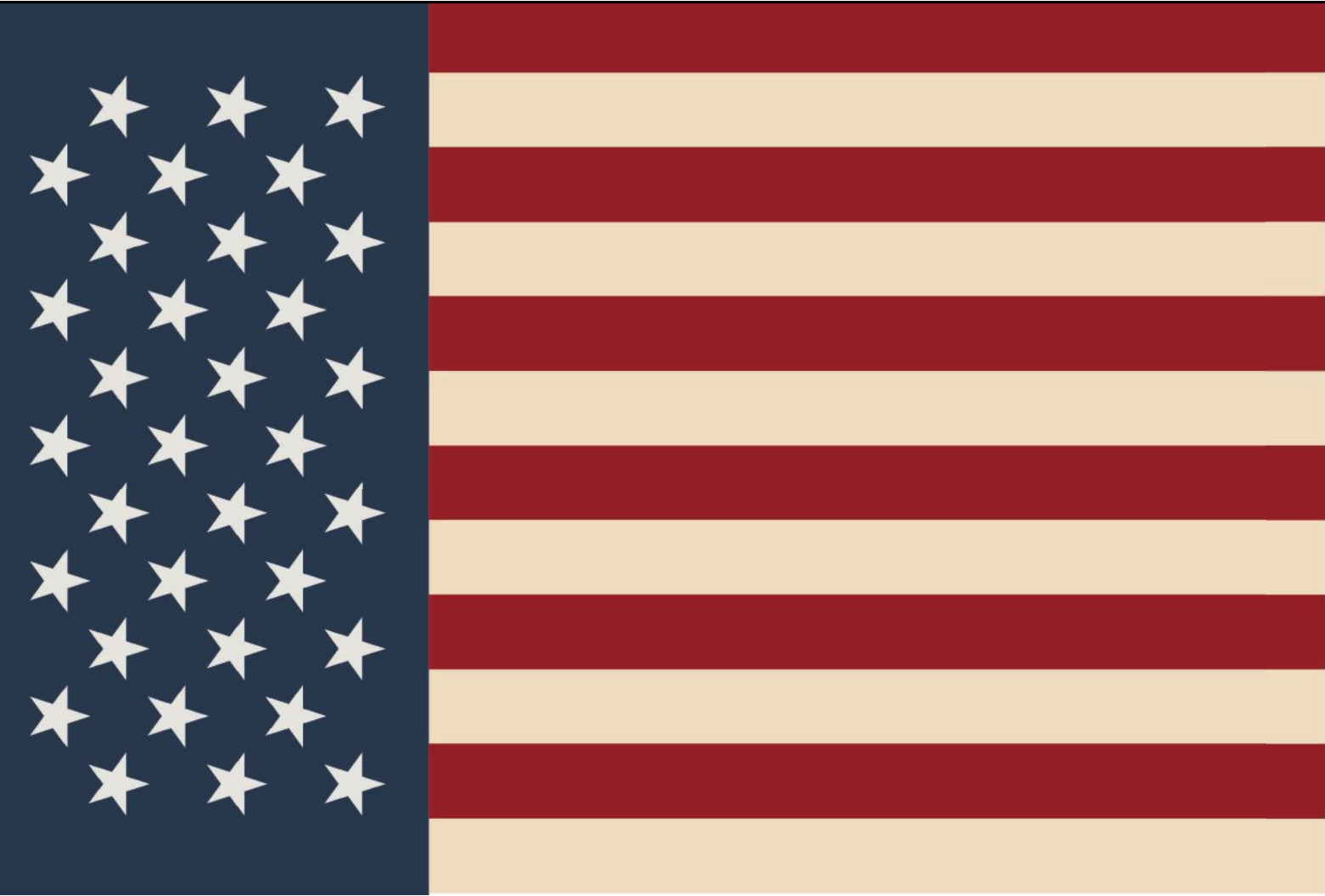
WORKPLACE IMMIGRATION

Expect to see the next administration implement returns to the policy priorities and approaches of Trump’s first term, says Leon Rodriguez, an attorney with Seyfarth in Washington, D.C., who served as director of U.S. Citizenship and Immigration Services (USCIS) under President Barack Obama.

“This time, [Trump’s team] will come into office with the benefit of prior governing experience and with a greater emphasis on recruiting loyal political appointees,” he says. “As they have already promised, they will return to a focus on interior immigration enforcement, perhaps with intensified workplace enforcement and a broadening of categories of individuals prioritized for deportation.”

A second Trump administration will be a continuation of many of the policies from the first go-around, agrees Patrick Shen, an attorney with Fragomen in Washington, D.C. “Extreme vetting” will make a comeback, with increased interview requirements and higher scrutiny of visa applications before USCIS decides the outcome of a case, he predicts. The agency’s Fraud Detection and National Security officers may also be more involved in what are typically routine visa adjudications, Shen adds.

Because the first Trump administration leveraged anti-discrimination laws against companies that purportedly prefer foreign workers on temporary work visas over U.S. citizens, employers



may see the U.S. Department of Justice's Immigrant and Employee Rights (IER) Section enforce those laws more aggressively, Shen says. They should also expect increased worksite enforcement, including more Form I-9 audits.

There may also be an increase in so-called workplace raids to find out whether companies employ unauthorized workers, according to Littler's *Workplace Policy Institute Election Report 2024*.

"The construction, agriculture, hospitality, and manufacturing industries will be most impacted," says Jorge Lopez, an attorney with Littler in Miami.

Employers should "sit and talk with front-desk people" so they know what to do and who to call when federal immigration authorities pay a visit, according to Mahsa Aliaskari, an attorney with Seyfarth in Los Angeles, speaking at the SHRM Workplace Law Forum 2024 in Washington, D.C., on Nov. 20. "Immigration is very personal," she notes, urging HR professionals to "think thoughtfully and not make decisions out of fear."

The focus of immigration enforcement will also likely include the following, Shen says:

- The U.S. Department of Labor (DOL) will enhance enforcement of the labor condition application for specialty occupations with the H-1B, H-1B1, and E-3 visa programs, in addition to permanent labor certification regulations.
- The IER Section will aggressively investigate individual charges, as well as alleged patterns and practice of discrimination by employers that hire foreign nationals on nonimmigrant visas, or who petition for immigration visas on behalf of their nonimmigrant employees. "IER can look to job vacancy announcements, as well as recruitment methods, to find evidence of discrimination," Shen says. "This is in addition to the more conventional IER enforcement on behalf of noncitizen employees or job applicants who claim discrimination in the hiring and onboarding process."
- There will be prolonged processing time, either because of heightened or slower vetting. "The first Trump administration implemented a number of policies to ensure integrity of the adjudicative process, which slowed down the process and disincentivized visa sponsorship," Shen says.



‘A second Trump administration will likely repeal Biden-era rules and restore Trump-era policy.’

LITTLER’S WORKPLACE POLICY INSTITUTE ELECTION REPORT 2024

Employers should prepare for increased scrutiny of their employment-based immigration practices and take steps now to ensure proactive compliance regarding their in-house immigration programs, he adds. They should also keep in mind the 2024 Republican Party platform’s pledge to prioritize putting U.S. workers first and supporting “merit-based immigration, ensuring those admitted to our country contribute positively to our society and economy.”

OVERTIME

Overtime pay was the subject of much attention in 2024, but a decision toward the end of the year may have paved the way for the Trump White House to step back from the overtime rule issued under Biden.

Legal experts predict the new administration will not defend the Biden administration’s overtime rule, which, at press time, the U.S. District Court for the Eastern District of Texas vacated nationwide.

Under Biden, the DOL’s two-part approach to implementing its overtime rule raised the Fair Labor Standards

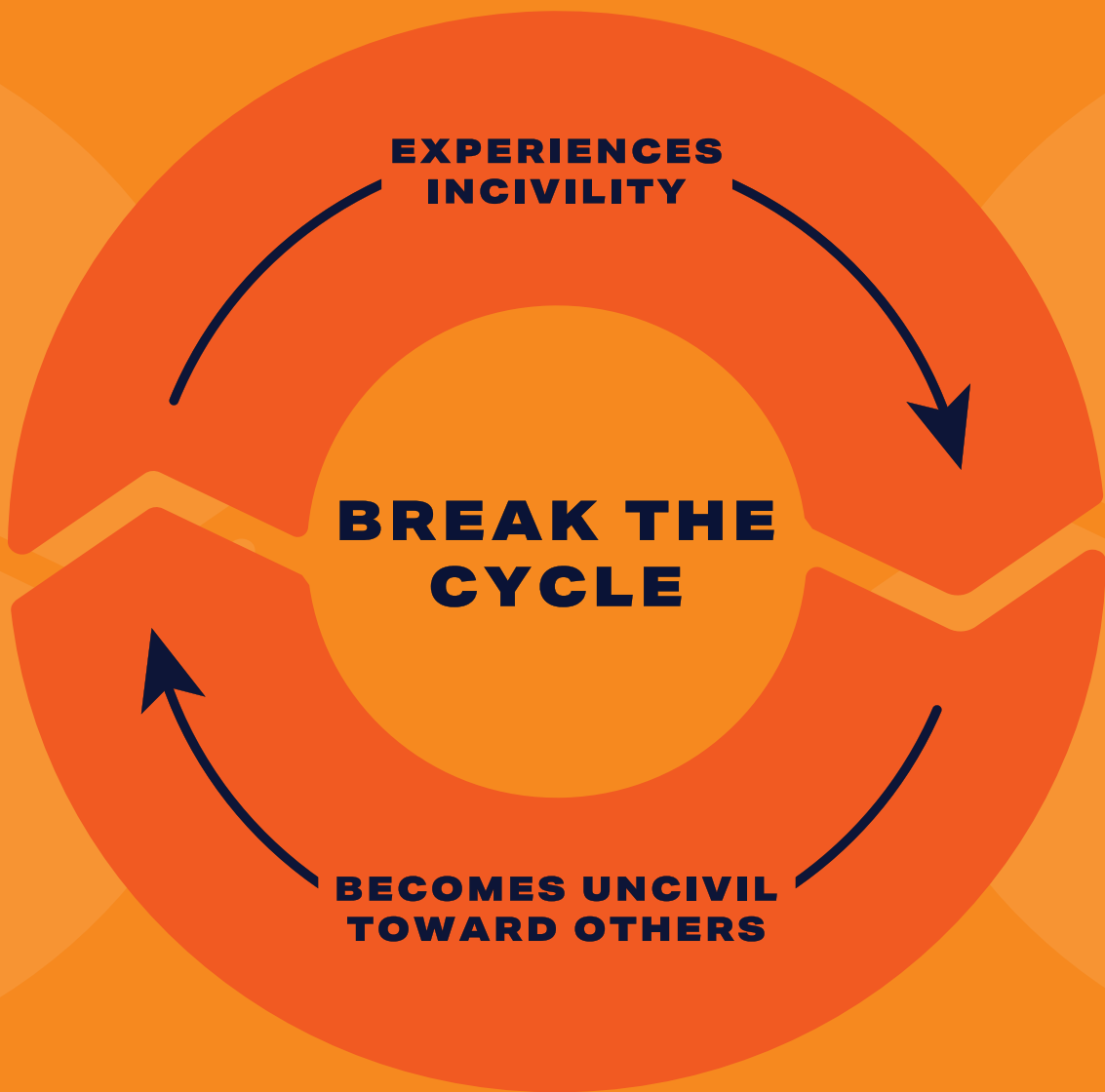
Act’s (FLSA’s) annual salary-level threshold for white-collar exemptions to overtime requirements from \$35,568 to \$43,888, effective July 1, 2024. As a result of the rule, as of Jan. 1, 2025, the annual salary threshold was set to rise to \$58,656. In addition, there were automatic increases to the salary threshold every three years, according to the regulation. In vacating the rule, the court criticized the regulation’s rise in the salary threshold as displacing the duties test for white-collar exemptions by being too steep.

Littler notes that the white-collar overtime and independent contractor status rules issued during the Biden administration replaced regulations from Trump’s first term. “A second Trump administration will likely repeal Biden-era rules and restore Trump-era policy, or, where Biden regulations are struck down by the courts, allow those lower-court decisions to stand and not appeal them,” Littler’s report states.

The Trump administration might formally repeal the Biden White House’s overtime rule or revisit parts of it, adds Jim Paretti, an attorney with Littler’s Workplace Policy Institute in Washington, D.C.

INCIVILITY IS A CYCLE

Workers who experience incivility in their everyday lives commit over twice as many uncivil acts than workers who do not.*



Download the SHRM Civility
Starter Kit to learn more.

SHRM.ORG/CIVILITY



*Source: SHRM Q3 Civility Index, October 2024.

In addition, Trump favors ending all taxes on overtime pay, notes Robin Samuel, an attorney with Baker McKenzie in Los Angeles. Trump also supports ending taxes on tipped wages.

