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FALL 2019

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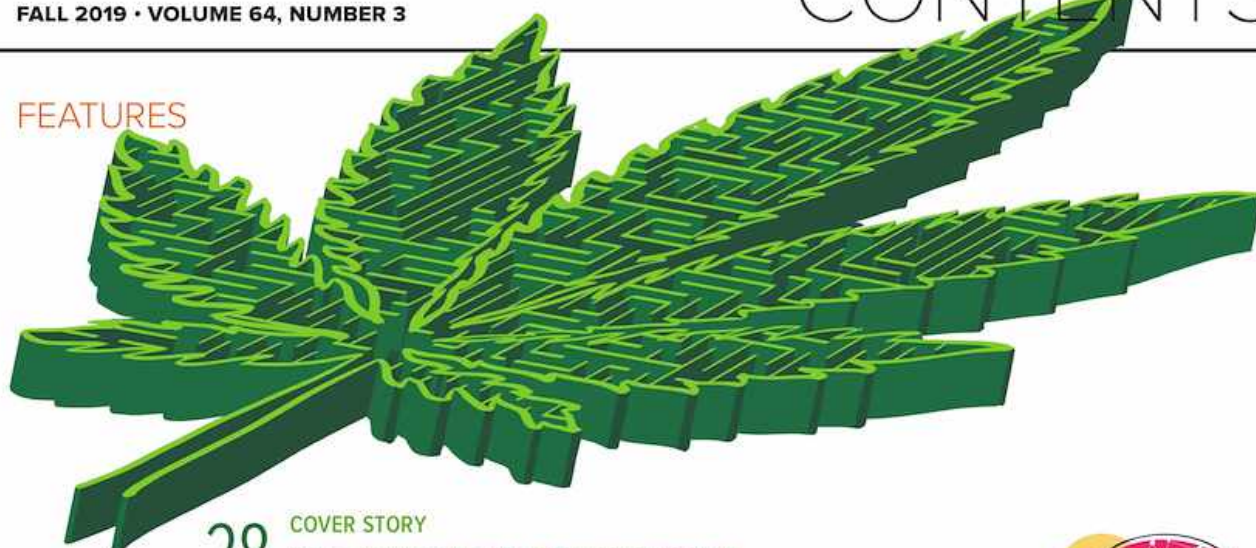
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FALL 2019 • VOLUME 64, NUMBER 3

# CONTENTS

## FEATURES



### 28 COVER STORY THE CANNABIS CONUNDRUM

Rapidly changing state laws have created a haze of marijuana-related confusion.

By Tamara Lytle



46

### AN UPHILL CLIMB

Some businesses are making strides to bridge corporate America's great gender divide.

By Theresa Agovino

54

### 7 AFFORDABLE WAYS



68

### OUT OF THE DARKNESS

Companies are ramping up their efforts to navigate the mental health epidemic.

By Theresa Agovino







38

**REPUTATION MATTERS**

Leverage your company's brand, culture and values for recruiting and retention.

By Susan Milligan

**TO BOOST MORALE**

Try these simple, low-cost ideas to make positive changes in your workplace.

By Joe Cantlupe

60

**BRAVE NEW WHIRL**

Employers are constantly pushing for greater productivity, and technology provides them greater means to measure it. But how much is too much?

By Mike Ramsey

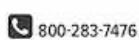


76

**RX COST CONTROL**

Co-pay accumulator programs discourage employees from purchasing high-priced drugs.

By Ed Silverman



FALL 2019 HR MAGAZINE 1

**CONTENTS****DEPARTMENTS**

4

**FROM THE CEO****CREATE A BETTER EMPLOYEE EXPERIENCE**

The employee experience is the foundation of the business enterprise.

By Johnny C. Taylor, Jr., SHRM-SCP, and Ram Charan

6

**ALL THINGS WORK**

- Automation and gender equality
- Extramarital affairs at work
- The right to disconnect in Europe, and more

12

**HR SOLUTIONS****STOPPING GOSSIP**

Can HR discipline an employee for spreading rumors about co-workers?

By Barbara Holland, SHRM-CP

18

**HR TECHNOLOGY****THE POWER OF VOICE**

Voice recognition technology is making its way into the workplace.

By Dave Zielinski



24

**Q&A****SONIA ARANZA: VIVE LA DIFFÉRENCE!**

86

**MANAGING YOUR CAREER****HOW TO TALK YOUR WAY TO A BIGGER RAISE**

Sharp negotiating skills are key to landing a salary increase.

By Daniel Bortz

89

**DATA WATCH****DISCOVERING THE PRICE OF PETTINESS**

Help people recognize their bad behaviors.

By Alexander Alonso, SHRM-SCP

91

**INSIDE SHRM**

- SHRM takes workplace culture conversations to NYC
- Build a more-inclusive culture
- SHRM employees attend White House event, and more

94





14

## LEGAL TRENDS

**POSSESSIVE OF THEIR PRONOUNS**

Transgender and nonbinary employees shouldn't be subject to workplace bias.

By Margaret M. Clark, J.D., SHRM-SCP

C-suite leaders must create inclusive organizations where diversity thrives.

Interview by David Ward

26

## POINT/COUNTERPOINT

**SHOULD MEDICARE REPLACE EMPLOYER-BASED INSURANCE?**

Two experts debate the issue.

By Richard Master and  
Barbara Rushforth, SHRM-SCP

84

**ON LEADERSHIP  
THE RIGHT PATH**

How leaders can make better decisions.

By Dawn Onley

## MEMBER SPOTLIGHT

**JENNY DOWELL, SHRM-SCP**

Compensation and organizational effectiveness manager, Kansas State University, Manhattan, Kan.



96

## ONLY HUMAN

**LET'S GIVE 'EM A HAND!**

HR should be doing a better job of supporting the Sandwich Generation.

By Steve Browne, SHRM-SCP

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FROM THE CEO JOHNNY C. TAYLOR, JR.

FROM THE CEO

# THE EX-FACTOR: CREATE A BETTER EMPLOYEE EXPERIENCE

By Johnny C. Taylor, Jr., SHRM-SCP, and Ram Charan



*For this issue's column, I'm joined by Ram Charan, a good friend and a global business advisor, author and speaker who works with boards and CEOs to improve business and people performance.*



**A**t the heart of workplace culture are the experiences every employee has at work. The employee experience is the foundation of the business enterprise, because the quality and content of those experiences create actual value—for the customer, the employer and the shareholder.

Providing an excellent experience means more than fun perks and upscale benefits; any competitor can match those. It's a person's intrinsic and heartfelt satisfaction that matters, reflected in expressions like "I love my job," "I'm growing and developing here" and "I want to learn more about this business." Those employees share their enthusiasm with friends and family and want to prepare themselves to rise to the next level. They become willing to stretch themselves and expand their capabilities to match their aspirations. That's a recipe for a successful, sustainable enterprise.

The employee experience is a continuing journey that changes constantly with shifting expectations at work and in the world. It's also not the same for every employee. So how can organizations create an excellent experience for each individual?

Quite simply, having constructive, one-on-one conversations with employees is a powerful tool for managers to create that customized experience and design those important employee moments.



Johnny C. Taylor, Jr.,  
SHRM-SCP

But talking is not enough. HR is the trustee of the organizational culture, so our profession needs to step forward to incorporate the idea of the employee experience into the company's measurable goals, and to make sure leadership at the top understands, supports and lives these aspirations. No matter where you are in your HR role and career, you can make a monumental impact in your organization by integrating the employee experience into the work you do every day.

Each individual employee experience must also be carefully quantified. HR is accustomed to measuring employee engagement, but we need to expand and shift that analysis to include the quality of the work experience, evaluating it in the same way we do the quality of the company's products and services. All are intrinsically linked.

It's up to HR to develop and deploy tools to measure experience and provide a strategic culture audit. This way, we can learn what employees really believe: Do we care about them as people? Do we support their future growth? Are they happy in their professional experience?

The tool could be as simple as a five-question survey that will deliver key information to leaders. When we discover dissatisfaction, we must dive deeply, doing a root cause analysis. Then we must take action to fix our cultural blind spots.

If employees are enjoying work, their capacity as individual contributors will increase, but we want them to know we're committed to their intrinsic satisfaction.

In an ideal workplace, every individual comes to work with a sense of purpose and excitement about their future. Of course, even the best workplaces may not work for everyone, but we can't know that unless we talk about it. Although it requires intention, effort and transparency, creating excellent employee experiences increases capability of both employers and employees to reach their highest goals. ■



Ram Charan

PHOTOGRAPH OF JOHNNY C. TAYLOR, JR. BY DELANE ROUSE FOR HR MAGAZINE



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# ALLTHINGSWORK



## AUTOMATION: BOOST OR BURDEN FOR WOMEN?

**N**ew technology could disrupt work life for tens of millions of women globally over the next decade, creating both the possibility of greater opportunity and pay and the risk of bigger wage gaps and job losses, a new McKinsey Global Institute report suggests.

While men face comparable occupational disruption from automation, workplace gender inequality could worsen for women who don't navigate technology transitions, according to the researchers, who also cited differences

"In the automation age, women face new challenges overlaid on long-established ones," researchers wrote in the report *The Future of Women at Work: Transitions in the Age of Automation*, which focused on 10 countries.

More than 300 million jobs could be added to the labor market across those 10 nations by 2030, mostly in emerging economies, according to the report's authors.

By that year, however, anywhere from 40 million to 160 million women worldwide—7 percent to 24 percent of those currently employed—"may need to transition between occupations" into more-skilled positions, and millions may potentially be displaced from their current jobs.

"If they make these transitions, women could find more-productive, better-paid

Similar percentages of men may also need to shift into new occupations because of automation, though differences in the fields to which men and women gravitate will likely lead to different types of changes, the report said.

"We typically think of automation replacing factory workers, which in most countries are roles dominated by men," says study co-author Mekala Krishnan, a senior fellow at the McKinsey Global Institute. "However, work where women tend to be heavily concentrated, such as clerical support or sales work, is also highly 'automatable.' While the rates at which jobs could be displaced for men and women are roughly the same, the patterns of this look quite different."

### UPSKILLING CHALLENGES

"Women face pervasive barriers

the researchers, this also cited differences in the types of jobs men and women stand to potentially lose and gain.

work; if they don't, they could face a growing wage gap" or job loss, the report authors wrote.

ers" that call for concerted and creative solutions to help them advance, the report said. →

ILLUSTRATION E

6 HR MAGAZINE FALL 2019

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## ALL THINGS WORK

Women will need new skills and more education, the ability to easily switch jobs, and access to in-demand technological abilities that enable new ways to work and provide new economic opportunities, according to McKinsey.

However, in these areas, women face persistent challenges that already have slowed their progress toward gender equality in work.

Greater investment in training and transitional support, child care, and safe and affordable transportation should be high priorities, as should supporting women in science, technology, engineering and mathematics (STEM) fields and entrepreneurship, the authors suggested.

Technological advances will also create wholly new occupations, although about 60 percent of new U.S. occupations have appeared in male-dominated fields, McKinsey reported.

Service and clerical-support jobs could account for more than half of women's job losses, while machine operation and craft-work occupa-

tions may represent 40 percent of men's job losses.

Employers and other institutions can do much to support women who are seeking to acquire new skills and level the playing field, Krishnan says, noting that women often face the double burden of balancing responsibilities in the workplace and the home, which can make participating in reskilling programs difficult.

The report also noted that women are less mobile due to physical safety concerns and infrastructure and legal challenges, have less access to digital technology, and participate less in STEM fields than men.

"To transition to the jobs of the future, workers need to be skilled, mobile and tech-savvy," Krishnan says. "However, women face challenges on all three fronts. The analogy we like to make is that women and men are running the same race toward the job opportunities of the future; however, women are doing so with a weight around their ankles."

—Dinah Wisenberg Brin

## SOCIAL SECURITY REGRETS

What lessons can today's workers learn from retirees who have filed for Social Security benefits? Be better prepared, these survey results say.



### PUBLISHING & EDITORIAL

#### CHIEF MARKETING AND EXPERIENCE OFFICER

Jeaneen Andrews-Feldman | [Jeaneen.Andrews-Feldman@shrm.org](mailto:Jeaneen.Andrews-Feldman@shrm.org)

#### VICE PRESIDENT, EDITORIAL

Tony Lee | [Tony.Lee@shrm.org](mailto:Tony.Lee@shrm.org)

#### EXECUTIVE EDITOR

Larry Burke | [Larry.Burke@shrm.org](mailto:Larry.Burke@shrm.org)

#### MANAGING EDITOR

John Scorza | [John.Scorza@shrm.org](mailto:John.Scorza@shrm.org)

#### SENIOR WRITER/EDITOR

Dori Meinert | [Dori.Meinert@shrm.org](mailto:Dori.Meinert@shrm.org)

#### COPY DESK MANAGER

Gretchen Kraft

#### COPY EDITORS

Erin Binney, Liane DiStefano

#### LEGAL EDITORS

Allen Smith, J.D.  
 Lisa Nagele-Piazza, J.D., SHRM-SCP

#### CONTRIBUTORS

Theresa Agovino  
 Kathy Gurchiek  
 Roy Maurer  
 Stephen Miller, CEBS  
 Beth Mize

SOCIAL SECURITY BENEFITS. BE BETTER PREPARED, THESE SURVEY RESULTS SAY.