LABOR RELATIONS

There will be a quick decision to terminate National Labor Relations Board (NLRB) General Counsel Jennifer Abruzzo and appoint someone who is not viewed as so clearly allied to the labor movement, predicts Daniel Johns, an attorney with Cozen O'Connor in Philadelphia. This will resemble what happened under Biden when he fired former NLRB General Counsel Peter Robb and appointed Abruzzo.

However, the Democratic majority on the NLRB is likely to remain in place through at least August 2026, says John Ring, an attorney with Morgan Lewis and former chairman of the NLRB under Trump. "This means there will be little change in the more union-friendly policies the board has recently enacted for several years," he explains.

Even if Trump fires and replaces the Democratic board members, which would be unprecedented, such terminations likely would be subject to time-consuming legal challenge, according to Rick Grimaldi, an attorney with Fisher Phillips in Philadelphia who spoke during a Nov. 13 webinar about the election results.

Once there is a change in board membership under Trump, the NLRB will likely take a less aggressive enforcement approach to existing workplace rules, says Brian Shekell, an attorney with Clark Hill in Detroit.

Also, Trump probably will return to his prior administration's focus on limiting the role of unions in the workplace, Samuel says.

However, Sean O'Brien, the president of the Teamsters union, supported Trump's nomination of Rep. Lori Chavez-DeRemer, R-Ore., to be secretary of Labor. She was one of a handful of Republicans to co-sponsor the Protecting the Right to Organize Act, which would make it easier for workers to unionize.

"We continue to be in a moment where we will see increased organizing," Johns says. "HR professionals need to be cognizant of the law, constantly review policies from an NLRB perspective, and keep current on employee engagement if they want to avoid organizing."

PAID LEAVE

While paid-leave proposals have advanced at the state level, for years Congress has declined to provide paid leave nationwide to private-sector workers. Consequently, up to this point, federal paid leave policy has failed to maintain its relevance in today's workplace in the private sector. Some legal experts think the issue might surface again during the second Trump administration.

"Trump has supported some level of paid leave in the past and could circle back to an issue that receives some bipartisan support," Rodriguez says. Trump signed a bill

"There will be little change in the more union-friendly policies the [NLRB] has recently enacted for several years.'

JOHN RING



that created paid parental-leave rights for federal workers as part of the National Defense Authorization Act in 2019.

"Many want uniformity to avoid the patchwork currently in place as states scramble to fill the federal gap in this area," Rodriguez says. "Who will pay for any program is an outstanding issue. In the past, Trump looked to having states fund paid leave through unemployment insurance."

State actions, however, sometimes lead to movement at the national level. Thirteen state paid-leave programs are paying or will soon pay benefits to virtually all workers in California, Colorado, Connecticut, Delaware, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, Oregon, Rhode Island, and Washington when a qualifying



STATE TRENDS


As federal agency regulations get tied up in litigation or halted altogether due to legal challenges, state legislative efforts will take the lead, predicts Robin Samuel, an attorney with Baker McKenzie in Los Angeles.

Samuel has seen states carve out their own path in several areas, including:

- Paid leave.
- Minimum wage hikes.
- Artificial intelligence regulation.
- Pay transparency, including salary and wage disclosures in job postings and increased reporting requirements for employers.
- Severe restrictions on noncompete agreements and other restrictive covenants between workers and employers.

Predominant state law developments in 2025 may include:

- States continuing to determine how they'll regulate employer-worker noncompete agreements.
- More states introducing pay transparency laws.
- More states regulating the use of AI in the workplace, similar to laws enacted in Colorado and Illinois.
- More states restricting "captive-audience" meetings, where employers require employees to attend gatherings to hear the companies' views on unions.



‘This time, [Trump’s team] will come into office with the benefit of prior governing experience and with a greater emphasis on recruiting loyal political appointees.’

LEON RODRIGUEZ

need arises. (Washington, D.C., has similar requirements.) Additionally, companies may also enact their own paid-leave programs.

Paid family leave might have the best chance of winning bipartisan support. As Littler notes in its election report, although Republicans control the Senate, they do not have the 60 votes necessary to bypass any legislative filibuster. But, the Littler report states, the long-term fate of the filibuster remains unclear.

Over the last two years or so, there has been a steady stream of bipartisan work in Congress regarding paid family leave, according to Joshua Seidman, an attorney with Seyfarth in New York City. In 2024, a House of Representatives working group released a legislative framework containing a nonexclusive list of possible legislative options for paid family leave.

The simple existence of House and Senate bipartisan working groups on paid family leave offers a foundation to the new administration that has not been available to previous administrations, Seidman says. This, in turn, “increases the possibility of some form of federal paid

family leave being enacted over the next four years.”

However, details remain murky, and there are potential roadblocks.

“The makeup of a federal paid family leave program—employee eligibility; employer coverage, including for small employers; the amount of leave; scope of covered absences and family members; how the program would be funded; how the program would interact with employer leave and time off policies, etc.—remains unclear,” he says.

Seidman also notes that any paid family leave legislation would need to reconcile with the existing patchwork of paid family, paid medical, and paid family and medical leave laws currently in place at the state level.

“Action on the paid-leave tax credit could help drive attention to other leave proposals,” says Ann Marie Breheny, senior director, senior legislative advisor at WTW in Arlington, Va. However, she adds that the expected focus on tax reform in 2025 “could draw attention away from other proposals.” [IR](#)

Allen Smith, J.D., is the manager, B2C Content, at SHRM.

WHO WILL DO THE WORK?

U.S. workforce growth is expected to slow over the next decade, highlighting the urgent need for employers to prepare now.

BY ROY MAURER



HENRY / ISTOCK

Demographic and labor market trends in the U.S. point to an ominous scenario. The nation potentially faces a shortfall of millions of workers in the decade to come—especially in the critical health care sector—due to a projected reduction in workforce participation.

The U.S. Bureau of Labor Statistics (BLS) projects that 6.7 million jobs will be added to the economy by 2033. However, the number of workers available to fill those jobs is expected to be constrained by an ongoing wave of retiring Baby Boomers, slowing population growth among working-age adults, and immigration levels coming up short of what's needed to maintain employment growth.

Although the number of Americans ages 16 and older is projected to increase by 16.4 million people by 2033, that's 5 million less than the increase that occurred in 2013-2023. On top of that, there are already hundreds of thousands of open jobs without people to fill them for reasons such as a mismatch of skills and some people deciding not to take part in the labor

force. While employment is projected to grow 0.4% annually through 2033, population growth isn't expected to keep up because the largest increase is projected among older people, who are less likely to work. As a result, there will be a continued decline in the labor force participation rate, dropping from 62.7% in August 2024 to a projected 61.2% in 2033, says Kevin Dubina, an economist in the BLS Office of Occupational Statistics and Employment Projections.

The situation is expected to worsen as industries such as health care will see demand for workers skyrocket in the years ahead. On the other hand, some occupations will continue to be thinned out by advancements in technology and changing consumer habits.



“The news is not comforting,” says Ron Hetrick, senior economist at Lightcast, a labor market data analytics firm in Moscow, Idaho. “The most acute shortages of workers will arrive in under a decade, and the industries hardest hit are among those our society relies on most.”

There’s a caveat, however. While the BLS “does the best they can to give us projections based on recent trends—and they have been fairly accurate on average—there’s no way to capture everything that will happen over a decade,” says Harry Holzer, professor of public policy at the McCourt School of Public Policy at Georgetown University in Washington, D.C., and former chief economist for the U.S. Department of Labor during the Clinton administration. “So, these projections need to be taken with some caution.”

WORKFORCE PARTICIPATION SQUEEZED AT BOTH ENDS

Population aging, which occurs when the birth rate falls while life expectancy increases, has been a long-term trend in the U.S. and around the world for decades, explains Justin Ladner, senior labor economist at SHRM.

“The fact that the population continues to age comes as

no surprise, though I think its rapid pace in recent years has caught people off guard,” he says.

Older people are less likely to work, and the retirement of the Baby Boomer generation—an enormous demographic of 76.4 million that has dominated the workforce since the 1970s—“is in full swing,” Holzer says. “Over the next decade, that will likely accelerate to include later members of that group born in the late 1950s and early 1960s.”

The pandemic accelerated Baby Boomer retirements, which were already on course to be more disruptive than those of previous generations, both because of the unprecedented size of the generation born between 1946 and 1964 and the contrasting smaller size of the generations that followed.

“This steep rise and fall of U.S. birth rates means we no longer have enough young people to replace millions of Boomer retirees,” Holzer says.

Making matters worse, labor force participation of younger people ages 16 to 24 has been declining for years, and the rate for the all-important prime-age cohort of 25 to 54 has stalled, driven by fewer men working than before, Dubina explains. Men’s prime-



‘The most acute shortages of workers will arrive in under a decade, and the industries hardest hit are among those our society relies on most.’

RON HETRICK

age participation rate has been trending down since the 1950s, with some of the decline—especially since the 2000s—potentially attributable to fewer available manufacturing jobs, he says.

“The problem isn’t that men make up a smaller piece of the pie, it’s that they are opting out of the pie entirely,” Hetrick says. “Gen X, Millennial, and Gen Z men do not participate in the labor force at anywhere near the rates that prior generations once did. Millennials now outnumber living Baby Boomers, but fewer Millennial men are choosing to get jobs.”

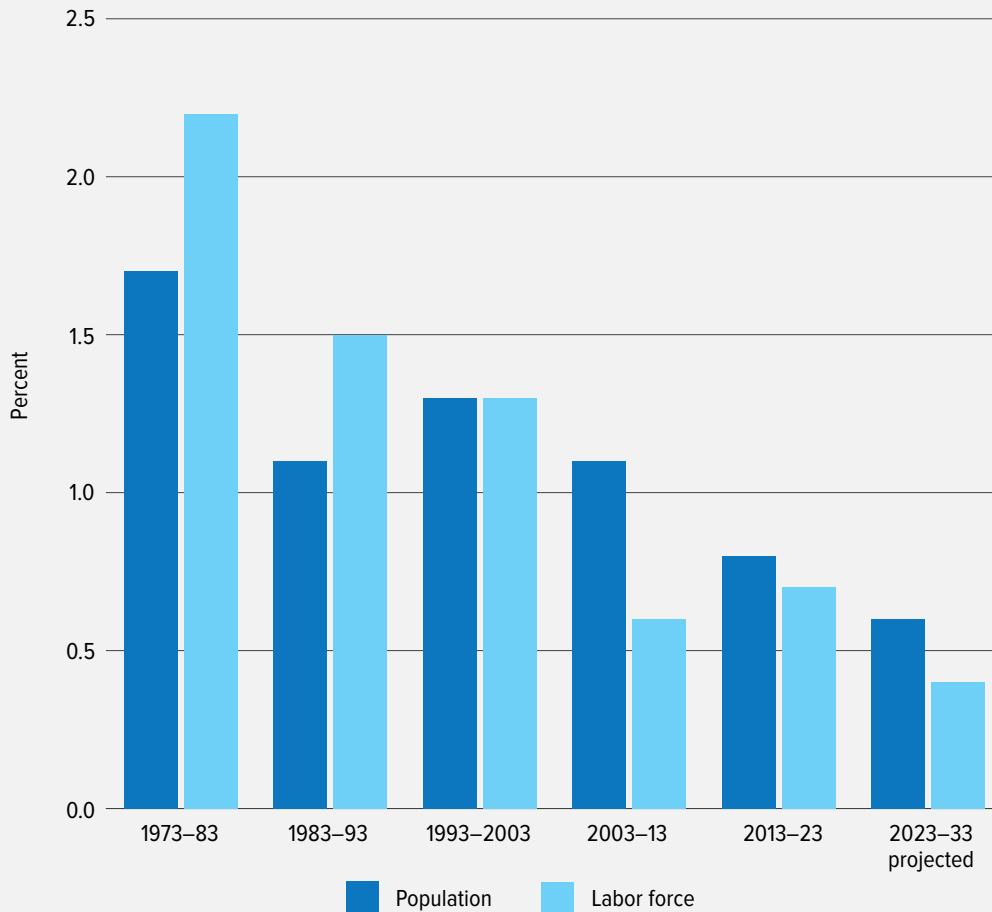
That said, women’s prime-age participation rate increased during the second half of the 20th century, recently reaching a new peak in 2023.

A STRUCTURAL PROBLEM

A major dilemma is that the demographic transition taking place in the U.S. and other highly industrialized societies is structural, not cyclical. The prime factors that affect population growth, and, ultimately, labor force participation, are native-born fertility rates, which fell in 2023 to their lowest point in a century, and immigration. What happens

FIGURE 1
POPULATION AND LABOR FORCE GROWTH

10-year compound average annual rates, for periods and 2023–33 projected:



Source: U.S. Bureau of Labor Statistics.

with immigration depends on government policy, making it a big unknown.