**3 IN 10**  
filed at age 62 or  
younger.

Nearly  
**4 OUT  
OF 10**  
regret not  
filing later.

**MORE  
THAN  
HALF**  
(53%) filed out  
of financial  
necessity, such as  
not having saved  
enough.

Another  
**ONE-  
THIRD**  
filed as the result  
of unforeseen  
issues, such as  
health concerns  
or employment  
changes.

Couples could receive  
**\$2,000 TO \$3,000  
A MONTH LESS**

by filing for Social Security retirement  
benefits at age 62 instead of age 70.

Source: 2019 MassMutual Social Security Pulse Check.



DEVELOPER  
Andrew Peeling  
Dana Wilkie

## DESIGN & PRODUCTION

**DIRECTOR, CREATIVE SERVICES**  
Sean B. Bruce

**SENIOR DESIGN SPECIALIST**  
Mari Adams

## DESIGNERS

Jeff Bade, Thomas Bowen, Blair Cobb,  
Katerina Cochran, Scott Harris,  
Jenny Mazer, Amy Patnovic, Anca Popa,  
Julia Tylor

## ADVERTISING SALES

**VICE PRESIDENT, ADVERTISING  
SALES & MARKETING**  
Tim Canny | Tim.Canny@shrm.org

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## LEAP YEAR RAISES PAYROLL CHALLENGES

**W**hile February typically has 28 days, in leap years—such as 2020—it sprouts a 29th, resulting in an extra payday in the calendar year, depending on when and how employees are paid. That can be a headache for HR and payroll professionals.

Even in years without an extra day in February, additional paydays could occur if the payroll is weekly or biweekly, simply because 365 days don't divide evenly into the seven-day weeks.

Employers usually have two options when addressing extra paydays:

- **Do nothing and pay the same amount each payday, recognizing one extra paycheck in the year.** This typically results in a higher payroll cost.
- **Divide annual salaries by the number of paydays.** This will result in smaller checks each payday, countered by an extra paycheck at year's end.

Employers should ensure compliance with the federal Fair Labor Standards Act and any relevant state wage laws, says Mike Trabold, director of compliance at payroll firm Paychex.



Prorating each paycheck during the year could result in slightly smaller paychecks and thus negatively affect morale, so let employees know their annual salary will remain the same despite the paycheck amounts for each pay period.

Also, inform employees that an extra pay period could affect the amounts they wish to defer to benefit contributions to 401(k) plans, health savings accounts and flexible savings accounts, Trabold says.

In addition, employers should ensure that payroll and time-and-attendance systems are correctly programmed to recognize Feb. 29 as a valid date, Trabold advises.

Employers should be aware that some employee contracts or collective bargaining agreements could restrict the employer's ability to alter established payment methods, he says.

Tax withholding is typically calculated using a set of predetermined tables from the IRS and state tax agencies. However, in a year when there's an additional payroll period for an employer, weekly and biweekly payers should ensure that automated payroll systems adjust tax withholding, Trabold says. Similarly, employees should determine if they need to adjust their income tax withholding.

—Stephen Miller, CEBS



## OCTOBER IS NATIONAL DISABILITY EMPLOYMENT AWARENESS MONTH

The U.S. Department of Labor suggests that organizations can support the employment of individuals with disabilities in the following ways:

- Review company policies to ensure they convey a commitment to an inclusive workplace culture.
- Establish an employee resource group to support people with disabilities.
- Post positive messages about the company's commitment to maintain an inclusive workforce. Posters

and other resources are available at <http://dol.gov>.

- Train supervisors on company policies and the process for providing reasonable accommodations.
- Educate employees through disability training or informal educational events such as brown-bag lunch discussions.
- Participate in disability mentoring events to promote career development for young people with disabilities. For a free toolkit, visit [www.aapd.com/dmd](http://www.aapd.com/dmd).

### IN 2018, PEOPLE WITH DISABILITIES IN THE U.S. WERE MORE LIKELY TO BE UNEMPLOYED OR EMPLOYED IN PART-TIME POSITIONS THAN THOSE WITHOUT DISABILITIES.

8%

the unemployment rate for people with a disability.

3.7%

the unemployment rate for those without a disability.

31%

of workers with a disability were employed part time.

17%

of workers without a disability were employed part time.

Source: U.S. Bureau of Labor Statistics.

FALL 2019 HR MAGAZINE 9

ALL THINGS WORK



## EXTRAMARITAL AFFAIRS CAUSE WORKPLACE TURMOIL

Nearly one-quarter of workers who reported a workplace romance said their affair involved a person who was married at the time, according to the results of a CareerBuilder survey.

A romance between co-workers—and an extramarital affair especially—tends to raise eyebrows. So how is a manager or HR director supposed to deal with it?

"It will affect the working environment," says Joe Flanagan, senior career advisor at Los Angeles-based

with 36 percent of 809 U.S. workers reporting in 2018 that they were dating a co-worker, down from 40 percent in 2008, according to the CareerBuilder survey.

Any workplace romance, extramarital or not, can damage workplace morale or productivity if there are inappropriate displays of affection, favoritism of a subordinate who is dating a supervisor, a bad breakup that results in co-workers choosing sides or sexual harassment.

While policies prohibiting fratern-

single, your employees have a right to privacy," says Ellen Mullarkey, vice president of Messina Staffing, a national search, staffing and consulting company based in Chicago.

If the workers having the affair violate policy, employers can reassign the employees, especially if one is supervising the other, says Debra Johnson, assistant general counsel and HR consultant at Hollywood, Fla.-based Engage PEO, which provides HR solutions for small and midsize businesses.

Mint Resume, a career advice website and online resume service. "That's because an extramarital affair is a controversial issue that may [lead] to employees gossiping and backstabbing, which is never good. It may affect the performance of both the involved and uninvolved employees."

Overall, instances of workplace romance have hit a 10-year low,

nization among or romantic relationships between employees might seem like a good idea, they are hard to enforce, says David Reischer, attorney and CEO of LegalAdvice.com.

Whether to discipline someone for an extramarital affair depends largely on the company's policy.

"No disciplinary action should be taken if no company policy has been violated because, married or

"If there are any allegations that are shown to be true of favoritism, sexual harassment or any inappropriate intimate contact in the workplace, you definitely want to address that with the appropriate disciplinary action," she adds. "But often in these situations, all that's needed is coaching or potentially reassigning employees."

—Elaina Loveland

## U.S. CITIES WITH THE BEST (AND WORST) WORK/LIFE BALANCE



Source: Kisi.

## BUILDING PEOPLE ANALYTICS CAPABILITIES: A GLOBAL VIEW

**32%** of HR and benefits pros said their organizations plan to train existing HR staff in analytics over the next 12 months.

**17%** said they plan to hire analytics specialists.

Source: Thomsons Online Benefits.

10 HR MAGAZINE FALL 2019

## FRANCE AND SPAIN: THE RIGHT TO DISCONNECT



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## BOOKSHELF HOT OFF THE SHRM PRESSES

### EXTINGUISH BURNOUT



### EXTINGUISH BURNOUT

By Rob and Terri Bogue

Who hasn't at one time or another felt exhausted, cynical and



**T**hanks to modern technology, many employers now expect workers to stay connected at home, on their own time, to field work e-mails and texts.

This blurring of the line between work and personal time, and the accompanying stress and intrusion into home life, has prompted authorities in France and Spain to implement or consider laws requiring employers to recognize employees' right to disconnect from workplace communications.

French policymakers, who consider off-duty e-mail use to be a health and safety concern, adopted a right-to-disconnect law to address rising stress levels among employees who check e-mail after hours, says Raquel Flórez, a lawyer with Freshfields Bruckhaus Deringer in Madrid.

As of 2017, employers in France with at least 50 workers must negotiate agreements with unions allowing employees to disconnect from work technology after hours. If the parties don't reach an agreement, the employer must establish a right-to-disconnect policy on after-hours technology use.

Since passage of the law, several French companies have started to include rules in their collective bargaining agreements, Flórez says.

A new Spanish law calls on employers, after hearing from workers' representatives, to set up internal policies defining for employees how to exercise the right to disconnect, including training for staff on reasonable use of technology to help avoid computer fatigue. Spain's law emphasizes that employees working remotely are guaranteed the right to disconnect.

While the new laws in France and Spain don't impose penalties on employers that fail to comply, they are "bringing the discussion to the table," Flórez says.

Companies might think they're getting something for nothing when employees respond to e-mail after hours, but there's a price to be paid when unhappy or anxious employees either leave or become less effective, says Bill Becker, associate professor of management at Virginia Tech in Blacksburg, Va.

U.S. employers' expectations that employees monitor work e-mail during nonwork hours are detrimental to the health and well-being of employees and their families, his research concluded.

—Dinah Wisenberg Brin



ineffective at work? But combine those feelings over time, and you're flirting with disaster of catastrophic magnitude—

burnout. By reducing employees' ability to be engaged and effective, burnout can have costly and lasting effects on workplace cultures.

Drawing on their extensive research and real-world examples, workplace culture experts Rob and Terri Bogue take a deep dive into the signs of, sources of and solutions for burnout and deliver an essential resource that helps anyone identify, prevent and recover from burnout. The ability to manage change, to understand others' perspectives and to accept when outcomes are beyond our control are key to building resilience and preventing burnout, they write.



## SOLVE EMPLOYEE PROBLEMS BEFORE THEY START

By Scott Warrick

With compassion, clarity and conviction (and a dash of comedy), employment law attorney and HR consultant Scott Warrick

distills conflict resolution to three simple moves:

- Listen with empathy. Try to understand why someone disagrees with you.
- Parrot, or repeat, what the other person said to ensure you fully understand his or her view.
- Reward or validate the other person's view.

Because people cannot use these skills unless they can first control their own actions and feelings, he also advises the reader on how to become an emotionally intelligent communicator.

If you can control yourself, he writes, you can learn and master these skills to resolve any conflict in any situation—and build durable trust with others, in your personal life and throughout your organization.



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FALL 2019 HR MAGAZINE 11

HR SOLUTIONS EMPLOYEE RELATIONS

HR SOLUTIONS: ASK A SHRM HR KNOWLEDGE ADVISOR

**STODDING GOSSID**

# STOPPING GOSSIP

Can we discipline an employee for spreading rumors about co-workers?



Yes, because spreading rumors or gossiping can damage relationships, lower morale, increase anxiety and reduce productivity. If not addressed swiftly, gossip also can erode staff's trust in managers and senior leaders. Conversations that are intended to hurt others, or elevate oneself, rarely have a good outcome and should be dealt with quickly. Bear in mind, though, that not all negative comments may be gossip. Keeping an open ear to watercooler conversations can also identify legitimate problems, which can be addressed or corrected early on. It's good to remember that not everything is as it may appear. There could be more to the story. It might be necessary to investigate a rumor or complaint to gain a better understanding of the bigger picture.

After investigating the matter, if an employee is found to have been spreading rumors, the behavior should be addressed as outlined in the company's disciplinary process according to the code of conduct or related policy. When ignored, conversations that are intended to

hurt others can turn into a form of harassment or bullying.

Look for systemic issues and patterns: Does the gossip center on one person? Do managers participate? Do they condone gossip by remaining silent when they hear others talking about their subordinates or colleagues? Does the organization's code of conduct adequately address gossip and rumors? If needed, you may want to create a policy specifically addressing malicious rumors and gossip. The definition of gossip could include overly negative criticisms or conjecture that can harm another person's credibility or reputation.

Keep in mind, the policy should not be overly broad, or it may be considered unenforceable, especially if it restricts the rights of employees to talk about wages, hours, workplace conditions or any other employment conditions, which are rights

that are guaranteed by the National Labor Relations Act and that apply to private employers.

To effectively address rumors, leaders must model behavior that's supportive of all staff. Creating a workplace built on trust and training staff to resolve conflict could lead to a more engaged workforce. Every employee should understand and commit to the values of the organization, and all employees should be taught how to positively engage with others when problems arise.

When everyone supports and models a company's values, staff members have the ability to self-regulate negative behavior and squash rumors before they have a chance to do harm. **HR**



Barbara Holland, SHRM-CP, is an HR Knowledge Advisor for SHRM.



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## LEGAL TRENDS

## LEGAL TRENDS

# POSSESSIVE OF THEIR PRONOUNS

Transgender and nonbinary workers deserve civility and civil rights.

By Margaret M. Clark, J.D., SHRM-SCP

**“H**ello, Jon, how are you today?” asks a co-worker. You stop in your tracks—shocked, speechless. Maybe you misheard? Not knowing what else to say, you respond, “I’m fine, how are you?” But you’re not fine. What’s the problem?

The problem is that you are a cisgender woman—that is, you identify with the gender assigned at birth—and your name is Joan.