“Growth in the workforce will absolutely depend on immigration,” Ladner says. “According to the Census Bureau’s main population projection for 2023–2100, the prime-age population will grow slowly until the mid-2040s and decline thereafter. However, this projection depends heavily on immigration levels. In the no-immigration scenario, the prime-age population is essentially already in decline; under the high-immigration scenario, this population would continue to grow through 2100.”

‘THE PERFECT STORM’

The BLS has consistently projected health care to be the largest and fastest-growing industry over the next decade, driven by both the aging population and a higher preva-

lence of chronic health conditions. This escalating demand will shine a spotlight on the long-standing shortage of health care workers in the U.S.

“Health care had its challenges before the COVID-19 pandemic, but the pandemic really stressed the industry,” says Dan Lezotte, a partner in Mercer’s U.S. Workforce Strategy and Analytics Practice.

Health care employers haven’t kept up with wages since the pandemic, he adds, and competing employers in other industries offer more pay or scheduling flexibility to attract nurses and medical assistants. Mercer projects a deficit of more than 100,000 health care workers in the U.S. by 2028, particularly primary care physicians, advanced practice providers (mostly nurse practitioners and physician assistants), and nursing assistants—the latter of which is projected to have a shortage of more



'The variables for AI reducing some jobs include how advanced AI technology will be, how willing employers will be to adopt those tools, and what kind of regulation will arise to prevent adoption in some cases.'

JUSTIN LADNER

than 73,000 nationwide, the largest of any health care occupation.

“It’s tough to compete with other industries as health care systems are under tremendous cost pressure,” Lezotte says. “It’s the perfect storm.”

On the positive side, the supply of registered nurses is projected to outpace demand, resulting in an estimated surplus of nearly 30,000 nurses by 2028. “The big story a few years ago was the nursing shortage, but that’s changed,” Lezotte says. “There are more nurses coming out of school, and attrition has been turned around.”

However, whether you’re in a surplus or a deficit for health care roles depends on what state or region of the country you are based in. “There’s a big difference between a major metropolitan area and rural areas, but the situation looks a lot better than it did three years ago,” he says.

While the growth of the health care industry is being fueled by the aging of the Baby Boomers, Holzer says, it won’t grow indefinitely. Eventually, action taken by government and industry to limit out-of-control costs will rein in the health care sector. Until then, however, it will be difficult to meet demand.

“Textbook economics say that employers should raise wages and provide more training in this scenario,” he says. “But there are barriers to how much they can do. It’s a real challenge right now.”

Health care employers will need to develop strategic plans and innovative tactics for attracting and retaining talent, Ladner says. Such plans should encompass strong compensation and benefits packages, along with creative ways of sourcing talent, redesigning work, and optimizing schedules to include more flexibility.

GROWING AND DECLINING OCCUPATIONS

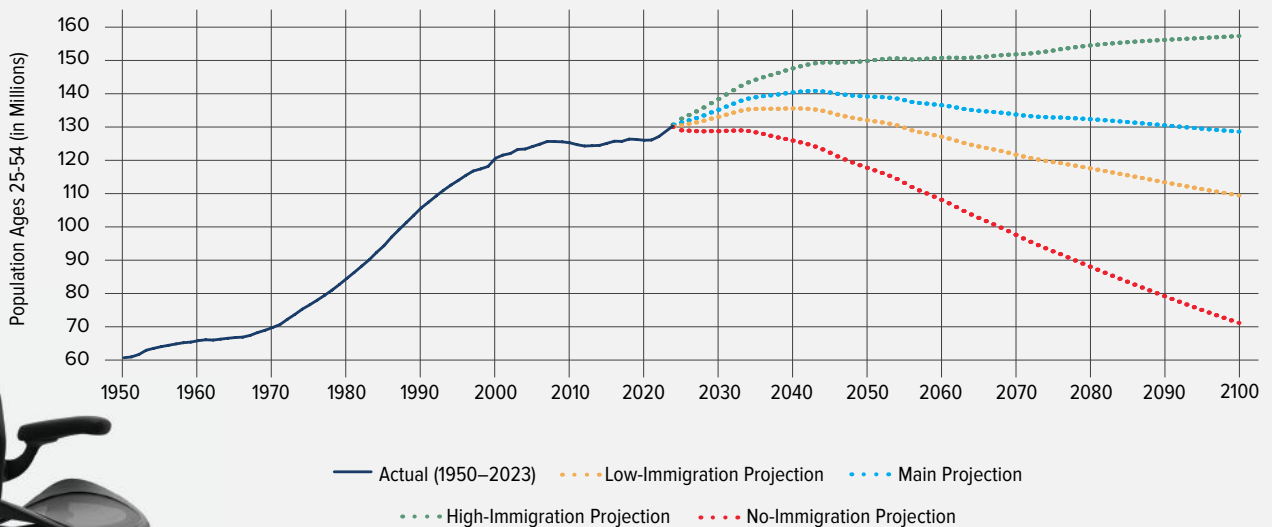
While health care ranks No. 1 on the list of high-demand professions, computer-related jobs—with one notable exception—are projected to be the second-fastest-growing occupational group by 2033, according to the BLS.

“The growth of computer occupations is expected to stem from demand for upgraded computer services, continued development of AI solutions, and an increasing amount of data available for analysis,” Dubina says. “In addition, the number and severity of cyberattacks and

FIGURE 2

ACTUAL AND PROJECTED GROWTH IN PRIME WORKING-AGE POPULATION

The U.S. population ages 25–54 grew quickly from 1970 to 2000, but 21st-century growth has been sluggish due to the aging population. As shown here, future growth in this population is projected to depend heavily on the level of immigration.



Sources: Historical data (1950–2023) from U.S. Bureau of Labor Statistics. Downloaded from FRED (fred.stlouisfed.org/series/LNU00000060). Annual averages calculated from monthly data. Population projections (2024–2100) from U.S. Census Population Projections 2023–2100.



data breaches on U.S. businesses is expected to lead to greater demand for information security analysts.”

Demand for roles in cybersecurity, software development, IT management, and computer network architecture is projected to increase; however, projections for network and computer systems administrators are expected to decline. Additionally, the number of jobs for computer programmers is expected to fall by 10% over the next 10 years, a new phenomenon introduced by the capability of artificial intelligence to be trained to write code, Ladner says.

“The variables for AI reducing some jobs,” including programmers, as well as other occupations at risk of automation, “include how advanced AI technology will be, how willing employers will be to adopt those tools, and what kind of regulation will arise to prevent adoption in some cases,” he adds.

The retail trade sector is projected to decline, as e-commerce continues to have a negative effect on in-person sales at retail outlets. “The growth of e-commerce, as well as advances in technology, are expected to limit demand for retail sales workers,” Dubina says.

As for the HR profession, employment of HR managers is projected to grow 6% by 2033, faster than the average for occupations overall. An average of 17,400 openings for HR managers are projected each year over the decade, resulting in 13,500 net new HR managers being added by 2033.

Tallied separately, employment of compensation and benefits managers is projected to grow just 2% by 2033, slower than the average for occupations overall.

‘NOW IS THE TIME TO ACT’

Closing the gap between open jobs and unemployed job seekers will require that employers act, including supporting the expansion of employment-based immigration, providing critical reskilling, reimagining the K-12 and higher education pipelines, and practicing smarter workforce planning.

Immigration Is Essential. Due to a declining percentage of native-born prime-age workers in the U.S., immigration is absolutely necessary to replenish the workforce, Holzer says, noting that “even if there is displacement of lower-wage workers in some occupations, the trends of the declining native population combined with the rise in demand for health care and other workers means that we need more immigration.”

Hetrick agrees, saying that immigration has been the most reliable source of growth in the U.S. labor force and will remain the most important path forward.

“If there aren’t enough workers in your own country, your alternative is to get them from other countries,” he says. “In many respects, foreign-born workers are essentially keeping the U.S. economy afloat right now. Significant portions of the U.S. labor force rely heavily



DELAYING THE ‘SILVER TSUNAMI’

Out of the **5 million people who have left the labor force since 2020, 80% are over age 55.** Starting in 2024, the “silver tsunami” of Americans turning 65 has reached all-time highs, at a rate of more than 11,000 people per day, or upward of 4 million per year.

But what if you could keep some of that hard-to-replace talent? At the very least, it’s time to formalize the process of knowledge transfer, says Phil Blair, executive officer and co-owner of Manpower San Diego.

“You wouldn’t want your workforce to lose a generation’s worth of expertise, would you?” he asks.

Blair recommends that employers start mentorship programs, offer knowledge-sharing training and opportunities, and create a timetable for job succession. Mentorship programs capitalize on younger workers’ desire to advance in the organization, and two-way mentorships help build a “give-and-take ecosystem that opens opportunities for Millennials to share technical knowledge with Baby Boomers,” he says.


It’s also a good idea to consider offering flexible schedules and part-time work to anyone considering early retirement. “One inspired version of this policy comes from NASA, which offers a detailed, phased retirement program to allow retirees to work half-time for up to two years,” Blair says. “At least 20% of that time must be spent mentoring younger workers.”



'This steep rise and fall of U.S. birth rates means we no longer have enough young people to replace millions of Boomer retirees.'

HARRY HOLZER





on a steady stream of foreign-born workers, such as in IT, construction, and health care.”

But increasing immigration in any significant way has proven to be politically complex and controversial. Employers can’t make immigration policy, but they can lobby to have policy changed.

Skills Are Currency. Increasing employer reskilling and upskilling is another solution to retaining workers in the labor force. “If current skill sets are becoming obsolete, programs can help workers maintain skills or attain a more competitive skill set to remain working,” Ladner says. “Employers looking for ways to expand their talent pools can also practice skills-based hiring, which focuses on whether the person has the skills to do the job, rather than on a narrow set of generic criteria like educational requirements.”

It will increasingly fall on employers to reskill the employees they have “because ‘ready-made’ workers with all the requisite training will be harder to find when they’re fewer in number and in high demand,” Hetrick explains.


Some health care systems have found success in partnering with local universities and trade schools for training, Lezotte says, “but this kind of effort won’t happen overnight and therefore requires proactive decision making and a planned investment.”

Planning Is Critical. Employers also need to do a better job with strategic workforce planning, Lezotte says. “That means understanding who you will need, how many [people] you will need, and when you will need them.” While many employers think year to year, “it’s smarter to think three years down the road, understanding the broader labor market and the internal dynamics of supply and demand to pinpoint where the shortages will be for critical occupations due to attrition and expansion of services,” he explains. “Now is the time to act—not when it’s too late.”

Value Is Vital. Ultimately, organizations must continuously upgrade their employer value proposition to attract and retain the people they want in a competitive job market.

“Employers will have to keep up with compensation, do more skills training, offer more flexible and remote work, and help with child care,” Holzer says.

Flexibility is particularly critical. “Nurses could be offered one day a week at home, working in telehealth, for example,” Lezotte says. “Health care employers are not just competing with each other, but with other industries, especially for support roles.”

Ultimately, the solution to future labor shortages “will not just be any one of these approaches,” Ladner concludes. “It will be a combination of all of them.” 

Roy Maurer is a senior specialist, B2C Content, at SHRM.





OUT OF THE DARKNESS, INTO THE LIGHT

Domestic abuse isn't traditionally a workplace issue. Some HR leaders are working to change that.

BY KATHRYN MAYER

ILLUSTRATIONS BY SARAH GAYDOS AND ISTOCK

Carmen Aliber always had the mindset that “it won’t happen to me.”

But a few years back, like millions of other women and men have, she found herself in an abusive relationship with a romantic partner. There was control of her finances, her phone, her emails. There were threats and manipulation. She constantly worried about her career, her kids, and herself. Then, one day, she came up with an escape plan—one that included telling her employer what was happening.

“They were nonjudgmental,” she says of Dexter Southfield, a school in Boston with about 300 employees, where she is director of human resources. “They provided me with the support that I needed. If I was not in an organization that was supportive and if I didn’t live in a state that had laws that I knew protected me, I likely would have stayed in my situation out of fear.”

The support from her employer came in the form of new lights in the parking lot, security teams walking her to her car after work, time off to deal with the logistics of leaving her relationship, and her boss being flexible and understanding.

Aliber knows she’s lucky not only to have left her abusive relationship, but also to have had support from her company—something that, for many people, hasn’t historically been the case. Although it’s a pervasive issue, domestic abuse has often been hidden behind closed doors among family, friends, and in the workplace.

Now, Aliber—who co-founded Together Rising Above Coercion, an advocacy coalition working to expand legal protections for abuse survivors—is part of a small but growing group of HR leaders working to change that, arguing that workplace support is exactly what’s needed to help millions of people suffering from domestic abuse.

“Too many survivors stay in the situation because they are afraid. They are afraid of losing their jobs, they are afraid of being judged, they are afraid of being stigmatized professionally. And they stay in this situation out of fear,” Aliber says. “An employee with an employer who is supportive—and in a state that has laws that protect survivors of domestic abuse—has a much greater chance at escaping the abuse and continuing to be a productive employee.”

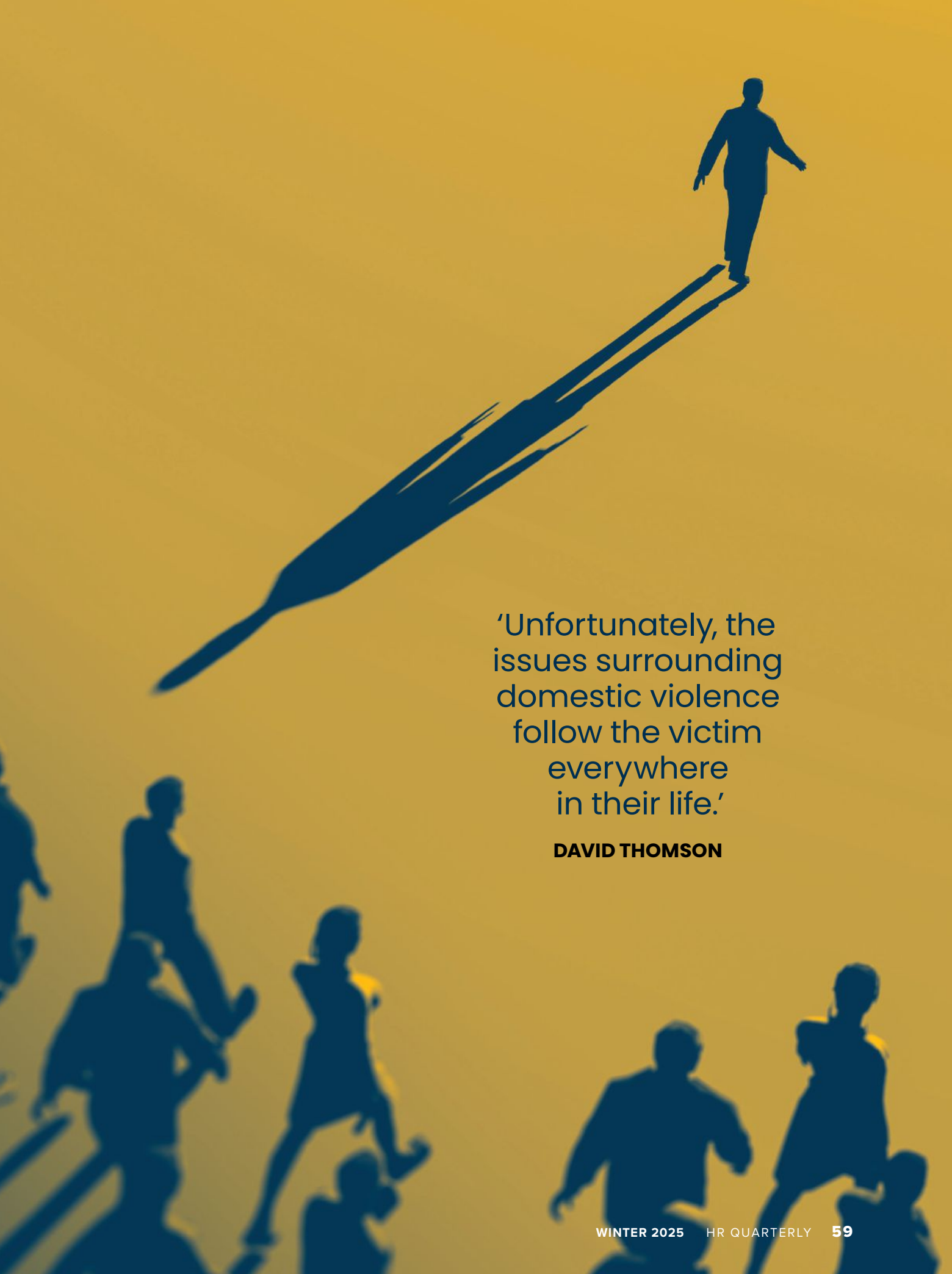
In short, Aliber says, “employer support can mean the difference between life and death.”

GROWING CALLS FOR THE CAUSE

Data from the National Coalition Against Domestic Violence shows that 1 in 4 women and 1 in 9 men have experienced some form of physical violence, sexual abuse, or stalking by an intimate partner. “The numbers are mind-boggling,” says David Thomson, the organization’s executive director.

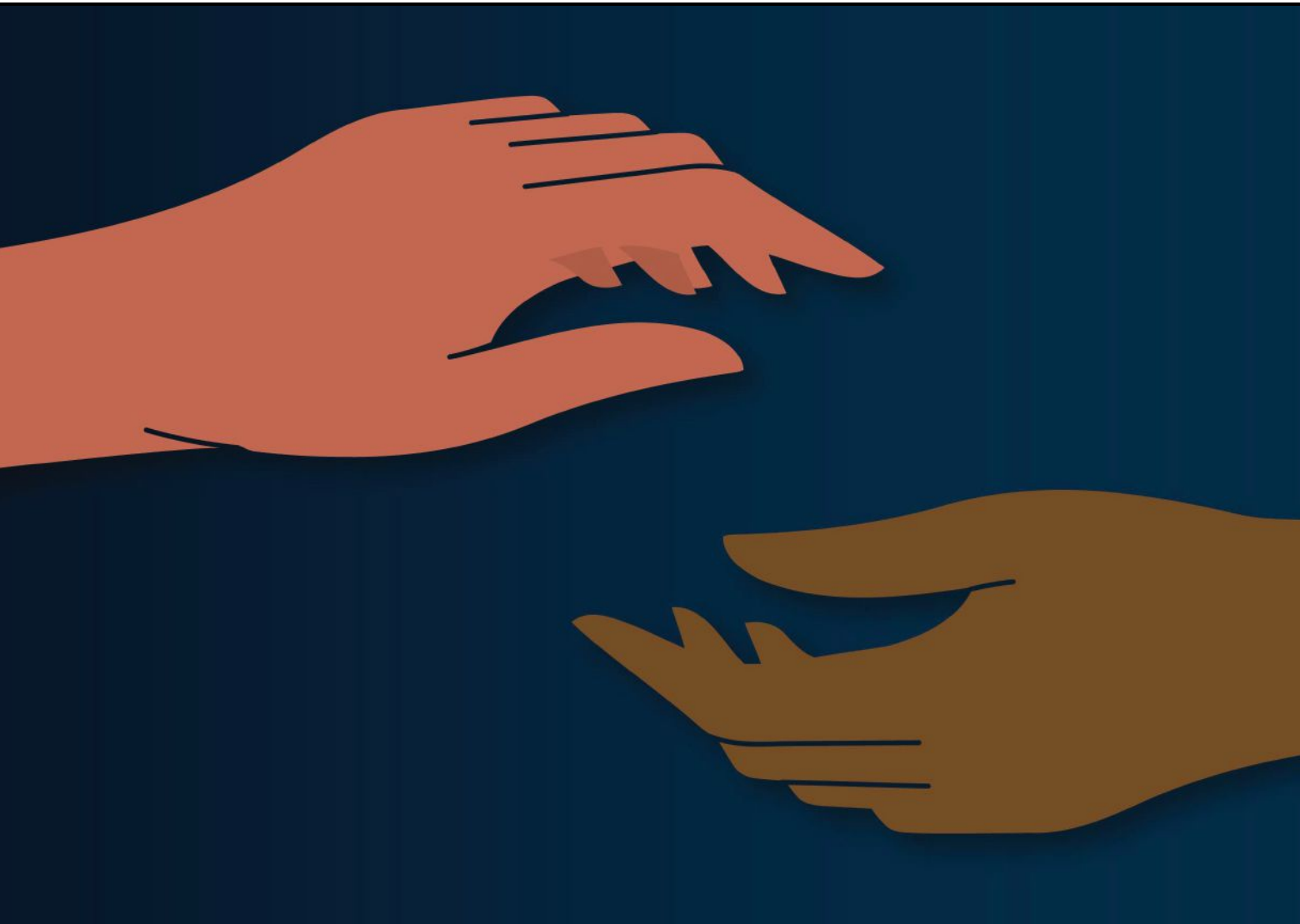
Legislation is putting new demands on employers and helping employees who experience domestic abuse, with





'Unfortunately, the issues surrounding domestic violence follow the victim everywhere in their life.'

DAVID THOMSON



some states and cities enacting “safe leave” laws that require employers to provide time off to victims of domestic abuse. Additionally, SECURE Act 2.0, the sweeping federal law passed in late 2022 with a range of retirement provisions, now allows employees who are victims of domestic abuse to withdraw a lump sum—up to \$10,000 or 50% of the account balance—from a qualified retirement account without incurring the usual 10% tax penalty.

Now, some HR leaders argue that domestic abuse is a workplace issue, calling on companies to provide resources, comprehensive benefits, training and education, and overall empathy—and they’re asking their peers to join them.

“HR is the heart of the organization,” Aliber says. “We are the place where people seek support, so we as HR leaders need to know what resources are out there. What can we do to support somebody? This is no different than supporting somebody with a disability or somebody who requires a leave of absence of any other type. We are re-

sponsible for learning and understanding as much as we can to support those in our workplace.”

There are other logistical reasons for HR involvement: Workplace compliance, risk management, worker safety, and benefits, for the most part, all fall under the HR umbrella.

“Although there is growing momentum around the cause, there is still significant work to be done,” Thomson says. “This hasn’t reached the level it needs to.”

CONVINCING COMPANIES TO CARE

One of the biggest challenges, many industry experts say, is convincing employers that domestic abuse is a workplace issue.

“It’s kind of a misnomer because it has the word ‘domestic’ in the title,” Thomson says. “People think, ‘Oh, that’s a personal issue. That’s a home issue.’ But unfortunately, the issues surrounding domestic violence follow the victim everywhere in their life.”

'Employer support can mean the difference between life and death.'

CARMEN ALIBER

Statistics make it clear that domestic abuse is indeed a workplace issue. The U.S. Department of Labor, for instance, reported that victims of domestic abuse as a group lose nearly 8 million days of paid work per year in the U.S., resulting in a \$1.8 billion loss in productivity for employers. And workers who are dealing with the effects of abuse often bring emotional and physical burdens to work, which has a detrimental impact on their well-being, focus, and workplace performance.

"Even if domestic abuse is happening behind closed doors at home, it is ricocheting back into the workplace," Aliber says. "The person who is taking the wrath for somebody at home is coming into the workplace timid, distracted, unproductive, feeling unsafe. And, quite frankly, organizations are at risk. If perpetrators come to our organizational sites, if they come to our campuses, if they walk into our office buildings, they are putting the survivor at risk. They're putting everybody at risk."

Providing help could be a win for employers, too. MetLife found that employees who feel cared for by their employers are 60% more likely to plan to stay at their current organization for the next year and 55% more likely to feel productive in their job.

"We're talking about millions to billions of dollars for employers. There's definitely a bottom-line effect of domestic violence [in the workplace]," says June Sugiyama, director of Vodafone Americas Foundation, who works with groups that are leading initiatives globally to help domestic abuse victims. Vodafone's Bright Sky app provides support for people experiencing domestic abuse, as well as those concerned about friends and family members, and it is often used by employers.

A NEW FOCUS

Domestic abuse falls into the same category as financial stress, chronic health conditions, child care and caregiving stresses, mental health problems, and other issues that



UNDERSTANDING THE SIGNS

One of the big misconceptions about domestic violence is the violence part—a lot of people think it's only abuse if it's physical. "That's why it's so important to talk about this and to recognize the signs," says Carmen Aliber, director of human resources at Dexter Southfield, a school in Boston. "It's not just the black eyes that we're looking for. Those are the last stages of abuse."

SIGNS FOR EMPLOYERS TO BE AWARE OF INCLUDE:

- **Attendance issues:** Oftentimes, people who are suffering from domestic abuse are continually late for work, call out of work to recover from the abuse or to appease the abuser, or leave early.
- **Physical or mental symptoms:** Besides recurring physical ailments such as bruises, other signs include being mentally distracted, worn down physically or mentally, and fatigued or exhausted.
- **Distraction at work:** Is a once-productive employee all of a sudden not producing as much? Do they seem unmotivated or not focused? Being on the phone frequently is another sign.
- **Isolation:** An employee who is suffering from domestic abuse may isolate from other co-workers or their manager. Employers should pay particular attention if an employee suddenly stops socializing, eating lunch, or talking with people at work.
- **Performance issues:** Is an employee's work not the same quality it has been in the past? Some abusers try to sabotage their partners' jobs and career advancement, Aliber says. "When I have to address performance issues in my HR role, I always start out with, 'Is there anything going on that you wish to share with us that may be interfering with your ability to perform the essential functions of your job and to meet our performance standards?'" she says. "That can sometimes open the door." —K.M.