It’s bad enough if a co-worker calls you the wrong name. But, when it’s a name most commonly associated with

a gender you don’t identify with, it’s an even greater affront. And that’s how it is, as well, with transgender people and personal pronouns.

According to *Transgender Inclusion in the Workplace: A Toolkit for Employers*, produced by the Human Rights Campaign (HRC), “transgender” is an umbrella term that refers to people whose gender identity, expression or behavior is different from that typically associated with their assigned sex at birth. The term includes nonbinary, gender-fluid and genderqueer.

But according to Healthline, while some nonbinary individuals identify as transgender, others don’t.

Some transgender and gender-nonconforming individuals prefer to use pronouns other than he/him/his or she/her/hers, such as they/them/theirs or ze/hir. Their choice goes to the very core of their identity. Just like cisgender Joan bristled at being called Jon.

How hard is that to understand? Somewhat hard, apparently.

## DIFFERENT FORMS OF BIAS

“Bias against nonbinary people often takes the form of disbelief, disregard and disrespect,” says Michelle E. Phillips, an attorney in the White Plains, N.Y., office of Jackson Lewis.

“I’ve seen a lot of managers and staff who are uncomfortable with the issue in general. Most employees have come to understand that you can’t make remarks about race or religion, for example,” Phillips says. But some people still make discriminatory remarks about transgender and nonbinary people and think that it’s acceptable. “It’s not.”

Taking the position that individuals’ insistence on use of their preferred pronouns is attention-seeking, a trend or political posturing is







wrong. "It's not a fad," Phillips says. "It's who they are."

Religious objections to using a co-worker's preferred pronouns present "a very interesting challenge," says Beck Bailey, director of the HRC's Workplace Equality Program. "LGBTQ [lesbian, gay, bisexual, transgender and queer] people are the only group this kind of objection comes up with," adds Bailey, who is

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## LEGAL TRENDS

an out transgender man. "Nobody ever objects to working with an unwed mother on religious grounds because they know that would not be OK. But we're still fair game."

### LEGAL RIGHTS IN FLUX

Using the pronouns employees prefer is more than common courtesy; it's their civil right. Federal law on the subject arises out of agency and court interpretations of Title VII of the Civil Rights Act of 1964, which expressly prohibits workplace discrimination on the basis of race, color, religion, sex and national origin. According to information

does not prohibit discrimination on the basis of gender identity. In April 2019, the U.S. Supreme Court agreed to hear a case that will address that issue. If the reasoning in the Sessions memo prevails, Title VII then would have nothing to say with regard to workplace use of an employee's preferred pronouns.

In the meantime, the EEOC continues to investigate and assess charges involving gender identity discrimination. Other federal law protections include:

- Executive Order 13672, which protects federal contractors and subcontractors from transgender or

still apply for now, according to the EEOC. Contrary state law is not a defense under Title VII.

### SYSTEMS, CULTURE NEED WORK

Both Phillips and Bailey say that most employers are well-intentioned, but intentions only go so far. There's work to be done, they say, and the HRC's toolkit explains in comprehensive detail how to do it. Broadly speaking, there are two main buckets, Bailey notes:

- First is the operational side. All of the employer's systems—including human resource information systems, forms, portals—are built on binary gender identity platforms.
- Second is the cultural piece—that which relates to human behavior, feelings of inclusion and greater understanding about gender identity. "Both of them are kind of huge," Bailey says.

Employers must consider not only their own information systems, but also those of vendors. They need to create mechanisms for employees to make their pronouns known, allowing

**Most employers are well-intentioned, but intentions only go so far. There's work to be done.**

provided by Jeanne Goldberg, a senior attorney advisor with the Equal

sexual orientation discrimination.

- The Occupational Safety and



Employment Opportunity Commission (EEOC), Title VII's prohibition against sex discrimination also bans any employment discrimination based on gender identity or sexual orientation.

The commission's technical assistance publication, *What You Should Know About EEOC and Enforcement Protections for LGBT Workers*, states that prohibited acts include "intentionally and persistently failing to use the name and gender pronoun that correspond to the gender identity with which the employee identifies, and which the employee has communicated to management and employees." Both supervisors and co-workers should use the employee's chosen name and pronoun "in employee records and in communications with and about the employee," the EEOC guidance says.

In a 2017 memorandum, however, then U.S. Attorney General Jeff Sessions, in line with some federal appeals courts, wrote that Title VII

Health Administration's *A Guide to Restroom Access for Transgender Workers*.

- The U.S. Office of Personnel Management's *Guidance Regarding the Employment of Transgender Individuals in the Federal Workplace*.


What's more, a wave of state and local laws prohibiting sexual orientation and gender identity discrimination has been enacted in recent years. According to a list compiled by the National Center for Transgender Equality, at least 20 states and more than 200 cities and counties have such laws. Some of these—California and New York City, for example—expressly require employers to use a transgender person's preferred name or pronouns. Others allow individuals to select "nonbinary" or "X" on certain official documents.

But even if a state or local law does not prohibit discrimination based on gender identity, Title VII's anti-discrimination prohibitions

their diversity to come through. These can be as simple as asking employees to include their pronouns in their e-mail signature and intranet profile.

"Some companies are starting to do audits, identifying all the places where gender intersects in the workplace," Bailey says. "Then they can start to make language and policies as neutral or gender-inclusive as possible."

On the cultural side, employers have to train both managers and employees. Almost all companies have behavior and conduct statements that say we respect one another, Bailey notes. Repeatedly misgendering someone can be a form of unlawful harassment, but even an occasional slip is disrespectful and unwelcoming. "If our intention is to be wel-

coming and we misgender," Bailey says, "we have failed at our intention." 



Margaret M. Clark, J.D., SHRM-SCP, is a freelance writer in Arlington, Va.

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HR TECHNOLOGY

HR TECHNOLOGY

## THE POWER OF VOICE

Companies are starting to see how voice recognition technology boosts efficiency while saving time.

By Dave Zielinski

*How Alexa, what's the hand count*

*response as an alternative to typing*

*Amazon's Alexa or Apple's Siri in a*



*Hey Alexa, what's the head count in our finance department?*

*Siri, can you submit a time-off request for me?*

*Hey Google, who's available to trade shifts with me next Friday?*

The ability to make this type of query has long been a staple of our personal lives, but the prospect of bringing similar technology to the workplace has largely gone unrealized. That's beginning to change as voice recognition technology has evolved and as HR industry vendors have started moving their voice-activated applications out of the demo stage and into real-world use.

Vendors, including Ceridian and IBM, now have clients using voice

response as an alternative to typing on keyboards or swiping on mobile devices when conducting common HR transactions or accessing data around key workforce metrics. These vendors and their customers are betting that the time for voice has come and that growing interest in interacting with technology via voice commands at home will finally translate to the workplace.

Experts say advances in voice recognition technology have created momentum for bringing the ability to talk with smart devices into the office. The proportion of search queries made by voice on Google has passed 20 percent, and almost half of adults in the U.S. now report using voice-controlled assistants such as

Amazon's Alexa or Apple's Siri in a recent Pew Research Center survey.

Some experts see the use of voice response in HR to be at a similar stage as adoption of mobile technology around 2010. "We're still in the infancy of voice recognition, but companies are starting to see where the technology can have real impact in time savings and in creating new efficiencies," says Chris Havrilla, vice president of HR technology and solution provider strategy at Bersin, Deloitte Consulting in Atlanta.

Helen Poitevin, an analyst specializing in HCM technologies with research and advisory firm Gartner, says adoption of voice-activated technology for business purposes remains higher in some Asia Pacific

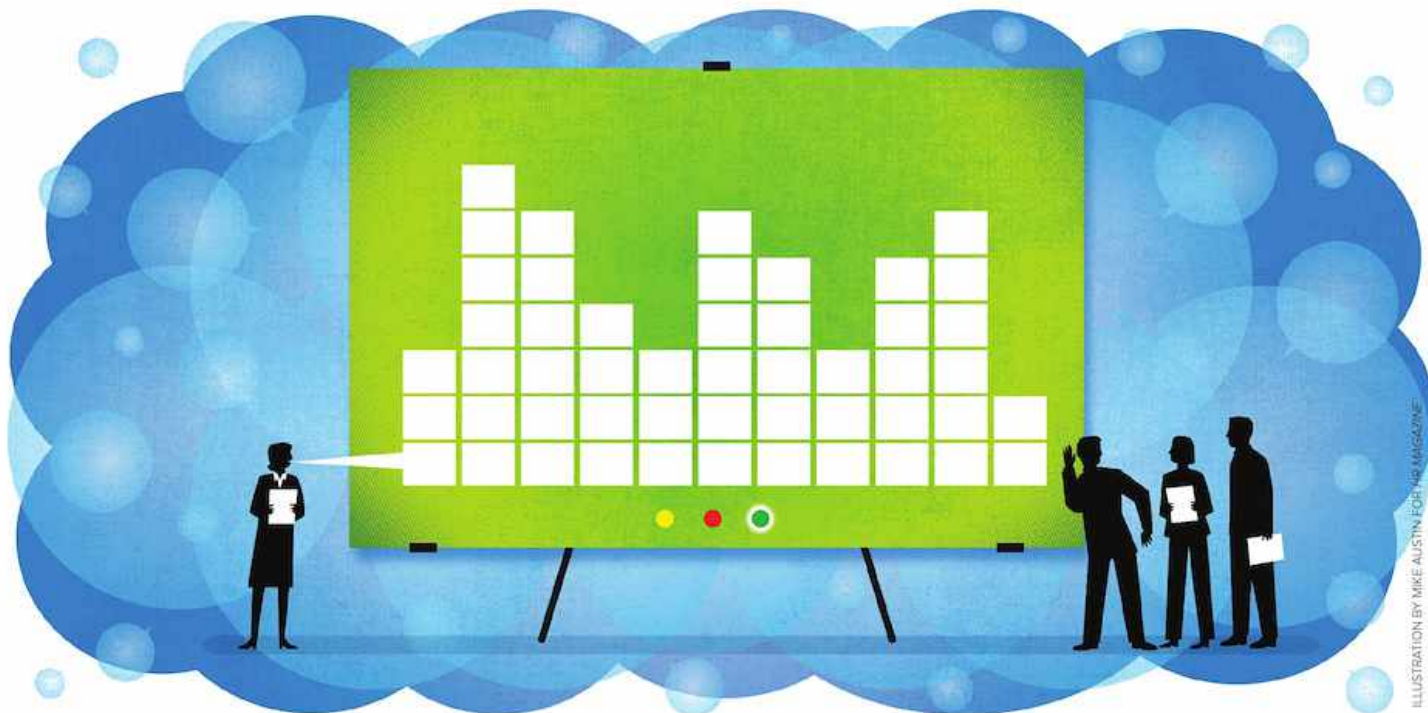


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countries, India and China than it is in North America, because those regions are more accustomed to using voice to interact with technology and because it can be easier to speak the queries rather than type them out in the languages used in many of those areas.

But Poitevin says her research also shows growing use of the technology in the U.S. for such tasks as time-tracking to record hours dedicated to business projects or to different client accounts.

### THE TIME-SAVINGS ADVANTAGE

Minneapolis-based Ceridian is at the forefront of the voice-response movement, having evolved voice capability within its Dayforce Assistant tool from the demo stage to real-world use by select customers. The voice app is designed to help employees conduct common HR transactions faster and more efficiently, says Andrew Shopsowitz, director of product management for Ceridian. Workers can use the technology to check schedules and swap shifts with co-workers, for example, as well as to review paid-time-off (PTO) balances or to request time off.

Using voice response can save employees significant time over previous ways of conducting these transactions, Shopsowitz says. For example, in the past, employees would have to log into the tracking system, find a page dedicated to PTO or vacation time, list a reason for a time-off request and then submit the query. If a request was approved, they'd need to take such additional steps as updating an e-mail out-of-office notification and declining or canceling any planned meetings for those days.

Now, employees can simply say to a Google assistant device, "Google, open Dayforce" and then ask to submit a time-off request. Once that's completed, the voice app will follow up with "Would you like me to

automatically through the device.

"We believe it won't be long before it's an expectation from employees that they have an option to interact with work systems via voice rather than a keyboard or computer screen," Shopsowitz says.

commands that can quickly present end-users with answers to their questions," Ludlow adds.

Ben Eubanks, a principal analyst at Lighthouse Research, an HR advisory and research firm in Huntsville, Ala., and author of *Artificial Intel-*



## WHAT THE FUTURE HOLDS FOR VOICE RESPONSE IN HR

Some experts believe HR lags significantly behind other business functions when using voice or video in ways that can better engage employees or create new process efficiencies. John Sullivan, Ph.D., an HR thought leader and professor at San Francisco State University, says if HR intends to capture the attention of workers in the future, it will need to offer more content in alternative formats such as voice, video or podcasts.

Sullivan foresees a future for voice response not just in answering FAQs from employees involving topics like benefits or pay, but also for policy questions or to provide decision support for line managers around common but challenging scenarios such as hiring, performance reviews, sexual harassment and layoffs.

Other industry experts see potential applications for voice response in recruiting—for example, intelligent systems that could record interviews and give hiring managers feedback on improving their technique—as well as for onboarding, gauging employee morale through voice recordings that are automatically transcribed to text and for automated search functions.