‘There’s an understanding now that there’s no switch when you go from home to work or work to home.’

CYNTHIA HERNANDEZ, SHRM-SCP

affect employees and, in turn, employers. There’s a growing consensus among workplace leaders that they need to step up on issues that historically have fallen outside the workplace bubble and that employees’ lives are not segmented into what happens at work and what happens at home. Employees work longer hours than they have in the past, and, between remote and flexible workplaces and advances in technology, work is constantly happening at home.

“I think there’s an understanding now that there’s no switch when you go from home to work or work to home,” says Cynthia Hernandez, SHRM-SCP, chief people strategist at VIP Structures, a construction company in Syracuse, N.Y. “We want to help people in a very holistic way, so we do have some support available for those who may be suffering or encountering a [domestic abuse] situation.”

Some changes coming down the pike may be driven by employees themselves—particularly younger workers, who are largely more open and vulnerable about hard-to-discuss topics and who have different expectations from their employers than past generations.

“The newer generations entering the workforce are shifting the requirements and really challenging employers to say, ‘We’re here working for you. This is a relationship,’” Hernandez explains. “It’s a work relationship with,

of course, boundaries. But in terms of thinking about equity, as well as access to resources, employers do have more obligation to keep people safe in their workplace.”

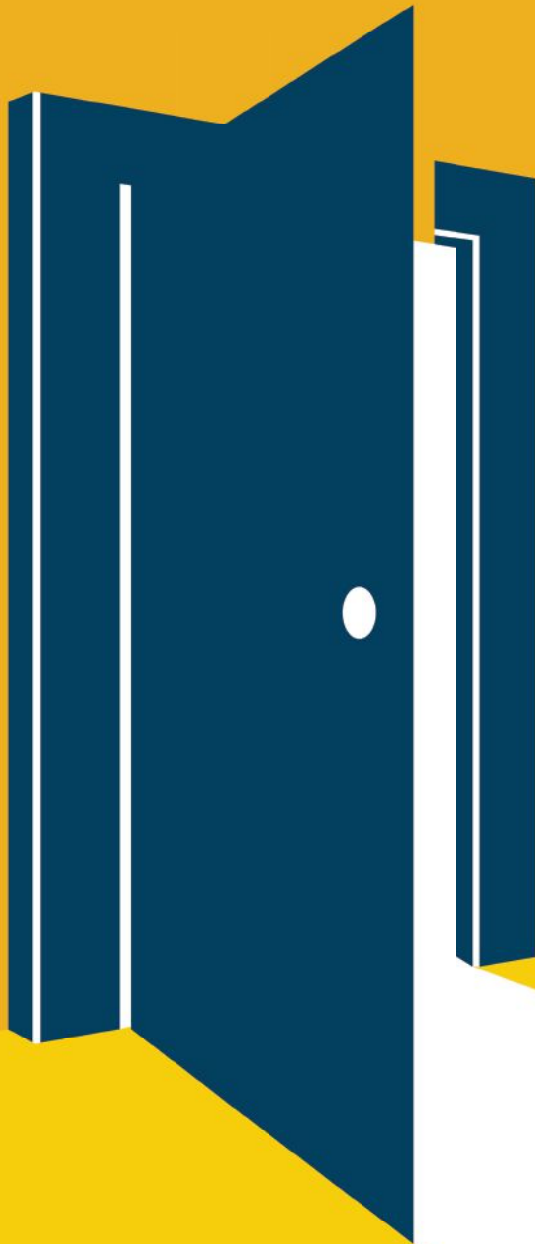
That has resulted in additional focus, education, and resources around topics such as mental health, as well as financial independence—and domestic abuse. “I really do credit the newer generations entering the workforce for that,” Hernandez says. “They’re pushing for that and really getting us to that next level.”

Data backs that up. The vast majority of employees (92%) want more consistent care at work from their employers, and 79% want more support in their personal lives, according to MetLife.

INCREASING AWARENESS

Industry experts leading the charge of making support for domestic abuse victims a workplace imperative say awareness is one of the first steps—making organizations understand that this is a workplace issue, then making employees aware of what domestic abuse can entail and what resources and support might be available to help.

It starts with normalizing the conversation, which can make employees feel more comfortable raising concerns or bringing up their situations—and more open to receive-



'Even if domestic abuse is happening behind closed doors at home, it is ricocheting back into the workplace.'

CARMEN ALIBER

ing help. It can also aid in bringing more employers and HR leaders on board in an effort to make domestic abuse prevention and awareness a workplace focus.

“I compare [the conversation around domestic abuse] to breast cancer,” Sugiyama says. “We talk about that normally now, but we didn’t used to. ... Domestic abuse is even more common, so this should be even more of a normalized conversation.”

It’s also important, experts contend, to refer to the problem as domestic abuse rather than domestic violence, because the former encompasses a broader scope of what may be involved: emotional, verbal, financial, and technology abuse, as well as overall coercion and control. This name shift may make more people aware of the seriousness of what victims are going through—and possibly encourage them to get help, including from their employer.

“A lot of people who are going through [domestic abuse] don’t even realize that’s what it is,” says Molly O’Sullivan, an HR generalist in the Phoenix metropolitan area. That’s why promoting education around what domestic abuse can look like and how it affects people, as well as offering resources—including domestic abuse hotlines and support organizations—is essential for HR.

An easy task: Communicate with employees about domestic abuse in emails, company newsletters, and signs in office restrooms with verbiage about where to get help or how their HR team can assist. Employers also benefit from training and resources from outside groups that are equipped to educate and deal with domestic abuse concerns.

Talking about it in wider circles can have other effects, too. Aliber’s advocacy efforts resulted in legislation being signed into law by Massachusetts Gov. Maura Healey that expanded the definition of domestic abuse to include coercive control. When that occurred, Aliber included the information in a company newsletter. Doing so led some of her workers to discuss their own experiences with her. Similarly, Aliber presented a session on domestic abuse at the SHRM Annual Conference & Expo 2024, which led to a number of HR professionals saying they, too, wanted to address the issue in their workplaces.

It’s key for HR professionals to know current, applicable laws. Several states and cities across the U.S. now require employers to provide “safe leave,” which is paid or unpaid time off for employees who are being abused. In Massachusetts, for example, an August 2024 law requires employers with 50 or more employees to allow an employee to take up to 15 days of leave in any 12-month period to deal with abusive behavior or domestic violence perpetuated against them or a family member.

“Awareness of laws is critical,” Aliber says. “What holds many people in these situations is because they’re not aware of what their job protections are.”

SUPPORT VIA BENEFITS

Some organizations are rallying around workplace benefits to make a difference. Those include flexible work arrangements, paid leave in addition to what might already be offered by law, financial assistance or early access to wages, and mental health resources that can help employees who are dealing with domestic abuse. Mental health providers can properly counsel employees about their situation and provide emotional support in a way HR or managers cannot.

Hernandez says VIP Structures, for instance, leans heavily on its employee assistance program, which provides employees and their dependents with access to financial and legal advisors in addition to mental health counselors.

“Our main objective is to ensure that employees feel safe and they trust leadership to help them through any challenges they may be facing,” she says. “And I think we can do that discreetly.”

It’s also vital to allow remote work and flexible work arrangements so employees can work where they feel safe—especially when they leave an abusive relationship, which is often the most dangerous time for a victim, Aliber says.

Oftentimes, however, even when employers offer resources and aid, workers are unaware of them. That makes regular communications, reminders, and seminars about available benefits an important piece of the puzzle.

ABOVE ALL, HAVE EMPATHY


Empathy, understanding, and willingness to help—and be creative about solutions—might just be the most important resources employers can provide.

O’Sullivan understands this firsthand. When she experienced abuse and decided to leave her relationship, she had to tell her manager that she had to leave the state. “My manager was amazing,” she says. “When I finally started to tell her, she told me, ‘I’ve been through that, too.’”

Her company then created a new role for O’Sullivan so she could move away and be closer to her family. Now, O’Sullivan says, she tries to prioritize that same empathy and customized support with employees.

“It’s about thinking creatively,” she explains. “Maybe it’s not a specific structured resource, but it’s ‘How can I help? What does that person need in this moment?’”

Although there is still a long way to go to make domestic abuse awareness a big focus in the workplace—on par with mental health or financial stress—industry experts such as Aliber remain hopeful.

“I want HR leaders to pave a path for their organizations and our profession to recognize and understand the impact of domestic abuse in and beyond the workplace,” she says. “We will lose hope if we lose the fight to protect our employees.” 

Kathryn Mayer is a senior specialist, B2C Content, at SHRM.



The Steady Hand of Leadership

Christy Pambianchi, executive vice president and chief people officer at Intel, has modeled dependable leadership through times of strategic change.

BY NOVID PARSI

PHOTOGRAPHY BY CLARA RICE



Founded in 1968, Intel—the world’s largest semiconductor manufacturer by sales for decades—has faced challenges in more recent years. Although it remains a leading manufacturer of semiconductors and central processing units worldwide, the company’s disappointing financial performance this past year led it to announce 15,000 layoffs in 2024—more than 15% of its global workforce. That put a lot on the shoulders of the company’s executive vice president and chief people officer, Christy Pambianchi.

Yet Pambianchi, who joined Intel in August 2021 and heads an HR team of approximately 1,250 employees, speaks about recent times at Intel in hopeful terms. “I’m so excited we’re having a vibrant and active dialogue again about how important the manufacturing sector is in the economy,” she says.

Pambianchi touts the well-paying jobs provided by the manufacturing sector, in which she has worked for most of her 35-year career. “There is nothing I love more than opening a factory,” she adds. “I love bringing good, high-paying jobs into communities.”

Still, Pambianchi has led Intel’s people function during undoubtedly challenging times. “Christy has had to help navigate significant changes in leadership and strategic direction while keeping the wheels on,” says Kevin M. Close, corporate vice president of total rewards at Intel.

The company had “a tremendous growth in employee population” in 2021 and 2022, Close says, but in late 2022, it announced several rounds of layoffs. In 2023, Intel

implemented austerity measures, such as reducing salaries for executives, suspending both merit raises and bonuses, and slashing the 401(k) match for lower-level employees.

Pambianchi has shepherded Intel’s HR function through this turbulent time, Close says, by “leading with decisive actions and clear communications.” At Intel, and throughout her career, Pambianchi says she has navigated times of change by staying focused on business strategy and aligning the HR function with it.

“Everything Christy does is clearly aligned with our strategy,” says April Miller Boise, executive vice president and chief legal officer at Intel. “As a general matter, I haven’t seen other HR leaders operate at that same level of strategic recognition and alignment.”

Pambianchi gained her appreciation for strategic alignment after she joined PepsiCo in 1990—her first HR job and first experience with a company transformation. She recalls that Brenda Barnes, Pepsi-Cola North America’s chief operating officer at the time, created a transformation initiative that turned the company’s organizational chart upside down—placing leaders at the bottom and front-line workers at the top.

For Pambianchi, the organization’s adoption of a servant-leadership model was a lightbulb moment. “That stuck with me over the course of my career,” she recalls. After 10 years at PepsiCo, Pambianchi carried the servant-leadership approach with her to Corning, where she worked for about two decades; to Verizon, where she was the CHRO for more than two years; and now to Intel.

As part of its new strategy to surpass its competitors, Intel has recommitted to its core values, Pambianchi says, by re-embracing objectives and key results (OKRs)—a framework first developed at Intel in the 1970s that emphasizes clearly defined goals and measurable results. “We reinstated the entire underpinning of the OKR process, cascading from the company strategy all the way to individual objectives,” Pambianchi explains. To that end, compensation is now tied to employees’ ability to help realize the OKRs that Intel spells out.


DRIVING CHANGE IN HR

By overhauling Intel’s HR department, Pambianchi helped the company change direction in its people management practices. When she joined Intel, she encountered “very, very siloed” HR functions. In its place, Pambianchi implemented a structure she developed in her previous HR leadership roles in which department generalists and specialists closely collaborate.

While it’s the job of HR generalists to have a strong grasp of a company’s overall business strategy and the hiring needs of each department, it’s impractical for each employee to be an expert in all of the HR functions at a company of Intel’s scale, Pambianchi says. That’s why she implemented HR centers of excellence. These centers

‘We know that groupthink kills innovation. So, to be successful, we need to have diversity of thought and inclusive teams that can helpfully debate and push forward breakthrough innovation.’

CHRISTY PAMBIANCHI



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CHRISTY PAMBIANCHI





comprise HR specialists who are subject-matter experts with deep knowledge in cross-departmental areas such as talent acquisition, employee relations, compensation, and diversity. “They have to be the best in the world at what they do,” Pambianchi says.

She also put in place programs to help realize what her company refers to as “IDM (integrated device manufacturing) 2.0,” which was former CEO Pat Gelsinger’s vision for expanding Intel’s manufacturing business. To help meet the manufacturer’s talent needs by promoting internally, Pambianchi in 2021 launched a two-year effort to build a career-planning platform for employees that replaced outdated job summaries. Previously, employees had little visibility into the opportunities they could pursue across the enterprise or even within their own departments. Now, employees seeking new positions can access the platform at any time and view all internal jobs available to them. Soon, the platform will leverage AI to suggest to individual employees the jobs that might be of interest to them.

Pambianchi says this function of AI is just one of many that will transform HR in the years to come. “My advice to HR professionals is to run toward [AI], not away from it,” she says. “Figure out how the technology can allow you to do your work better.”

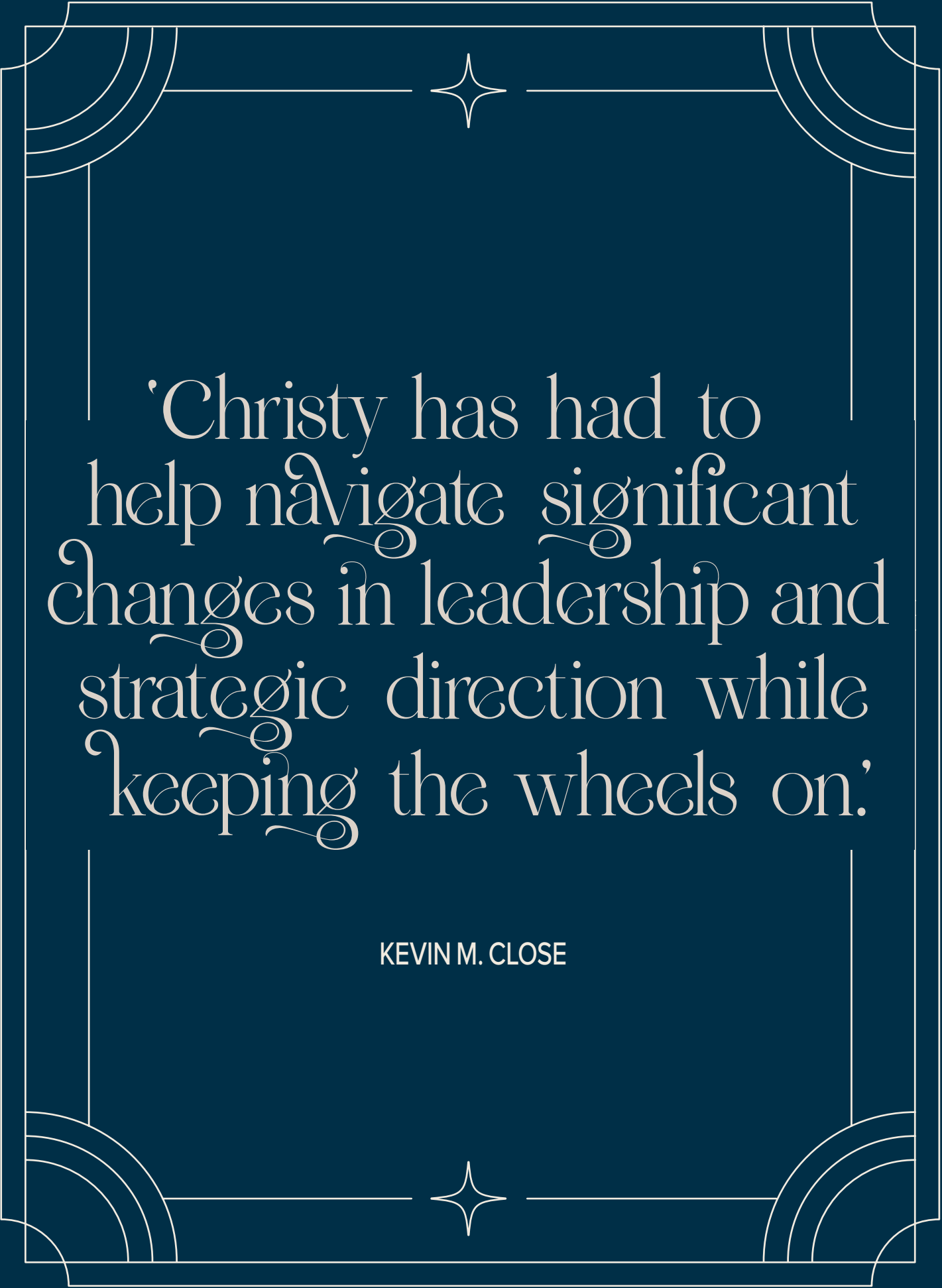
Pambianchi has tasked her team members with creating an AI road map for Intel’s HR department. They conduct focus groups with HR employees around the world who experiment with AI to identify the technology’s “low-hanging fruit,” she explains. For example, some employees are experimenting with using AI to collect and summarize copious amounts of people data—such as thousands of comments on employee experience surveys—to free up time for HR employees to concentrate on higher-level analyses.

Pambianchi is also helping Intel become a diversity leader in the industry. While women currently make up approximately 25% of Intel’s technical staff, the company aims to have more than 40% of its technical roles filled by women by the end of this decade. In another effort to cultivate a more diverse workforce, the company offers a program at community colleges called Quick Start, a 10-day simulation of a technician’s role at Intel to give students a sense of what the job is like.

“We know that groupthink kills innovation,” Pambianchi explains. “So, to be successful, we need to have diversity of thought and inclusive teams that can helpfully debate and push forward breakthrough innovation.”

GROWING UP FAST

Pambianchi credits some of her professional success to a childhood that forced her to grow up and mature quickly. When she was 11 years old, her mother was killed in a car accident. As the eldest of four girls, Pambianchi suddenly



'Christy has had to help navigate significant changes in leadership and strategic direction while keeping the wheels on.'

KEVIN M. CLOSE



had to shoulder an enormous weight for her family. “My dad really struggled and relied on me a lot, and so did my sisters,” recalls Pambianchi, who grew up in Brewster, N.Y. “It was a very, very challenging time, and I became an adult really fast.”

Characteristically, when Pambianchi discusses this time in her life, she describes not just what she lost, but also what she gained.

“When you experience loss that dramatically at a really young age, and you don’t have any warning or planning, you go from ‘Everything is stable and great’ in your life to ‘Everything is upside-down,’” she explains. “So, I became someone who seeks to make order out of chaos. I like systems and processes. The other thing is, you realize how every single day is a gift and you might not have it tomorrow.” The early loss also left Pambianchi “super resilient,” she says.

After her mother’s death, Pambianchi’s aunt and grandmother moved in with the family, and her grandmother didn’t let the sisters dwell on what they had lost. “If we were feeling down, she would remind us there were so many reasons to be satisfied and happy,” Pambianchi remembers, adding another upside of this period. “It was a household of six women and my dad, so the idea that women couldn’t do everything a man could do never crossed our minds at all.”

During her high school and college years, Pambianchi’s future HR career began to take shape. In the 1980s, she saw how her father’s and other family members’ profes-


sional lives were upended after the government broke up their employer, AT&T, and this inspired her to study labor relations at Cornell University.

“I realized through studying labor history and seeing what happened in my family that the work you do really shapes everything in your life—where you live, what schools your kids go to, what social mobility you have,” she says. This led Pambianchi to her career choice. “I wanted to work on the world of work,” she says. “How are people satisfied in their job? Does it have meaning to them?”

While at Cornell, Pambianchi worked in the dining hall, sometimes alongside fellow crew members and sometimes as their supervisor. “I adopted the belief that people need leaders who enable them to be successful,” she says. During an HR internship at General Electric during her junior year, Pambianchi realized she’d found her profession.

Today, Pambianchi, like her own mother, has four children. “My No. 1 job is to be the mom,” she says. “I want my kids to have what I didn’t get.”

At her other job—the one at Intel—Pambianchi says she continues to hone the leadership and skills she learned early in life.

“Christy never shies away from a leadership moment; she is a warrior,” Close says. “In the most challenging of times, that’s when Christy is at her best. She understands what it takes to lead others through that moment.” 

Novid Parsi is a freelance writer based in St. Louis.

YOUR CAREER

TRANSFORMING CAREER SETBACKS INTO CAREER SUCCESS

By Kelsey Casselbury

Every success story includes at least a few failures. Although one of the most popular myths—that Albert Einstein failed math in school—isn't true, there are plenty of verifiable stories about high-profile setbacks: Michael Jordan really did fail to make his high school varsity basketball team as a sophomore. Apple's board of directors ousted Steve Jobs in 1985, even though he was a company co-founder. And prior to his own prosperous TV show, Jerry Seinfeld showed up to another sitcom's table read, only to find that he'd been written out of the series after just a few episodes.

What do these examples illustrate? Even during the most successful climb on the career ladder, you're bound to occasionally slip down a rung or two.

Whether that slip is a result of losing your job, receiving a poor performance review, or even suffering from professional burnout, career setbacks are far more common than you might think. Often, though, no one talks about them—after all, people like to publicly tout their successes rather than their perceived failures.

And yet, a career setback does not equal a failure. While it's natural to feel dismayed—or even devastated—when something doesn't go your way, a setback doesn't mean that your career ladder has tipped over on its side.

“In reality, the more you try new things, the more setbacks you'll have,” says Dawn Graham, Ph.D., a work and career psychologist and author of *Switchers: How Smart Professionals Change Careers and Seize Success* (AMACOM, 2018). “If you're not experiencing at least some misses, chances are you're playing it



too safe and missing out on some great opportunities.”

The key to righting your proverbial career ladder is developing and employing a growth mindset to learn from and overcome unexpected career challenges, then taking actionable steps to allow the setback to lay the groundwork for future success.

ON THE GROW

A growth mindset, popularized by psychologist Carol S. Dweck, refers to a personal philosophy that it's possible to develop and improve both your skills and emotional intelligence with effort, time, and perseverance. It contrasts with a fixed mindset, which sees success as a product of unchangeable,



‘In reality, the more you try new things, the more setbacks you’ll have.’

DAWN GRAHAM, PH.D.

innate ability and circumstances—i.e., “This is who I am, and this is the way things are.”

Characteristics of people applying a growth mindset to their personal and professional life include:

- Finding value in negative feedback.
- Having the willingness to learn from mistakes.
- Asking questions, seeking clarification, and defining expectations.
- Being able to admit when they don’t know something.
- Seeking out challenging tasks in an effort to grow.
- Taking inspiration and learning from the success of others.

“Professional success is not just about inherent talent or having lucky circumstances; it’s about willingness to learn, courage to fail, resilience to adapt, and discipline to grow,” says Ashley Miller, SHRM-SCP, an expert in organizational psychology and director of operations for SHRM CEO Action for Inclusion & Diversity. “Research and real-life stories have shown us these characteristics can make all the difference.”

When you apply a growth mindset, career challenges are stumbling blocks but not roadblocks. They’re a

chance to take a step back and evaluate what led to the precipitating event:

- Perhaps your experience and skills didn’t match the needs for a job you interviewed for. Experience comes with time, but how can you actively work on developing those skills?
- A bad performance review might be the result of resistance to change or a lack of desire to learn new skills. How can you overcome your hesitation about new ventures?
- Burnout often comes with a lack of professional boundaries. How can you work with your manager to ensure it doesn’t happen again?
- Leaving the company via a layoff wasn’t your choice (or necessarily your fault). How can you make yourself more marketable or network to find a new position?

However, shifting to a growth mindset isn’t a simple flip of the switch, Miller notes. “It also requires learning, dedication, and practice,” she says. “If you don’t know how to start, I recommend learning more about the science behind the brain’s ability to grow and change. Studies have shown learning more about this increases people’s likelihood to take on challenging tasks and improve their performance over time. Ultimately, the most successful professionals are those who view challenges as a chance to grow.”

TRANSLATING GROWTH INTO ACTION

Committing to a growth mindset is one thing, but laying the groundwork and implementing it is another. Take concrete steps toward addressing the setback and transforming it into a building block for future success. While the steps below don’t need to be followed in this exact order—and the duration for each step is entirely individual—set aside the time you need to fully realize each one.

Step 1: Allow Yourself to Process. Even if you understand and accept the root cause of the “failure,” it’s still likely to be emotionally distressing. Grant yourself grace to

mentally sing the blues, but practice self-care along the way: Get enough sleep, spend time in nature, reconnect with friends, and immerse yourself in hobbies.

However, avoid falling into the trap of blowing the situation out of proportion (“I didn’t get the promotion, so I will never become a senior director!”) or dwell on your perceived faults for too long. In due time, you and others will move past the setback—after all, there’s no scarlet letter emblazoned on your chest reminding others (or yourself) of what you’d rather forget.

Step 2: Examine What Led to the Setback. It’s tempting to distract yourself from a negative experience, Graham says, but you’ll do yourself “a huge favor by examining the details, getting additional feedback, and mapping out an action plan.”