Ceridian sees potential in applying voice response to workforce analytics. "We don't think you should be tied to having to access key reports or spreadsheets on mobile devices or desktop screens," says Andrew Shopsowitz, director of product management for the vendor. —D.Z.

SAP SuccessFactors also has voice-activated assistants in development, says David Ludlow, group vice president of product management with the vendor. The voice tools, dubbed "conversational AI," are currently in beta testing with early-adopter customers and are designed to respond to employee questions around HR benefits, policies and more, he says.

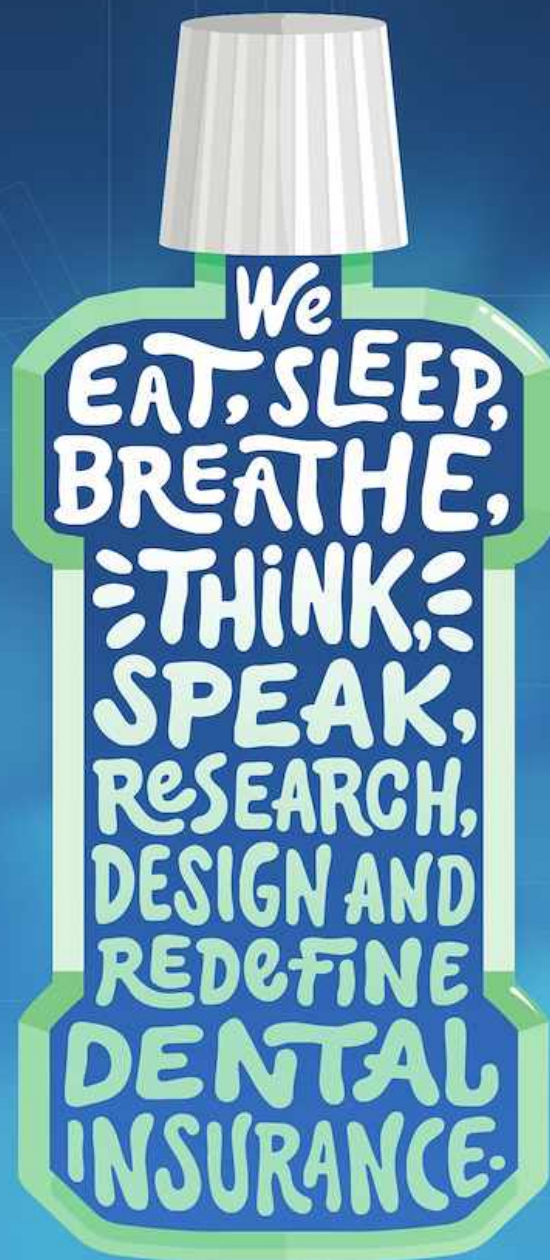
*ligence for HR* (Kogan Page, 2018), says he has a client currently working to build voice recognition into a core HR system to make it easier to track key HR metrics. Eubanks compares the capability to Alexa's "flash briefing" function, which gives users a daily overview of news headlines and other content customized to their preferences.

"The technology is designed to

set up your out-of-office and cancel your meetings?," and the Dayforce Assistant could execute those tasks

we believe there's a significant amount of HR content and services that can be queried using voice

allow HR leaders to ask the system things like 'What's our headcount in XYZ division?' or 'How many people



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### HR TECHNOLOGY

are currently on maternity leave?" and instantly get results back," Eubanks says. The capability saves them from having to log into the system to check software packages or spreadsheets to extract that data, he says, and also allows HR to run a report based on the initial verbal query to send to key stakeholders.

"Rather than having to click through screens that might take minutes," he says, "HR leaders could get data around the most common metrics they track within 10 seconds using this technology."

### LIMITATIONS OF VOICE RESPONSE

Cyberspace is rife with cartoons and anecdotes about how Alexa or Siri has misinterpreted user questions and returned with off-base or even hilarious responses. But the reality is that the natural language processing (NLP) technology that undergirds voice recognition—a process that transcribes speech to text—has evolved considerably in recent years and features an improved ability to understand the *intent* of language as well as variations in phrases with similar meanings.

Christopher Phan, a technical expert and product owner of the Dayforce Assistant voice response tool, says Ceridian built its own custom

versus 'trade my shift' contextually, it knows it's likely the latter and can provide the appropriate response to the employee," Shopsowitz says.

Voice response also must be equipped to handle global and regional differences in language, Phan says. For example, vacation or sick days are often called different things around the world, and other common HR terms can have various meanings. "People often call a work schedule a roster in Australia, so we trained our technology to understand what a roster means in the context of work-scheduling queries," he says.

Poitevin says that while the accuracy of voice recognition has improved, many vendors still face obstacles once a user's voice commands have been translated to text by NLP. "Once you have that text, you still have to pass it on to a back-end system to interpret it and respond correctly," she says. "I still see a lack of maturity in the 'intent generation' and integration capabilities in many vendors' tools that are needed to deliver accurate responses to queries."


Despite such challenges, many believe voice will continue to make inroads in HR. Ludlow of SAP SuccessFactors says the way that employees access HR information and services



NLP capability on top of leveraging Google's NLP technology to help interpret language and phrases common to the HR domain.

For example, an employee might ask the Dayforce Assistant "Can you help me trade my shift?" but the assistant could mistakenly hear "Can you help me *train my ship*?" Ceridian's own HR domain-specific NLP logic would be able to determine that the word "train" might have something to do with "training" but that the word "ship" likely has little to do with HR and would interpret it to mean "shift" instead in this context. "When the technology compares 'train my ship'

in the future will inevitably evolve.

"Employees will no longer have to search for something like a policy document, download it and then look for the relevant information within it," Ludlow says. "Instead, they'll be able to ask for and be delivered the relevant information within the document with voice commands without having to hunt around. It requires a mindset change in moving from a typing channel to a voice channel, but there's momentum in that direction." 



Dave Zielinski is a freelance business writer and editor in Minneapolis.

22 HR MAGAZINE FALL 2019

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Q&A SONIA ARANZA

Q&A

## VIVE LA DIFFÉRENCE!

It's up to the C-suite to create inclusive organizations where a diverse workforce thrives and drives innovation and profits.

**S**onia Aranza has dedicated her adult life to delivering one simple but compelling message: Diversity is a leadership competency that provides a competitive business advantage.

Aranza, a global diversity and inclusion strategist who was born in the Philippines and raised in Hawaii, is a recognized expert on the importance of working effectively across differences and leveraging diversity.

Drawing on her personal background as an immigrant, her upbringing in Hawaii's multicultural environment and her academic studies in cross-cultural relations, Aranza has worked with

create inclusive work environments where everyone can thrive.

Aranza also mentors college students and emerging leaders to help prepare the next generation to succeed in an increasingly diverse environment. She contends that when leaders work effectively across all dimensions of diversity—including differences in thoughts and ideas, race, ethnicity, gender, age, language, nationality, physical/mental abilities, religion, sexual orientation and socio-economic class—organizations can gain a strong competitive advantage. Aranza is a

leaders at organizations including Boeing, Sodexo, NASA and the U.S. Army, helping them leverage diversity and

featured speaker at the Society for Human Resource Management's Inclusion 2019 event, Oct. 28-30 in New Orleans.

**Of age, race or gender, which presents the greatest diversity challenge right now?**

Diversity is not a cafeteria where you pick which issues you prefer to address. The urgency of one dimension over the other is relative. Exclusion literally hurts, no matter which difference it's based on.

The bigger issue is workplace culture. I define "culture" as a set of attitudes, beliefs, behaviors and values shared and passed on over time. The key is to understand the workplace culture and what needs to shift to create an environment where workers of all ages, races, genders and other dimensions of difference are valued. Challenges will change. Values do not.

**There are currently five generations in the workforce. What can HR leaders do to ensure that age diversity becomes an asset and not a liability?**

Each of the five generations in the workplace brings a different set of experiences that inform their diverse work philosophies. It's important to understand and demystify those differences and learn to leverage them. HR leaders must be deliberate in creating crossgenerational teams and other opportunities for collaboration across age groups. This will help workers learn to value and utilize the differences that each brings.

**How can diversity and inclusion truly become organizationwide goals?**

Top leadership—from the CEO down—must make the business case for diversity and inclusion. The world where we do business has changed. This marketplace, the workplace and the workforce have all changed. Everyone must be committed to creating a work environment where everyone thrives. Leaders must walk

24 HR MAGAZINE FALL 2019

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PHOTOGRAPH BY CASSIDY DUHON FOR HR MAGAZINE

the talk and make diversity and inclusion a core value.

**How do you reassure the C-suite that building a diverse and inclusive workforce does not mean having to change the corporate culture they've worked hard to establish?**

C-suite leaders should not require reassurance. They should be the first to step up and lead an organization's transformation in a diverse and com-

approaches, ideas and innovation flourish. That positively impacts the bottom line. Companies that do not leverage the advantages of diversity and inclusion will not thrive. If you don't understand the impact of diversity and inclusion on innovation by now, you're already behind.

But it's not HR's job to make the C-suite aware of that. It's the job of leaders to open their eyes to the irreversible demographic changes

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plex environment. Corporate culture is not stagnant. Effective leaders understand the importance of resilience and agility, and they must be willing to adapt and change as necessary.

**Some question the effectiveness of diversity training. Any suggestions on how to make sure training works?**

It has been said that “training” is for animals while “education and development” are for people. Semantics aside, providing “diversity training” is just one component of a bigger effort to shift culture. Effective diversity training cannot be a stand-alone. There must be follow-through and accountability. When done right, there’s great value in effective diversity training because it provides employees with a shared reference, language and understanding of the issue.

**How can an inclusive and diverse workforce help organizations move beyond groupthink and develop an environment where creative problem-solving becomes the norm?**

Inclusive leaders create inclusive organizations where a diverse workforce can thrive—places where a diversity of thoughts, ideas and approaches is encouraged and everyone shares in problem-solving. That produces greater engagement, more innovation and better outcomes.

**You’ve long been an advocate of inclusion and diversity being catalysts to innovation. How can HR make the C-suite aware of that?**

When an organization has people with diverse perspectives and

taking place, the battle for talent and the competition for market share. HR supports and executes the vision that comes from the top. If necessary, HR can be a catalyst for change. However, if leaders don’t get it, HR will face an uphill battle. Leaders must lead!

**Some studies have suggested that while diversity is on the rise, it’s largely a result of companies “checking the box” rather than acting out of genuine commitment. How is that concern best addressed?**

Leaders must understand that “diversity” is about representation while “inclusion” is about engagement. Diversity without inclusion will fail. Both diversity and inclusion must become core values that inform how an organization exists and operates. This applies to everything from recruitment and retention to creating an environment where workers can unleash their talent and contribute to organizational success.

**How can HR work with the C-suite to ensure that organizations listen to, reward and retain talented workers of diverse backgrounds?**

When a culture of diversity and inclusion starts with C-suite leaders, talent will be heard, rewarded and retained. In other words, workplace culture starts with top leadership. HR is there to implement and support that culture, but diversity and inclusion must begin with top leadership. ■

Interview by David Ward, a freelance writer based in North Carolina.

FALL 2019 HR MAGAZINE 25



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## SHOULD MEDICARE REPLACE



# SHOULD MEDICARE BE THE EMPLOYER-BASED INSURANCE?

**YES**

The current system is an albatross around the neck of American businesses.

Employer-based health insurance in the U.S. is the result of a quirk of history. During World War II, U.S. companies competed for a limited pool of workers. Fearing crippling wage inflation, the federal government imposed a wage freeze. To recruit workers, companies began offering health insurance as a benefit, which the government then made tax-exempt. Now, employer-provided health insurance covers 152 million Americans.

But the system creates a terrible burden for businesses and working families. An expansion of the government's Medicare program would eliminate that burden and result in better care for millions of Americans.

## DIVERGENT PATHS

In contrast to the U.S., many European governments chose to provide a broad range of government-sponsored health care to their citizens. Over time, we've seen the results of the two approaches.

Every modern industrialized society in the world other than the U.S. has achieved universal coverage. In the U.S., more than 27 million people are uninsured and 60 million are underinsured, and those numbers have been rising in recent years. Studies also show that Americans pay more per capita than comparable countries for health care, yet they experience substandard health outcomes.

## COSTLY COVERAGE

It costs an average of \$20,000 a year (or \$10 an hour) to provide insurance for one U.S. worker's family. The price of health insurance has gone up 55 percent in the past 10 years, and that's not the whole story. The cost of co-pays, deductibles and other out-of-pocket expenses have also increased.

My company, MCS Industries Inc., a picture frame manufacturer, spends more than \$2.5 million a year to insure 165 employees in the U.S. The company's cost for health care has risen dramatically over the years and currently is equal to 22 percent of payroll. And that's not including the cost of time spent by employees researching plans or by HR staff administering benefits.

## HARD DECISIONS

These costs force businesses to make hard decisions. How can we invest more in wages or new jobs when we're spending so much on health care benefits? How can we move into new markets or product lines? How can we keep prices competitive with producers in countries where businesses don't carry this burden?