If the situation allows, schedule time with your supervisor to talk through what happened. Ask for advice on how to improve your skills—or for feedback on other circumstances that led to your setback—to ensure a better result in the future. If you left the company (voluntarily or not), reach out to a therapist, mentor, career coach, or trusted friend to help you reflect.



‘Reframe success to think about progress, rather than perfection.’

NABIL EL-GHOURY, PH.D.



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‘Ultimately, the most successful professionals are those who view challenges as a chance to grow.’

ASHLEY MILLER, SHRM-SCP

Step 3: Re-evaluate Your Definition of Success. Standard success metrics, such as salary, title, and responsibilities, vary by industry, geographic location, and other factors. In other words, they’re not always the most valid measures of success, Graham explains. Consider other ways to define what success looks like for you, such as effective work/life integration, short-term goal achievements, or personal fulfillment from the work you do.

“Reframing failures as part of the process for learning is helpful,” says Nabil El-Ghoroury, Ph.D., a psychologist and global speaker on mental health and workplace culture. Thomas Edison had hundreds, if not thousands, of setbacks while inventing the light bulb, he says, and “each attempt was helpful in figuring out what was and was not needed for the invention. Reframe success to think about progress, rather than perfection.”

Step 4: Seek Out Professional Development. When you analyze what led to the setback—or how you

could come out of it in a stronger position—you’ll likely discover ways to close skills gaps, build leadership and other interpersonal proficiencies, and shift your approach to work.


“Continuous learning is no longer optional in a world where roles are constantly morphing and, in some cases, becoming obsolete,” Graham says. She recommends that people learn at least three resume-building, in-demand skills each year to stay relevant in the job market.

While you can spend money on getting a degree or certification, attending conferences, or hiring a career coach, professional development doesn’t have to be expensive. SHRM Members have access to on-demand and live webcasts, newsletters to keep up on news and trends, and SHRMConnect, an online community to ask questions and get feedback from other HR professionals, among other resources.

Other free and low-cost

ways to grow professionally include listening to podcasts or checking out library books on business and leadership, connecting with peers on LinkedIn to learn more about their career growth, and attending local networking events or seminars.

Step 5: Get Back on the Horse. At some point—whether it’s weeks, months, or a year—you’ll feel ready to try again. This time, however, your lived experience and growth mindset will allow you to approach your work and goals in a way that lays the path for career success.

“A helpful character I think about is Dory from ‘Finding Nemo,’” El-Ghoroury says. “Her strategy was ‘Just keep swimming,’ which, at its core, is truly a growth framework. As long as you’re still swimming, you can figure out what can help you out in your work.” 

Kelsey Casselbury is the director, B2C Content, at SHRM.



RESEARCH AT WORK

THERE'S STILL TIME TO REVOLUTIONIZE HR WITH AI

By James Atkinson



It's been two years since generative artificial intelligence (GenAI) burst onto the scene and became a part of everyday conversation, as well as a strategic imperative for organizations and HR functions. Despite the potential of GenAI—or AI in general—to transform HR, however,

the level of understanding and implementation among industry leaders remains relatively low. It might seem impossible to start scaling the mountain that is AI if you're not already well versed in the technology, but the truth is that it's never too late to begin.

AI UNDERSTANDING AND OVERALL ADOPTION REMAINS LOW

Although AI comprehension and experience increased slightly between January 2024 and August 2024, according to SHRM research, the majority of HR leaders still lack

extensive knowledge of this transformative technology. In fact, more than one-third (38%) admitted to having limited or no theoretical understanding of AI, and 58% reported possessing only a basic grasp of its fundamentals. This lack of understanding means that the time needed to learn and experiment with AI technology isn't happening.

At the organizational level, the adoption of AI in HR has seen marginal growth over the last year. More than 1 in 4 HR leaders (28%) said their organization has implemented GenAI, the most commonly adopted type of AI, but only 14% have implemented enhancement AI, which refines and improves existing content or data. Use of optimization AI (designed to improve efficiency) and predictive AI (designed to forecast future trends) is even less common, with implementation rates of 11% and 10%, respectively. Surprisingly, more than 1 in 3 HR leaders reported that their organization hasn't implemented any type of AI and has no plans to do so.

CHALLENGES OF AI IMPLEMENTATION

Folding AI into HR is not without its obstacles. Among HR leaders who work for organizations that have im-

To effectively integrate AI into HR practices, organizations must be willing to jump in and try something new (with appropriate guardrails, of course).

plemented AI, only 2% reported that they didn't face any challenges when doing so. For the other 98%, the most significant hurdles included:

- Lack of resources to support it (cited by 40% of respondents).
- Compliance with data protection laws (28%).
- Ethical concerns about AI use (26%).
- Risks of biases in AI decision-making (24%).

However, these obstacles aren't insurmountable—and, moreover, it's often worth the effort to unlock AI's potential.

PUTTING AI INTO PRACTICE

To effectively integrate AI into HR practices, organizations must be willing to jump in and try something new (with appropriate guardrails, of course).

Key recommendations for getting started on an AI implementation journey include:

1 Boost Your AI Know-How

HR professionals who are driving the implementation of AI tools should take measures to better understand available AI technology and how to use it effectively. Organizations should allocate resources toward comprehensive training programs and workshops that focus on AI fundamentals and their practical application within the context of HR-specific tasks. SHRM offers a variety of valuable educational resources through The AI+HI Project, including a downloadable playbook, timely articles, a weekly podcast and newsletter, and the SHRM AI+HI Specialty Credential.

2 Foster Innovation

As the person or team spearheading AI initiatives, aim to develop a forward-thinking culture by allowing teams to spend time during the workday experimenting with AI projects. Pilot initiatives can yield valuable data, showcase the potential benefits of AI solutions, and uncover innovative strategies

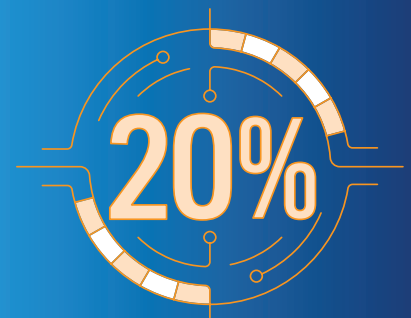
UNDERSTANDING OF AI



96% of HR leaders report having a basic, limited, or no theoretical understanding of AI.



80% of U.S. workers classify their understanding of AI as beginner or intermediate.



20% of U.S. workers classify their understanding of AI as advanced or expert.

Source: August Voice of Work Pulse Survey, SHRM, 2024.

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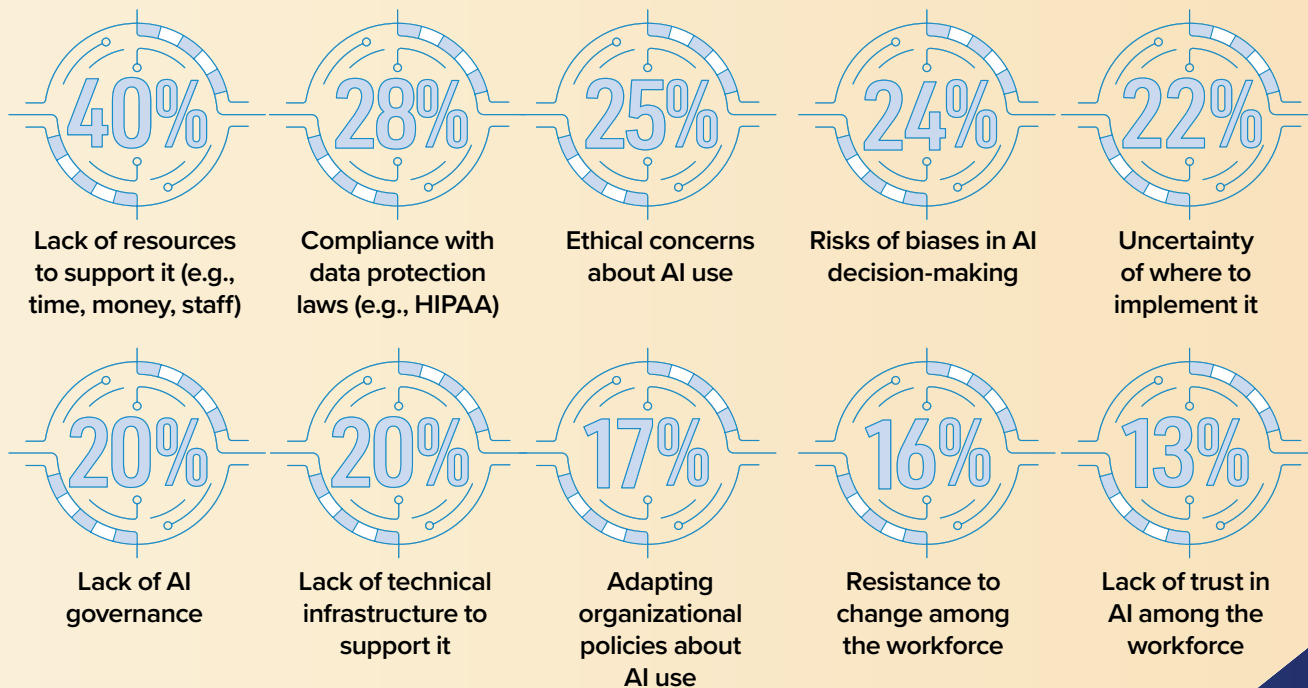
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TOP 10 CHALLENGES OF AI IMPLEMENTATION

HR leaders who work for organizations that have implemented AI say that the biggest challenges they have faced, are facing, or anticipate facing are:



Source: August Voice of Work Pulse Survey, SHRM, 2024.

It might seem impossible to start scaling the mountain that is AI ... but the truth is that it's never too late to begin.

for leveraging AI tools to improve workflows. Group experimentation sessions or departmentwide hackathons—hourslong or dayslong events common in the computer programming industry in which a group of employees collectively develop new approaches to solving problems—can determine helpful applications of AI tools in a given department. Ultimately, you should create an environment that supports innovation and calculated risk taking to really explore AI's capabilities.

3 Collaborate with Others Establish partnerships with internal teams that are already leveraging AI in their workflows, because these collaborations not only help build technological expertise but also create a better understanding of other complex issues surrounding AI, such as legal and ethical concerns. Additionally, consider external partnerships with vendors, academic institutions, and

membership associations that can bridge internal knowledge gaps and accelerate AI adoption, potentially overcoming some of the biggest AI implementation challenges.

THE FUTURE OF AI IN HR

AI in HR is an evolving landscape with ever-changing tools, practices, and implications. It's crucial to recognize that it's never too late to start down your own path of AI knowledge and utilization. By addressing existing challenges and investing in the necessary resources, organizations can unlock AI's potential to revolutionize HR functions. The future of HR is AI-powered, and the time to act is now. [HR](#)



James Atkinson is the Vice President, Thought Leadership, at SHRM.

INSIDE SHRM

SHRM OUT AND ABOUT



SHRM IN AFRICA

SHRM President and Chief Executive Officer Johnny C. Taylor, Jr., SHRM-SCP, and SHRM Chief of Staff and Head of Government Affairs Emily M. Dickens visited Accra, Ghana, in October to attend the Global Conference on Human Resources in Africa. Taylor spoke about blending human and artificial intelligence for maximum productivity and return on investment to achieve business success, while Dickens served as a panelist.



SENATE PANEL HEARS SHRM TESTIMONY ON AI

Artificial intelligence literacy is a new must-have skill for employees in many roles, testified Ken Meyer, SHRM-SCP, senior director of human resources at Ryan Health in New York City, before a subcommittee of the U.S. Senate Committee on Health, Education, Labor, and Pensions on Sept. 25.

Testifying on behalf of SHRM, Meyer said U.S. workers will need to learn, adapt to, and use AI to remain competitive

as more businesses adopt this technology. During the hearing, titled “Reading the Room: Preparing Workers for AI,” Meyer called attention to SHRM’s research that indicates that 30% of HR leaders feel pressure to innovate with AI, and 28% believe there is an increased need to upskill and reskill workers as a result.

“SHRM believes the overlapping laws and regulations regarding AI may lead to unintended

consequences that create uncertainty and discourage workplace innovation,” Meyer, the immediate past president of the New York City chapter of SHRM, told the subcommittee. “SHRM supports a uniform federal standard that provides a clear framework for how employers should strive to prevent unlawful bias when using AI. We also support federal efforts to educate all stakeholders about the benefits and risks of AI in the workplace.”



SHRMDAY AT THE ‘TODAY’ SHOW

SHRM volunteer leaders, members, and student members in the New York City tristate area filled the “Today” show’s plaza on Sept. 26, sporting SHRM swag to raise awareness of SHRMDay and HR Professional Day, drawing attention to the critical work HR professionals perform every day.