To control costs, many business owners switch health plans frequently or pass more costs on to their employees with high-deductible plans.

## MEDICARE FOR ALL

Medicare, on the other hand, has been extremely efficient in controlling overhead costs. It operates without extensive sales and marketing expenses. In fact, 98 cents out of every Medicare tax dollar is spent directly on providing care, versus just 79 cents for commercial insurers.

An expansion of Medicare to cover all Americans could be paid for through a payroll tax of 9.5 percent, along with modest dividend and capital gains tax increases, according to an analysis of the House Medicare for All Act (H.R. 1384) by the Hopbrook Institute, a progressive think tank.

The expanded program would provide comprehensive care, and it would eliminate all deductibles, co-pays and out-of-pocket expenses. It would save trillions of dollars over the next decade on our national health care bill and finally result in universal health care for all Americans. And it would end the health insurance albatross around the neck of U.S. businesses.



Richard Master is the CEO of MCS Industries in Easton, Pa., and chairman of the nonprofit advocacy group Business for Medicare for All.



NO

## Employer-sponsored insurance provides convenience and support.

With the presidential primaries looming, we're hearing more about health care initiatives designed to control costs and improve patient care, including proposals to expand Medicare. As an HR practitioner with more than 35 years of experience in benefits design, I often wonder if there's an easier way to administer health insurance in the U.S. But Medicare-for-all is not the answer to the country's health care challenges.

### THE LAND OF EMPLOYER PLANS

From HMOs to PPOs to high-deductible insurance, the U.S. has long been the land of employer-sponsored plans. Given the wide variety of plan designs, and differences in the ways states regulate insurance, will the U.S. ever be able to unite behind a single public plan? I don't think so. Something so complicated would take years (or even decades) to debate, let alone implement.

But it would be a mistake to trade away the many advantages that come with employer-sponsored plans.

For businesses, these plans provide flexibility to tailor coverage and benefits to a particular employee population and its needs—a hallmark of the U.S. health care model. To make sound choices about benefits that resonate with their distinct employee groups, employers receive information from insurance carriers about plan utilization. Moving to a

that businesses and workers rely on under the U.S. model.

### THE VALUE OF HEALTH BENEFITS

For job candidates and current employees alike, health benefits and salary rank as the most important pieces of an employer's total rewards package. Employees generally like their employer-sponsored health insurance plans because they're less expensive than those that workers could get on the open market. (When given the opportunity to participate in employer-sponsored health insurance, more than 80 percent of employees typically enroll.)

Employer-sponsored health plans provide workers with access to more physicians, hospital services and durable medical equipment than Medicare does. A reduction in these benefits or an increase in costs would create financial stress for many.


Employer plans also create a "one-stop shop" for workers. Premiums are conveniently paid through automatic paycheck deductions. And human resources departments and benefits specialists stand ready to provide direction and answer questions.

### MEDICARE'S SHORTCOMINGS

Part of my concern about a government-sponsored Medicare-for-all-type of

in their retirement years. The system can be complex and frustrating.

I've seen my parents and other retirees add supplemental Medi-gap insurance to their Medicare plan to cover things like crutches and walkers—benefits they were accustomed to receiving in their employer-sponsored plans prior to retirement. And frequently, as people age and require more medical services, they need to add a pharmacy plan or increase coverage in Medicare Part D, the optional Medicare prescription drug benefit.

The Medicare system can also be a bureaucratic puzzle, where care is granted for some and denied for others. Appeals can be costly and potentially detrimental to one's health. Ultimately, all of this will reduce access to health care and could discourage Americans from seeking medical attention until the situation is dire. And I can only imagine the new taxes we would have to pay to expand Medicare. I prefer to stay the course with employer-sponsored plans. 

Brenda Rushforth, SHRM-SCP, is chief human resources officer at Pomona College in Claremont, Calif., a member of the SHRM Advocacy Team and Chair of Legislative Affairs for PIHRA (Professionals in Human Resources).

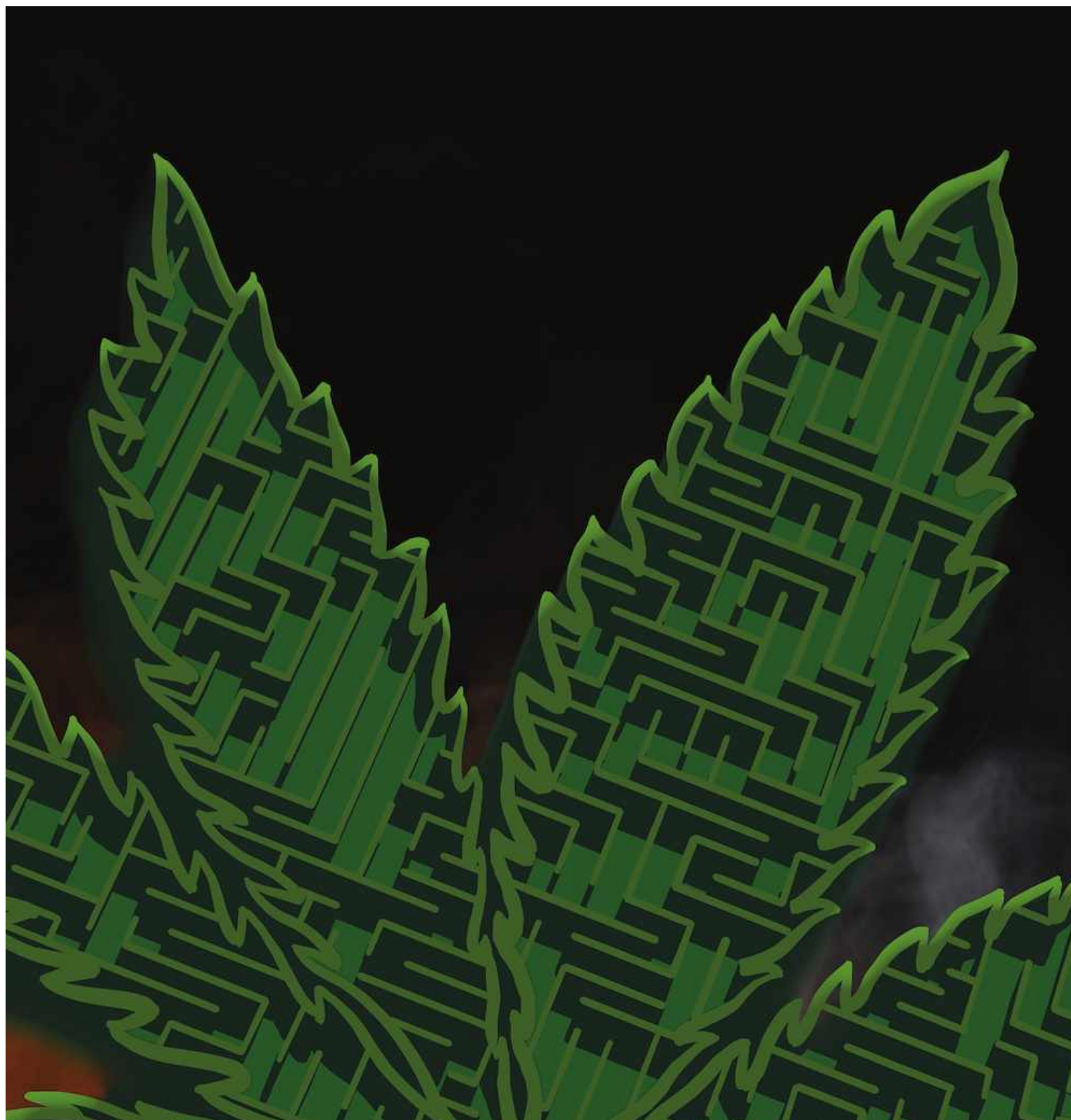


one-size-fits-all public plan would remove the creativity and flexibility

plan stems from watching my parents navigate Medicare



Association, SHRM's largest affiliate chapter).







# The Cannabis Conundrum

Rapidly changing  
state marijuana  
laws have created a

# haze of confusion for concerned employers.

By Tamara Lytle

Illustrations by Benjamin Marra

FALL 2019 HR MAGAZINE 29

THE CANNABIS



annabis has long been heralded for its calming properties. But lately it's having quite the opposite effect on HR professionals, as they navigate the myriad state laws and court cases affecting the controversial substance to create drug-testing policies and procedures.

Possession or use of marijuana remains illegal under federal law. But state laws are changing at a dizzying speed, including some that now limit a company's ability to fire an employee for failing a drug test. Courts have begun siding with workers who say their

climate and what an employer can and cannot do with regard to marijuana and the workplace. It's changing extremely fast."

Californians voted to legalize medical marijuana in 1996. Now at least 33 states have a comprehensive med-

by the increasing number of people failing marijuana tests, especially in states where recreational use is legal. Barry Sample, Ph.D., director of science and technology for the employer solutions division of Quest Diagnostics, says the rate of positive tests has



off-duty use of cannabis for medical reasons led to their unfair dismissal. Recent court cases have left employers facing discrimination charges for taking action against workers who flunk marijuana tests. Nevada in June limited rejecting job applicants for failing a test. Even cities are getting into the act, with the New York City Council voting in April to ban marijuana testing for job applicants (with exceptions for such jobs as public-safety workers).

State laws aside, experts agree that employers have a right to implement drug-free workplace policies.

"From a legal perspective, it's fascinating," says Lauraine Bifulco, president and CEO of Vantaggio HR Ltd., a human resources consulting firm in Orange County, Calif. "From an HR perspective, it's, 'Oh my gosh, could you do anything to make my life more complicated?' Every day we turn around and find out there's a state or city that legalizes some form of marijuana use. The challenge for HR is keeping up to speed with the current

ical marijuana program. Colorado and Washington legalized cannabis for recreational use in 2012; nine other states, and Washington, D.C., followed suit.

"There has been a significant cultural and political shift with regard to how most Americans approach [marijuana] use," says Paul Armentano, deputy director of NORML, a group that advocates national legalization of cannabis.

About 66 percent of Americans favor legalizing marijuana—the highest measure in 50 years of polling—according to Gallup.

About 24 million Americans ages 12 and older are current users of marijuana, according to a 2016 Substance Abuse and Mental Health Services Administration survey. The numbers have increased mostly due to more marijuana use by adults 26 and older.

The widespread use is evidenced

increased 35 percent since 2010 in places where marijuana is illegal and has risen even faster in states where it's legal—in those areas it jumped 71 percent during that period. (Although the rates are increasing, the percentage who flunk in the general workforce was just 2.8 percent nationwide last year, according to Sample.)

## WHOM TO TEST?

Some employees fall under federal regulations that require testing for marijuana and other substances. Workers covered by Department of Transportation rules, such as trucking, mass transit, and airline and rail workers, must be screened for drug and alcohol use if they're in safety-sensitive jobs.

Testing can provide benefits by removing those under the influence who may pose safety risks or hurt produc-



**QUIZ: HOW DO MARIJUANA LAWS AFFECT THE WORKPLACE? [SHRM.ORG/MARIJUANAQUIZ](http://SHRM.ORG/MARIJUANAQUIZ)**

tivity. Individuals who test positive for marijuana have 55 percent more industrial accidents, according to a study published by C. Zwerling, J. Ryan and E.J. Orav in *JAMA: The Journal of the American Medical Association*, as well as 85 percent more injuries and 75 percent more absenteeism.

The National Academies of Sciences, Engineering and Medicine found substantial evidence that marijuana use increases the risk of motor vehicle crashes but insufficient evidence to say whether it causes more occupational injuries and accidents. However, Curtis Graves, an attorney with the Employers Council, which represents 4,000 companies in Colorado and nearby states, says the impact of legalization hasn't been what was feared.

## THE ABCS OF THC

Testing for marijuana is different from testing for alcohol, creating complications for HR. There's no consensus over just how much THC—the drug's psychoactive component—means a person is impaired. With alcohol, "impairment" is more clearly defined. Federal rules set .04 percent blood alcohol readings as a violation for workers in jobs such as driving trucks or forklifts. Sample adds that private companies generally use a range somewhere between .02 and .04 percent.

Alcohol is burned off at a rate of about one drink per hour, though the comparable rate for marijuana varies dramatically, based on factors like whether the person is a casual smoker or a heavy user. Those in the latter group may test

tests," Armentano says. Instead, companies should look for tests that measure performance impairment—some of which specifically target marijuana's impact on qualities such as short-term memory. "That's the direction things are going," he says.

Bifulco says companies need to figure out whether they care if an employee used marijuana on the weekend and then came to work sober but failed a drug test. Her clients are saying, "Don't come to work impaired. But if you do marijuana on your own personal time, as an employer I'm not going to make myself crazy figuring that out." Her company has never used pre-employment tests for marijuana because they don't necessarily show recent use, she says.



"It was a bit of panic when we got recreational marijuana for sale, but it hasn't been much of an impact," Graves says. "It's like alcohol. It's not like a bunch of people are coming to work stoned."

Armentano says he doesn't see legalized marijuana stoking trouble in the workplace. "Most of these people use cannabis responsibly and hold jobs and go to work like everyone else," he says.

positive for a month or more after use.

"What companies really wrestle with is the quality of the drug test and what [the results] mean," says Eric B. Meyer, an employment lawyer at FisherBroyles in Philadelphia. "Just because a drug test comes back and is positive for THC," he says, "doesn't mean the individual was high at the time of the test."

"We need to get away from this fixation on using drug tests as detection

## THE HIRING SQUEEZE

**T**he labor market is further complicating employers' decisions. They're weighing the upside of drug testing against the downside of losing talented people who can't pass those tests.

It's the employers who are inhaling now—holding their breath and hoping their best employees and candidates can pass a drug test, Graves says.

## WHAT DOES THE LAW SAY?

Marijuana is still illegal under federal law

State laws vary. Illinois recently became the 11th state to allow recreational use of marijuana. And 33 states allow marijuana for medical use.

Nevada and the city of New York have passed laws on pre-employment marijuana testing.

Other states also bar turning away potential employees based solely on a positive cannabis test if the individuals are eligible for medical marijuana.

Regardless of state law, federal rules require substance testing, including for marijuana, of certain employees such as truck drivers. Companies with federal contracts and grants, as well as federal agencies, must have a drug use policy that's enforced.

CBD (cannabidiol) products are increasingly popular. They're not supposed to contain much THC—which is what gives marijuana users the high—but since they're not well-regulated, they can be contaminated with THC and cause false-positive tests. —T.L.



### THE CANNABIS CONUNDRUM

Many companies have dropped pre-employment testing because it hurts their ability to compete in the labor market, Meyer says. He tells clients: "Think long and hard about, 'What good reason do I have to drug test?'"

Delaney McKinley, senior director of government affairs and membership at the trade group Michigan Manufacturers Association, says the companies she hears from among the group's 1,700 members struggle because they want

were losing too many otherwise qualified candidates," says Richard Broome, the company's executive vice president of communications and government relations. "We still screen for marijuana if we have reason to believe an employee is under the influence at work."

Apple used to test all prospective employees but now tests only those applying for jobs with safety risks, according to a spokesperson. The company still forbids employees from being under the

to cut things," points out Bea Rodriguez, HR manager for Bravo, a Commerce, Calif.-based manufacturer of secondary containment systems for fuel handling. Last year, a manufacturing worker was in an accident and turned out to be under the influence of marijuana, she says.

"You don't want anyone to suffer an accident because they were under the influence," she adds. "[Testing] is too important for manufacturing."

Rodriguez spoke a day after finding a



to ensure their workplaces are safe, but they're also desperate to find workers.

Chris Beckage, senior vice president for North America at Acara Solutions Inc., a Buffalo, N.Y.-based staffing agency, says more companies he works with are dropping marijuana testing, especially for light assembly jobs not directly tied to safety. One electronics manufacturer, for instance, had 40 production openings before it dropped the marijuana test and filled the slots. Six months later, a worker was fired for using and distributing cannabis on the job. Still, the company kept the no-testing policy. Many companies that don't test believe that helps them fill jobs and meet production goals, he says.

Last year, Caesars Entertainment stopped marijuana screening for prospective employees. "We believed we

influence of alcohol or drugs while performing their jobs and tests employees if there's an accident at work that requires an investigation by the Occupational Safety and Health Administration.

A range of employers with higher-than-average turnover rates, including hospitality and construction, have stopped all drug testing, including for marijuana, because it inhibited their ability to attract enough job applicants to stay in business. "If we had to turn away every applicant who tested positive for marijuana, we'd lose 80 percent of our potential hires," says the talent acquisition director at a national fast-food chain who requested anonymity.

But manufacturers sometimes see the testing differently from companies that have dropped it. "It's safer if you're using a computer than if you're using a knife

candidate with just the right skills and ability to get along with colleagues for a job in sanding and grinding. But after being asked to take a drug test, he became unreachable. "We spend a lot of time interviewing and making sure the candidates are a good fit," she says. "It's disappointing ... when they don't show up for the drug screen or for the job."

Some companies adopted "second-chance" policies, where employees who test positive are sent for treatment instead of fired, McKinley says, "partially for compassion, partially for business reasons—we need to fill these jobs."

Peter Cappelli, head of the Center for Human Resources at The Wharton School at the University of Pennsylvania, says many companies are dropping testing but don't want to talk about it publicly. "They don't want to be seen

## LIFE ON THE INSIDE

By Theresa Agovino

Like other HR professionals, Holly Hodgman examines resumes and cover letters to learn about candidates' experience and skills. She's also looking for signals that her brethren likely don't consider: Are people just applying because they think work is going to be one big party?

Hodgman is an HR generalist at Garden Remedies, a Concord, Mass.-based cannabis company, and one of

her responsibilities is smoking out applicants who expect the workplace to resemble a scene from "Dazed and Confused."

"There are people who think they're going to be high all day," she says.

It's just one of the challenges faced by HR in the cannabis industry. Finding talent and vendors, including banks, can be difficult, as there's a stigma that comes with producing a product that's still illegal under federal law. Jobs often require employees to work long hours



Workers at cannabis companies such as Garden Remedies generally earn salaries lower than those in other industries.

in a heavily regulated field for salaries that are less than they could earn at mainstream companies. On top of that, many applicants have unrealistic salary expectations based on

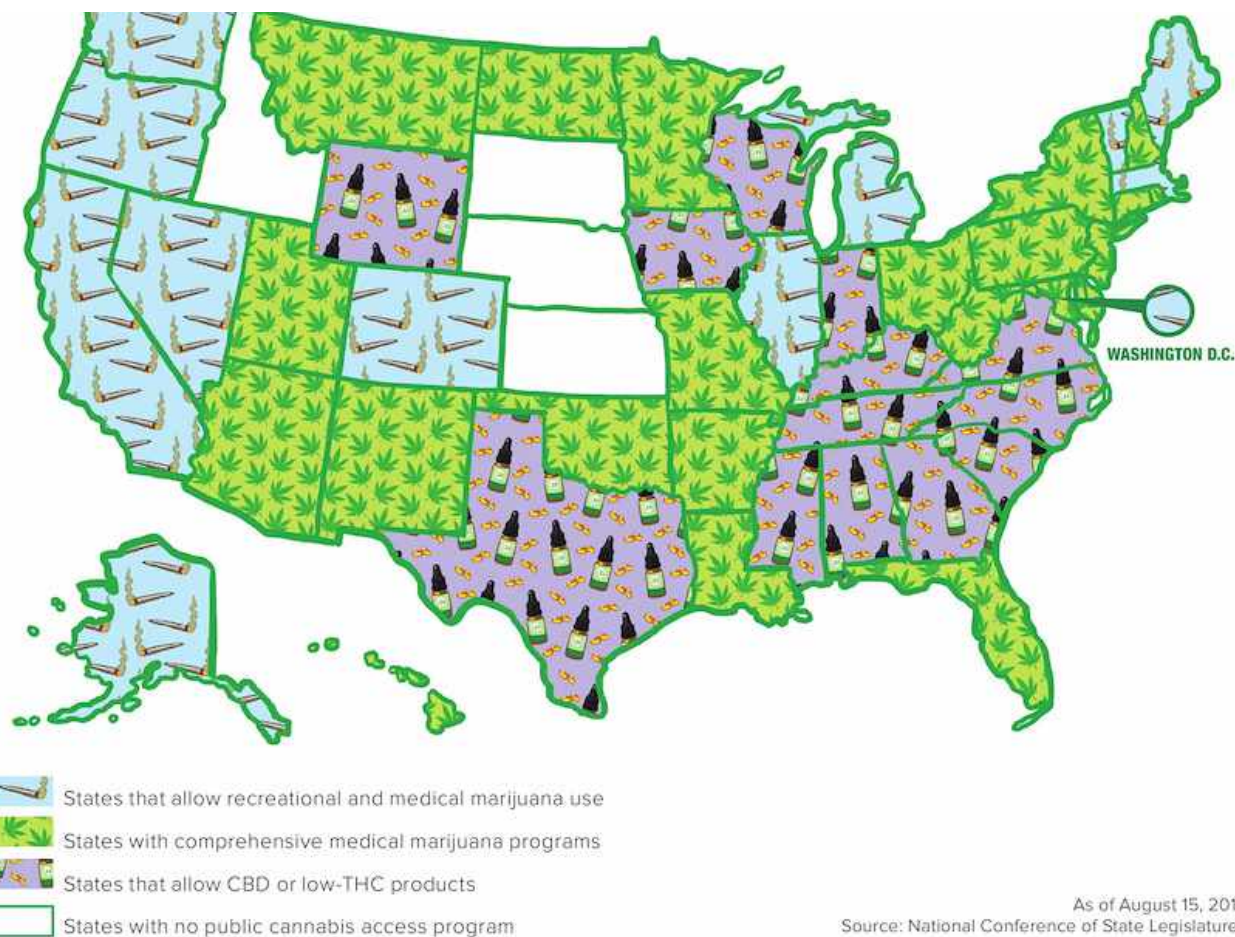
hearing tales of investments pouring into the industry as marijuana becomes legal in more states.

Hodgman says an IT executive who was excited about

## MARIJUANA LAWS, STATE BY STATE







being part of a new industry agreed to take an entry-level grower's job even though the \$16-an-hour rate required him to take a substantial pay cut. The allure disappeared after a few months when he didn't get a huge raise. "He thought we were all millionaires," she recalls.

Cannabis company employees typically receive discounts on their employer's products, though everyone is expected to be sober while at work. Salaries are generally lower than those in other industries, as many owners

invest in nonsalary elements of the business, according to Samantha Ford, senior vice president of business development for cannabis at Protis Global, a Miami-based executive search firm. But she adds that owners can also become intoxicated by the industry hype. "They think people should want to work in cannabis," she says.

Shanon Farney, vice president of people at Coliva, took a 40 percent pay cut to work at the San Jose, Calif.-based cannabis company because she wanted to enter

a new, expanding field that's changing the American landscape. Farney says she's been working at a breakneck pace as she tackles multiple tasks, including establishing HR and compliance policies and procedures. "We're in the toddler phase," she says of the 4-year-old company. "There's a lack of process and structure."

Finding vendors, including health insurance companies and parking garages, has also demanded significant portions of Farney's time, along with hiring staff. Competing with companies like Google for

talent has been a struggle, as has hiring individuals for the finance department. The accounting rules governing cannabis aren't the same as those in other industries. On top of that, much of the business is conducted in cash, because many banks shun cannabis companies to avoid attracting attention for financing a federally illegal product.

"It can be maddening," Farney says. "But you're making a difference in people's lives."

Theresa Agovino is the workplace editor for SHRM.



## CANNABIS OIL COMPLICATES TESTING

By Allen Smith, J.D.

The growing popularity of cannabis oil is leading to more positive tests for tetrahydrocannabinol (THC), the psychoactive component in marijuana. But what exactly is cannabis oil? Can workers get high from it? Is it illegal?

Cannabis oil refers to concentrated extracts from cannabis and could be pure THC, pure cannabidiol (CBD) oil, or a combination of these and other chemicals, says Sara Jane Ward, Ph.D., a professor of pharmacology with the Lewis Katz School of Medicine at Temple University in Philadelphia.

People who use cannabis oil or CBD oil sometimes have disabilities, and their use of the product is understandable: to reduce pain or anxiety, help with sleep, treat tremors or symptoms of epilepsy, and alleviate multiple sclerosis symptoms, for example.

"There's no high from CBD oil made only from CBD," says Amy Epstein Gluck, an attorney with FisherBroyles in Washington, D.C.

A product labeled as hemp-derived CBD is extracted from the hemp variety of cannabis, which is typically low in THC. CBD can be produced in a spray, lozenge or cream. These products must have less than 0.3 percent THC to be legal under federal law, but "regulation of these products is currently very loose," Ward says.

An employer might not be able to tell whether a positive

the use of cannabis oil rather than the abuse of marijuana.

If someone tests positive for THC, the employer might initiate a conversation to see if he or she can explain the test result, which could give the individual the chance to request a reasonable accommodation. Some employers may not want to have this conversation, though, for fear of going down a slippery slope: Anyone who tests positive for THC might



say he or she used only CBD oil. But there are signs when someone is impaired on the job—such as red eyes and delayed reaction times.

"Many of the CBD oils on the market are unregulated, and while a buyer may think the product has no THC or very little THC, there's no way to know for sure," says Kathryn Russo, an attorney with Jackson Lewis in Melville, N.Y. Research published by the *Journal of the American Medical Association* has shown that 43 percent of CBD oils tested contained more THC than was labeled on the bottle. "This means that a person using these products might test positive on a workplace drug test for marijuana, particularly if they're using it in large quantities on a regular basis," Russo says.

While cannabis oil can con-

including THC, hemp-derived CBD products are supposed to contain only up to 0.3 percent THC, and some contain no THC. But some products are labeled as containing less than 0.3 percent THC when they have more.