SHRM REPRESENTED AT BLAIR HOUSE ANNIVERSARY

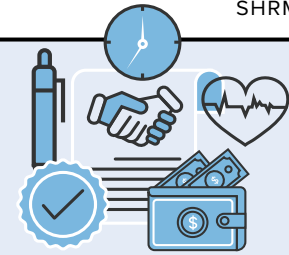
The iconic Blair House in Washington, D.C.—which has served as the backdrop for numerous pivotal international and political discussions, as well as the guest residence of several U.S. presidents—celebrated its 200th anniversary in September. SHRM President and Chief Executive Officer Johnny C. Taylor, Jr., SHRM-SCP, and SHRM Chief of Staff and Head of Government Affairs Emily M. Dickens attended the celebration, where they had the opportunity to engage with key policymakers and enhance SHRM’s visibility in critical policy conversations.

SHRM ACQUIRES CEO ACTION FOR INCLUSION & DIVERSITY

In October, SHRM assumed ownership of CEO Action for Diversity & Inclusion, the largest business-led coalition dedicated to workplace inclusion and diversity, and has transformed it into CEO Action for Inclusion & Diversity. SHRM President and CEO Johnny C. Taylor, Jr., SHRM-SCP, says this is a pivotal moment for executive leadership.

“This is more than a business transaction—it’s a defining moment in leadership transformation,” Taylor says. “By combining SHRM’s extensive reach and resources with CEO Action’s focus on diversity, we are setting a new benchmark for leadership in the modern era. We’re giving CEOs the tools to make inclusivity not just a checkbox, but a cornerstone of long-term success.”

CEO Action underscores SHRM’s commitment to leading with inclusion as the catalyst for holistic change in workplaces and society. Partnering with CEOs, CEO Action will support organizations through the challenges of the evolving business landscape, leveraging inclusion and diversity to accomplish business objectives.



BENEFITS TRENDS VIRTUAL RETREAT

Organizations are rethinking their approach to family leave and flexible work to find a better balance between workers’ and businesses’ needs. That was the message from SHRM President and Chief Executive Officer Johnny C. Taylor, Jr., SHRM-SCP, and Chief Data & Insights Officer Alex Alonso, Ph.D., SHRM-SCP, during SHRM’s Benefits Trends Virtual Retreat in August. The virtual retreat featured industry leaders and HR experts sharing their insights about strategies needed to create a benefits package that attracts, retains, and engages top talent.

“I think the biggest business argument for [expanded family leave] is retention, but more importantly, having a scenario where that person walks on and is your promoter in everything they do,” Alonso said. “Whether they’re still with you or not, they will still promote you as a workplace they had a good experience with.”

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2024 THARSEŌ WINNERS



The SHRM Foundation's TharseŌ Awards recognize a CEO, CHRO, and senior policy transformer who are changing the world of work and the lives of millions of workers around the globe. This year, the 4th Annual TharseŌ Awards celebrated visionaries, innovators, and change agents who are actively finding new ways to prepare workplaces for a better future.

"Recognizing and celebrating these exemplary leaders is essential as they set the benchmark for what courageous, confident, and bold leadership looks like in today's evolving, dynamic workforce," says Wendi Safstrom, president of the SHRM Foundation. "Their contributions not only transform their own organizations, but they also create ripple effects that elevate the entire world of work."

Recipients of the 2024 awards were honored during a black-tie event in Washington, D.C., on Oct. 17. They are:

- **CEO of the Year: Horacio Rozanski, chairman, CEO, and president of Booz Allen Hamilton.** In his more than 30-year Booz Allen career, Rozanski has played a vital role in the company's major strategic initiatives, investment strategy, and workforce culture, leading Booz Allen's transformation from a legacy consulting firm to the premier technology creator and integrator for the U.S. federal government.
- **Ram Charan HR Innovation Award: Kathleen Hogan, CHRO**



and executive vice president of Microsoft. Hogan focuses on making Microsoft an exceptional place for employees to work and ensures that the company is creating a culture that attracts and inspires the world's most passionate talent.

- **Policy Transformer of the Year: Former Arkansas Gov. Asa Hutchinson.** As a three-term U.S.

representative from Arkansas and then governor from 2015 to 2023, Hutchinson set a priority during his tenure for workforce training by increasing access to state-of-the-art workforce centers throughout the state and funding pilot projects to match skilled workers with employers through web-based portals.

STATEMENT OF OWNERSHIP, MANAGEMENT, AND CIRCULATION FOR *HR QUARTERLY*

HR Quarterly is published quarterly by SHRM, 1800 Duke St., Alexandria, VA 22314. Both the office of publication and the general business office are at SHRM, 1800 Duke St., Alexandria, 22314. Owner: SHRM. There are no other known bondholders, mortgages, or other security holders. The purpose, function, and nonprofit status of this organization and its exempt status for federal income tax purposes have not changed in the past 12 months. The average circulation during the past 12 months was 253,871. The circulation closest to the filing date was 232,229. There were 230,280 paid in-county subscriptions, 1,364 paid outside-county subscriptions, 0 copies sold through dealers or vendors, and 0 copies mailed through other USPS mailing at other classes. A total of 585 copies were distributed for free outside the mail. During the past 12 months, an average of 692 magazines per issue were not distributed. For the most recent issue with available subscription data (Fall 2024), 585 magazines were not distributed. This statement was filed according to Section E216.3.0 of the USPS Domestic Mail Manual on Nov. 18, 2024, by Kelsey Casselbury, Director, B2C Content.



#CIVILITYATWORK UPDATE

SHRM continued to spread the message about the importance of #CivilityAtWork with a road trip to several state SHRM conferences. Starting Sept. 25 and wrapping up Oct. 1, the trip made stops in California, Florida, Michigan, New York, North Carolina, Tennessee, and Texas.

The Civility Index is SHRM's quarterly pulse survey that measures civility in the workplace and across U.S. society. SHRM launched its updated Civility Starter Kit on Oct. 28, which includes the new Political Conversations Playbook—an evergreen actionable guide to help organizations and employees navigate discussions in the workplace about politically charged societal topics. The kit also contains resources made available earlier this year, including the 5 Steps for Encouraging Civil Conversations at Work guide and a digital version of Cards Against Incivility. Resources from SHRM's Civility at Work campaign are available for free at shrm.org/civility.

SHRM PARTNERS WITH NEWSWEEK FOR ITS 'BETTER WORKPLACES' HUB

SHRM is collaborating with *Newsweek* through the “Better Workplaces” Global Content Hub on the news organization's website (www.newsweek.com/better-workplaces) and by sponsoring its “Better Workplaces: How to Foster Inclusion and Civility” event, which took place Dec. 10 at *Newsweek's* headquarters in New York City.

The Global Content Hub, which launched Oct. 21, features editorial content focused on workplace trends, innovations, and leadership insights, covering key topics including workplace civility, AI, upskilling, and inclusion.

The “Better Workplaces” event coincided with the release of *Newsweek's* “America's Greatest Workplaces for Diversity and Inclusion” rankings, which included remarks from SHRM CHRO Jim Link, SHRM-SCP, on the crucial link between inclusion and civility in the workplace.

SHRM BESTOWS WOMEN IN LEADERSHIP EXECUTIVE IMPACT, LEGEND IN LEADERSHIP AWARDS

SHRM honored five outstanding executives with the 2024 Women in Leadership Executive Impact Award in November at the 2024 Women in Leadership Institute™ (WIL), presented by Linkage, a SHRM Company, in Orlando, Fla. The award celebrates leaders who have shown a strong dedication to advancing women within their organizations and have driven significant, lasting change through their leadership.

This year's recipients were:

- Tiffanie De Liberty, senior vice president, general counsel, and chief ethics and compliance officer, Constellation Brands Inc.
- Nina Goodheart, senior vice president and president, structural heart and aortic, Medtronic.
- Deepshikha (Deep) Mahajan, vice president, talent management, Juniper Networks.
- Dr. Carmelita Nix, executive director of finance strategy and management, Kaiser Permanente.
- Sonja Teague, senior vice president, North America claims producer and client relations, Chubb.

At WIL, SHRM also awarded its prestigious Legend in Leadership award to JoAnne “Jo” Bass, the 19th chief master sergeant of the Air Force and founder of The Bass Group. “Her unwavering commitment, visionary leadership, and profound impact exemplify the very essence of excellence,” said Tamla Oates-Forney, CEO of Linkage.



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MEMBER SPOTLIGHT

ANA PINZÓN, SHRM-CP

Senior HR partner, Bosch,
Farmington Hills, Mich.

Ana Pinzón, SHRM-CP, manages the U.S. Rotational Development Program at Bosch, a Germany-based global supplier of technology and services. There, she oversees the structured career development of trainees as they rotate through various roles within the organization. In addition, she is president of BeAdept, Bosch's Business Resource Group (BRG) for associates, family, and friends with disabilities.

During Pinzón's time at Bosch, one of her children was diagnosed with dyslexia and another with dyscalculia. "Navigating the world of learning disabilities gave me a strong sense of purpose to apply these insights to my work," Pinzón says. "I was determined to make sure that learning and development at Bosch would be accessible to all associates, regardless of their learning styles or disabilities." Her commitment led to the creation of the BRG, which now operates on four continents.

BeAdept celebrated its first anniversary by holding Bosch's first Global Disability Conference in 2022. In 2023, the conference grew to 25 sessions that attracted more than 1,000 participants worldwide. In 2024, BeAdept held virtual and in-person sessions to ensure all of Bosch's associates worldwide could participate.


WHO MOTIVATES YOU THE MOST AND WHY?

My children's experiences with learning differences have deepened my empathy and understanding of diverse challenges. Their journey inspires me to bring a compassionate perspective to my HR work, especially in learning and development, ensuring our practices support everyone, particularly those facing similar challenges.

WHAT'S THE BEST ADVICE YOU'VE EVER RECEIVED?

You might not have all the answers, but you should know who might. This advice underscores why I place such high value on networking, building connections, and learning from others.

WHAT DO YOU ENJOY MOST ABOUT YOUR JOB?

Mentoring energetic trainees who believe no dream is too big—a belief I share. The variety of challenges the trainees encounter and the continuous learning keep things exciting. It's fulfilling to help them build networks, create opportunities, and contribute to the company's success. 



BE A TIME TRAVELER

Embracing the new ideas of younger generations prevents us from getting stuck in the past.

By Steve Browne, SHRM-SCP



When I started my career in human resources, I entered a territory completely foreign to me. I began my first job fresh out of college with a global Fortune 100 company. There's nothing particularly unique about that on the surface.

However, it was the first time the corporate recruiting department that I joined had hired someone with a college degree. That made me different from my colleagues—and not in a good way.

Every other employee in the department had gotten there by moving up through the company ranks from a front-line position over many years. In contrast, I was young and inexperienced—and also an outlier. To my co-workers, I hadn't put in the time to prove myself capable of doing the job.

During my time at that company, I never managed to become part of a team. I was a member of a new generation of workers entering the HR profession with a college degree. It was easier for my co-workers to ostracize me than to get to know me.

In turn, I thought their way of approaching HR was outdated. The profession was beginning to expand beyond its historic silos, but its practitioners were fiercely holding on to their long-held tradition of staying in their lane. They never crossed into another person's area—and they expected the same of me. Accustomed to this mindset, they thought personal interactions were a waste of time.

Ironically, the company would gather us occasionally for what it billed as “team-building exercises,” which were actually thinly disguised attempts to evaluate employees' potential at the organization. This passive-aggressive technique was typical of the company. Rarely were leaders direct with us. They preferred to throw us into a

made-up proving ground without direction. It was archaic and divisive. I didn't stay with that company for long.

Today, some 38 years into my HR career, I've had countless work experiences that have enabled me to grow as a professional. Recently, I've been invited to talk to groups of young people in multiple professions just starting their careers to share with them my insights and perspectives. Each time I speak to them, I share my experiences at that first job, and I encourage them to not allow something similar to happen to them. I want them to bring their new ideas into the workplace and find ways of

adding value to their fields by connecting with colleagues of all generations.

It's crucial we understand that as we progress through the various stages of our careers, we—in essence—become time travelers, welcoming new generations into the workforce and learning from the ideas they bring with them. The young people I've met are talented, engaged, curious, and eager. Being able to connect with them across time is fulfilling. It's a great way to make sure you're continuously learning while also contributing knowl-

edge gained from your own professional journey.

I encourage others not to make the same mistake as my first co-workers and dismiss out of hand the new ideas of younger generations. When faced with the unfamiliar, take a step back and realize that you are a time traveler, and times will inevitably change. When you meet that change with an open mind, you may be surprised by what you can learn. **HR**

Steve Browne, SHRM-SCP, is chief people officer for LaRosa's Inc., a restaurant chain in Ohio and Indiana with 11 locations. The author of *HR Unleashed!!* (SHRM, 2023), *HR Rising!!* (SHRM, 2020), and *HR on Purpose!!* (SHRM, 2017), he has been an HR professional for more than 30 years.



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