"In a product that does contain 0.3 percent THC, there's still a potential to test positive for THC, depending on the amount consumed, the frequency of use and individual metabolism of the product," Ward says. "There's also a chance that pure CBD

tests positive for THC, depending on the type of drug screen used,

but this is much less likely to happen."

Some think that CBD can be converted to THC in the body, but there has been little evidence of this, Ward says, and more research is needed.

In some cases, people use large quantities of CBD. The typical amount used is 10 to 30 milligrams a day. But the prescription CBD product Epidiolex, which is FDA-approved for treatment of childhood seizure disorders, is taken at doses of 300 to 800 milligrams per day, Ward notes.

If cannabis oil is not hemp-derived, it must be obtained with a medical cannabis card in a state with medical cannabis legislation.

If someone who's using CBD oil keeps his or her use of it private and tests positive for THC, "employers should refrain from taking action until they have a conversation with

employer might decide to make an exception to its drug policy if the person has a disability for which he or she uses CBD oil, particularly if he or she is not impaired on the job.

If someone tests positive for THC, he or she might say that the test result was caused by medical marijuana, which can be used in an oil form, or by use of CBD oil, which also might be for medical reasons. "Whether or not the employer takes an adverse employment action will depend on the applicable state law and the nature of the individual's job," Russo says.

"If an employee is taking CBD oil or cannabis oil—which often has higher concentrations of THC—in accordance with a state's medical marijuana laws, there may be some state law protections for the employee," says Sally Culley, an attorney with Rumberger, Kirk & Caldwell in Orlando, Fla. If not, employers with zero-tolerance policies are free to discipline employees for failing drug tests, even if the ingestion of THC was inadvertent.

Disciplinary action, discharge or declining to hire someone who tests positive for THC might be justified, even if the results were due to the use of cannabis oil, especially in federal jobs, federal contractor positions and safety-sensitive jobs, says James Reidy, an attorney with Sheehan Phinney in Manchester, N.H.

Allen Smith, J.D., is SHRM's manager, workplace law



test for THC was caused by

tain any range of constituents, the worker," Gluck says. An

content.

as the only place in town where stoners should apply," he says.

To be sure, a growing number of employees rely on legally obtained marijuana to treat, alleviate or counteract a range of medical conditions. For that reason and others, Cappelli doubts many companies will return to marijuana testing, because there's little evidence that it has proven useful from a business outcome standpoint.

Drug testing can be done for a variety of reasons. Some companies test randomly; some only when there's reasonable suspicion that a person is under the influence; and some after accidents, since many insurance companies require post-accident testing. The rates for those categories haven't dropped as much as for pre-employment testing, Meyer says.

Reasonable-suspicion tests often still include marijuana, Graves says. The last thing an employer wants is to test someone it believes is high and then have the test come back negative and end up with an employee lawsuit, he says.

## HERE COMES THE JUDGE

For years, courts ruled that employers could have zero-tolerance policies and fire, or not hire, based on positive marijuana tests. That has been changing, however.

For instance, in a 2017 case (*Barbuto v. Advantage Sales*), the Massachusetts Supreme Judicial Court said a registered medical marijuana patient could bring suit against her employer for dis-

**Most of these people use cannabis responsibly and hold jobs and go to work like everyone else.'**

PAUL ARMENTANO



ability discrimination after she was fired for a positive marijuana test. Employers must explore reasonable accommodations if an employee is registered for medical marijuana use to treat a condition that's covered under the state's anti-discrimination law, the court said. A federal district court decision in Connecticut last year could be a game changer, Bifulco says, because a federal (not state) court held that failing to hire an applicant with a medical marijuana card was a violation of state nondiscrimination laws.

Bifulco says some companies have dropped marijuana testing because they don't want to get sued by a medical marijuana user claiming disability. "Who wants to be a legal guinea pig?" she says.

McKinley's trade group provides reasonable-suspicion training to instruct managers on what to look for, what to document and how to handle tests. A recent Michigan case (*Braska v. Challenge Manufacturing*) that went to the state appeals court found that employers could face economic consequences. The court ruled that a medical marijuana user could be fired for failing the test but still be eligible for unemployment compensation. A federal district court judge in Arizona found that Walmart had discriminated by firing an employee who failed a drug test. She was tested and fired after being injured on the job, although she had a medical marijuana card.

The New Jersey Supreme Court recently said it will hear the case of Justin Wild, a funeral director who uses medical marijuana as part of his cancer treatment. State law says companies don't have to allow marijuana use on the job, but Wild argued that he's using it outside the workplace. The appellate court sided with Wild, saying he could sue for


## BEST PRACTICES FOR HR

- Don't tolerate marijuana use on the job, just as you wouldn't tolerate alcohol use.



- Train managers to spot signs of impairment.
- Think carefully about the type of test your company uses and stay on top of developments in the technology of testing.
- Talk to a lawyer about relevant state laws before setting policies and testing rules.
- For companies operating in different states, know that testing policies may need to vary by location.
- Educate employees about the company marijuana-use policy and the repercussions for failed tests, including random, post-accident or reasonable suspicion tests.

discrimination after being fired.

The whirlwind of changes has created a lot of confusion. "It's left employers perplexed about how to protect their businesses and their employees and stay competitive in a global economy," Delaney says. 

Tamara Lytle is a freelance writer in the Washington, D.C., area.

FALL 2019 HR MAGAZINE 35

## Advertisement

# Leveraging Benefits to Meet Employees' Evolving Expectations

From healthcare to retirement to PTO, benefits across the board are an increasingly important consideration for employees and job seekers as they evaluate employment opportunities. At the same time, employees' expectations are shifting around the types of benefits they're looking for and how those benefit elections are managed.

## The New Meaning of Comprehensive Benefits Offerings

Medical healthcare and retirement plans are no longer nice-to-have benefits – employees expect them as part of their total compensation no matter where they work. However, it's still a common misconception that small businesses can't offer the same traditional benefits as larger enterprises. The truth is, many companies with two or more employees have found that having a group healthcare plan helps stabilize, protect, and grow their workforce; and when it comes to retirement, tax benefits often help offset the cost as a portion of 401(k) plan setup expenses may be

**"To help differentiate themselves further in today's hyper-competitive job market, employers and HR managers should consider non-traditional benefits alongside more common offerings."**

programs, student loan repayment, counseling services, free meals, and tuition reimbursement.

## Embracing Modern Benefits Management

Equally important to the type of benefits businesses offer in today's tight labor market is having a benefits management process in place that drives efficiency, education, and productivity. That's especially important as many employees struggle to understand certain aspects of enrollment and participation. A

stacks of paperwork, and offer transparency in a process that many find to be extremely complicated. All of this adds up to less time HR and employees spend checking a box and more time on valuable activities that impact the bottom line of the business.

## Leveraging Technology to Simplify Benefits

The Paychex survey<sup>2</sup> of workers also found that 71 percent of employees agree that they expect employers today to provide them with a high level of employee self-service, empowering them to complete various HR tasks on their own; and 85 percent want HR applications to be simple, intuitive, and easy-to-use like the apps frequently used in their personal lives. An integrated HR solutions platform like Paychex Flex<sup>®</sup> is cloud-based and mobile-friendly so employees can quickly manage HR tasks, including benefits administration, from anywhere at any time and on any device. The system also provides administrators a view into employees' progress throughout the benefits process. With this

deducted on business taxes.

To help differentiate themselves further in today's hyper-competitive job market, employers and HR managers should consider non-traditional benefits alongside those more common offerings. According to the most recent Paychex Pulse of HR Survey<sup>1</sup>, the top non-traditional benefit is flexible scheduling. As the gig economy grows, employees are more open to other employment options if their current position doesn't offer the flexibility they desire. Other common non-traditional (or voluntary) benefits include: career development

enrollment and participation. A recent Paychex survey<sup>2</sup> of U.S. employees found they are split on the most complicated aspect of making annual benefit elections: 29 percent say it's keeping up with plan changes, 28 percent say it's trying to predict personal and family needs, and 28 percent say it's evaluating all of the providers and plan options.

Benefits management is most critical during periods of open enrollment and life events, but the landscape remains ever-changing and complex for all involved. Leveraging the right technology and service provider can streamline the process, eliminate

capability, administrators can manage benefit plan design and employee access and gather helpful insights to inform strategic decision-making about current and future benefits offerings.

By understanding the increasing importance of a comprehensive benefits package, efficient benefits administration, and employee self-service through technology solutions, HR managers should work with their benefits providers to find ways to simplify and streamline processes, helping them to save time and resources and empowering engaged employees along the way.

<sup>1</sup> <https://www.paychex.com/secure/whitepapers/hr-pulse-2019> <sup>2</sup> <https://www.paychex.com/newsroom/news-releases/us-employee-survey>



## Using Benefits to Attract and Retain Top Talent



## The competitive differentiator

A compelling benefits program has never been as important as it is now. The 2019 Paychex Pulse of HR Survey recently revealed that attracting and retaining good employees tops the list of challenges facing HR professionals.

That's why we put together the eBook, **"How HR Leaders Use Benefits to Attract and Retain Top Talent"** to help you build or refine a benefits program that provides a recruiting and retention edge.



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Alejandra Salgado Ramirez, a Cisco consulting engineer from Mexico City, shows her company spirit while at the beach in this photograph, the grand-prize winner in the company's #WeAreCisco #LoveWhereYouWork photo contest.



From recruiting to retention,  
use your company's brand to  
authentically connect with people.





# REPUTATION MATTERS

By Susan Milligan

Cisco prides itself on being a great place to work with great products to sell. Despite its status as a massive international technology conglomerate, the company's leaders want potential employees to know that it offers a hip environment, with tuition reimbursement, a "fun fund" for team activities, flexible working conditions and an onsite wellness center.

But don't just listen to HR or the C-suite. Hear Cisco's employees as they sell the company.

PHOTOGRAPH COURTESY OF CISCO

FALL 2019 HR MAGAZINE 39

## REPUTATION MATTERS

On the company's employee blog, Life at Cisco, a worker writes about doing charity work in Guatemala, thanks to a corporate program that provides five paid days off to volunteer (in addition to

program that provides five paid days on to volunteer (in addition to regular paid time off). The company also matches donations of up to \$10,000 to approved nonprofits.

On Twitter, check the hashtag #WeAreCisco to read employee testimonials.

Employees are “one, big, techie family. We like building things to change the world while having fun,” the Twitter account says. On Instagram, Facebook and blogs, it’s the workers—even more than management—who are promoting their employer to would-be hires.

“We had a perception that we were an older, stodgy technology company,” says Macy Andrews, Cisco’s senior director for global university recruiting and employer branding. “And [we’re] competing for talent against start-ups. So we started this conversation—how do we get this story out there that shows who we are, in a really authentic way that breaks through the noise of 8x10 color glossies [of the office]? Who can best tell our stories? We realized it was our own employees.”

In a tight labor market, job seekers are thinking about much more than just compensation and benefits. An employer’s brand and reputation make a big difference as candidates assess their employment options. They want to feel connected to a company, proud to work there and in sync with the company’s mission, experts say. Technology and social media have made it easier for companies to brand themselves, for better or worse, and that represents both an opportunity and a danger for HR.

It’s hard to overstate the importance of branding. “Brand is everything, and it encompasses so many things, ranging from the in-office culture to corporate social responsibility,” says Debora Roland, vice president of human resources in

Pasadena, Calif., at CareerArc, an HR recruiting software company. “It used to be, ‘How can I get a paycheck?’ Now it’s, ‘I want my life to be enjoyable. I want to be respected. I want to be challenged.’” And prospective hires will research you before they join you, she adds. That means HR departments must make sure their employer’s brand and reputation are being communicated positively and effectively on social media and elsewhere.

## BRANDING MATTERS

The numbers show the need to use employer brands in hiring: 72 percent of recruiting leaders worldwide agreed in a LinkedIn study that employer brand has a significant impact on hiring. A Beamery study found that 77 percent of leaders in more than 500 companies believed recruitment marketing was a priority.

And yes, those Glassdoor reviews, best-places-to-work lists and social media chats matter. According to a CareerArc study on the future of recruiting:

- 55 percent of job seekers who have read a negative review of a company have decided against applying for a job there.
- 1 in 3 job seekers reported having shared at least one negative review of a previous or prospective employer.

And a Talentnow study found that 55 percent of job applicants abandon applications after reading negative reviews online. Half said they would not work for a company with a bad reputation, even if it led to a pay increase.

That means HR not only needs to help build an employer brand, but, critically, it needs to get that message out to would-be hires.

## BY THE NUMBERS

Think an employer brand doesn’t affect recruitment and retention? The numbers show otherwise:



**90% OF CANDIDATES** would apply for a job when it's from an employer brand that's actively maintained.  
(CareerBuilder)



**50% OF CANDIDATES** say they wouldn't work for a company with a bad reputation—even for a pay increase.  
(LinkedIn)



Negative reputation costs companies at least **10% MORE PER HIRE**.  
(LinkedIn)







SEI Investments employees meet at the IdeaFarm, a renovated, centuries-old farmhouse on the company's 96-acre campus in Oaks, Pa., that provides a unique space designed for innovation and problem-solving. SEI's entire campus is office-free.

## WORKING AT THE FARM

SEI Investments bought the farm—literally. The company uses the IdeaFarm, an innovation space located in a renovated, centuries-old farmhouse in Oaks, Pa., to showcase its brand as an atypically eclectic and artsy financial services firm.

The entire campus is office-free. The chairman and CEO, Alfred P. West, was the first to give up a walled office, says Colleen Stratton, SEI's global leader of workforce development. Desks, chairs and filing cabinets are on wheels so people can assemble and disassemble teams easily. The floors are made of recycled tires (it's an environmental statement in addition to being safe for dropped smartphones), and the company has an "art mart," where employees can choose artwork to display in their work areas.

SEI's culture isn't for everyone, though. "It's definitely a pro, and it can sometimes be a con," Stratton says. "We've had

people come for an interview on our campus and turn around and walk right back out. But if they're not going to fit in, in our culture, it's best that they self-select out."

Like Cisco, SEI has employees who do the pitching in videos on the firm's website. Anyone interested in a career at SEI can hear those testimonials before applying. The brand—a serious financial company with a more-casual and creative vibe—is communicated through the voices of casually dressed employees, with the visage of a silo and (fake) cows behind them.

## DEVELOPING A STRONG MESSAGE

So how does HR use employer branding to recruit and retain a talented and happy workforce? The first step is to know the brand, tweak it when warranted, and make sure it's displayed in a uniform and authentic manner.

"Know your audience," advises Lindsay Pedersen, author

PHOTOGRAPH COURTESY OF SEI INVESTMENTS



**92% OF PEOPLE**

would consider changing jobs if it meant going to a company



**85% OF JOB SEEKERS**

expect most companies in their industry to have at least



**79% OF EMPLOYERS**

believe social media marketing will be the most in-demand HR skill by 2020.



with an excellent reputation.  
(Corporate Responsibility Magazine)

one social media account.  
(CareerArc)

(CareerArc)

FALL 2019 HR MAGAZINE 41

## REPUTATION MATTERS

# BRANDING TIPS FOR HR

More HR professionals are being charged with integrating their employer's brand into recruiting and retention efforts. Here's what experts advise:



**Know your brand and your target audience.** If your company prides itself on workplace flexibility, support for volunteer opportunities or a corporate commitment to social causes, make sure recruits and employees know it.

### Make branding part of the entire employment cycle.

Start with recruiting and continue through onboarding, career development and even post-employment. Long-term unemployed people are more likely to share negative company reviews on social media, but 70 percent of those who lost their jobs and were offered outplacement services say it improved their impression of their previous employer.



**Use websites and social media—a lot.** That means establishing an easily navigable company careers page, as well as Twitter, Instagram and Facebook accounts that reflect the company culture, employee benefits and perks.

**Engage employees in promoting the brand.** Feature worker testimonials in videos, company blogs and Twitter.



### Remember that Glassdoor and other job review sites matter.

More than 50 percent of job seekers used an online job site to find a new opportunity, according to a Harris poll commissioned by Glassdoor. So be ready to respond to negative reviews. Glassdoor's own research shows that 74 percent of users are more likely to apply for a job if the company answers reviews, updates its profile and shares news about the company environment.

**Survey employees regularly.** Use feedback to make sure the brand is effective and is fully understood.



of *Forging an Ironclad Brand: A Leader's Guide* (Lioncrest Publishing, 2019). "You can apply the same principle to any market, including the labor market. How can we match with [potential employees] in a truly genuine way? You can't be all things to all people. That's Rule One for marketing, including marketing to prospective employees."

And no matter whether it's the IT department or the sales division that's hiring, a company needs only one employer brand, adds Joe Shaker, president of Shaker Recruitment Marketing in Chicago. "Figure out what it's really like to work here" and then communicate it in a way that's authentic, he says. "If you put [misleading] stuff on a billboard, it makes you look good, but people will leave if that's not how it really is."

To clearly identify the brand—and where it might be weak—organizations should rely on employee feedback, from the rank-and-file up to the C-suite, experts say. Beautiful.ai, a presentation software firm in San Francisco, chooses a different person every month to lead an all-hands discussion of the company's core mission and values. "It's a good way to get a quick read on whether or not the messages are resonating and sticking with our employees," says the company's CEO, Mitch Grasso.

Grand Rounds, a Bay Area health-tech startup, surveys workers twice a year, asking them to describe the company culture in a single word. "That tells us a lot about who we are and how we're viewed," says Peter Navin, chief human resources officer. "We marry that to our aspirations, making it clear where we want to be in the next two years. Next is to be super-focused





**NEARLY 70% OF UNEMPLOYED  
JOB SEEKERS**

who were offered outplacement services say it improved their perception of their previous employer.

(CareerArc)



**51% OF JOB SEEKERS**

say their first choice for finding a new position is an online job site.

(Glassdoor)



**62% OF GLASSDOOR USERS**

say their impression of a company improved if the employer responded to a negative review.

(Glassdoor)

**42** HR MAGAZINE FALL 2019

  
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### REPUTATION MATTERS

going to market in a variety of different ways—online ads, events, recruiting campaigns, whatever it might be, to tell our story,” says Navin, co-author of *The CMO of People: Manage Employees Like Customers with an Immersive Predictable Experience That Drives Productivity and Performance* (De Gruyter, 2018).

Tech tools can help organizations anonymously collect and track feedback about the company brand. Tinypulse, for example, offers a product to send a quick, one-question survey each week to workers who can answer through an employee portal or a mobile device. Employees can also offer anonymous suggestions or give a pat on the back to a peer for a job well done. The data then goes on a company dashboard, where management can see how employees view the company brand and how it’s resonating.

That information can be used at every stage of the employment life cycle, says Monica Cruz, SHRM-CP, Tinypulse’s HR manager. “You want to make sure your employees have positive experiences at both ends of the employment cycle,” she says.



Cisco customer success managers in the company’s Raleigh, N.C., office have some fun impersonating superheroes in this photo, a winner in the Best Teams category in the company’s yearly #WeAreCisco #LoveWhereYouWork photo contest.

Beyond that, HR should determine what percentage of users become active applicants, says Lauren Smith, vice



At Enterprise Holdings, the employee experience is closely tied to the company brand. The St. Louis-based parent company of several car rental firms touts its status as one of the largest recruiters of college graduates in the country. The company, with 100,000 employees worldwide, highlights its growth and promotional opportunities for first-time job holders.

One program, Driven from Within, gives employees the chance “to change careers without changing companies,” says Shelley Roither, vice president of human resources. For example, in 2018, more than 17,000 Enterprise, National and Alamo employees were promoted or took on new challenges in various positions throughout the world, she says.

“We chose ‘Driven’ because it ties to the transportation industry and the consumer brands, and ‘from Within’ speaks to what truly differentiates us—our culture and the employees,” says Roither, noting that Enterprise’s CEO, Pam Nicholson, started in the management training program.

## TRACKING RESULTS

When marketing an employer’s brand to prospective hires, technology is an HR manager’s friend, especially when trying to assess the brand’s strength or impact. Social media engagement and traffic to a company’s career website are among the top indicators of the strength of a brand, according to LinkedIn.

president for the HR practice at Gartner, a global research and advisory firm. And, she says, “For each branding channel, it’s important to track the returns on more traditional recruiting outcomes such as time to fill and quality of hire.”

LinkedIn says a great employer can result in:

- A 28 percent reduction in an organization’s turnover.
- A 50 percent reduction in cost-of-hire.
- 50 percent more qualified applicants.
- Up to two times faster hires.

Of course, the strongest brands connect with people, and it’s often current employees who ultimately convince talent to come on board. At Belatrix Software, headquartered in Mendoza, Argentina, and with offices throughout the Americas, “Life at Belatrix” videos show the inviting office (including the “playroom,” a casual space where workers gather to play games or just socialize), along with employees talking about not just their work but about their hobbies. “We have to innovate at every moment” to connect with people, says Maria Luz Costa, director of talent acquisition.

“Ultimately, your company is built on human beings,” says Lee Rossini, vice president of marketing and executive branding manager at Limeade, an employee experience platform in Seattle. “Those human beings will be your biggest advocates or your biggest detractors.” **HR**

Susan Milligan is a freelance writer based in Washington, D.C.

PHOTOGRAPH COURTESY OF CISCO







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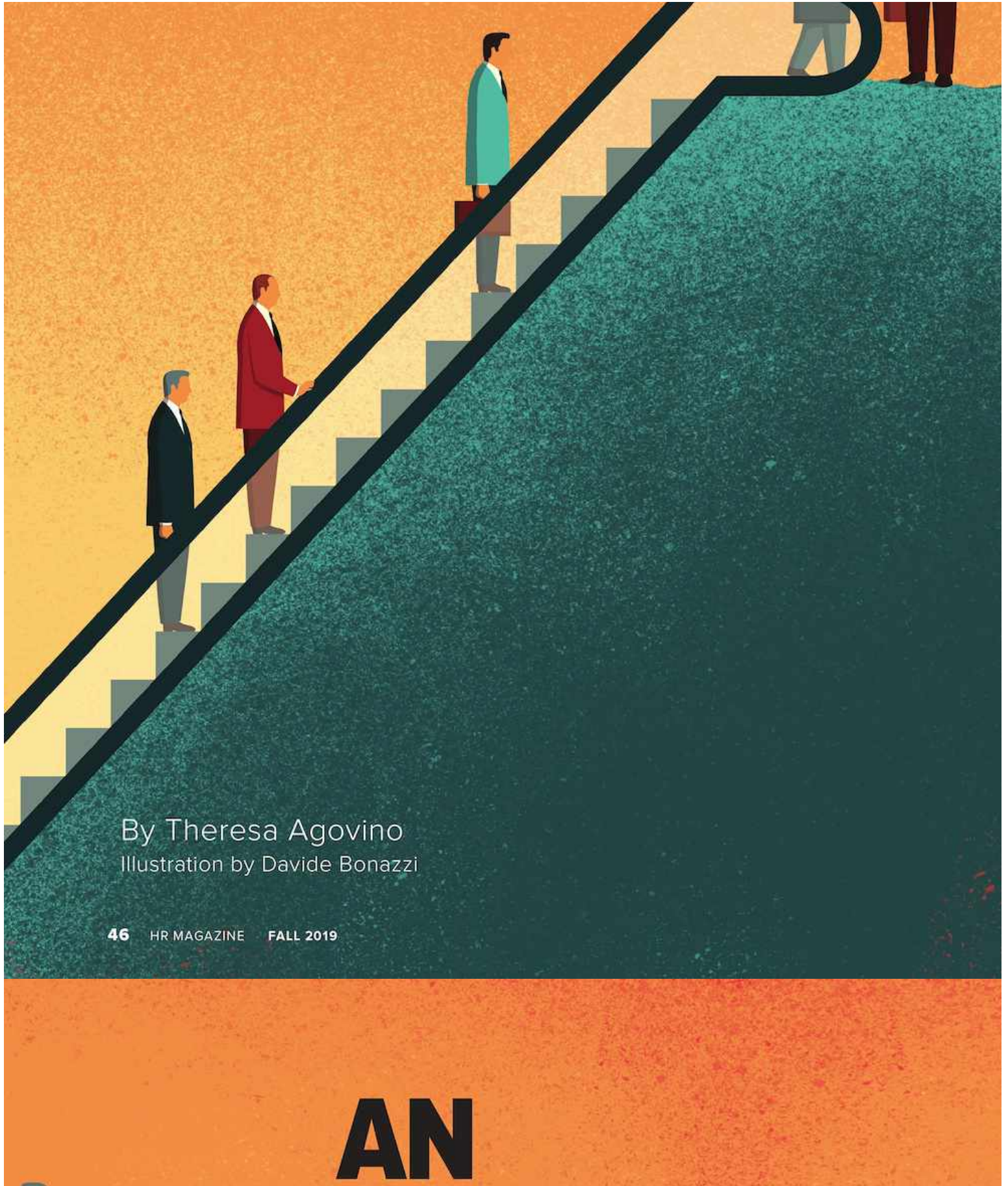


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By Theresa Agovino  
Illustration by Davide Bonazzi

46 HR MAGAZINE FALL 2019

AN





# UPHILL CLIMB

White men continue  
to dominate  
corporate America's  
hierarchy, but  
some companies  
are making efforts  
to change the  
landscape.



After nearly two years of being denied prime assignments, subjected to coarse humor, and undermined and disrespected by male colleagues in the Information Services and Technology department of UC-Berkeley, Vanessa Kaskiris had had enough.

She filed a complaint with the university, and six months later investigators issued a report. While it dismissed 11 of Kaskiris' 12 claims, the report concluded that two of her co-workers had created a gender-based hostile work environment. A few days after receiving the news in September 2016, Kaskiris met with the department's chief of staff and was told that her

Stories like Kaskiris' are becoming all too familiar in the era of #MeToo. What's also too familiar is how indifferent men can be to the struggles of women and minorities in the workforce. White men hold 68 percent of C-suite positions, compared with 19 percent for white women and 9 percent for men of color, according to the *Women in the Workplace 2018* re-

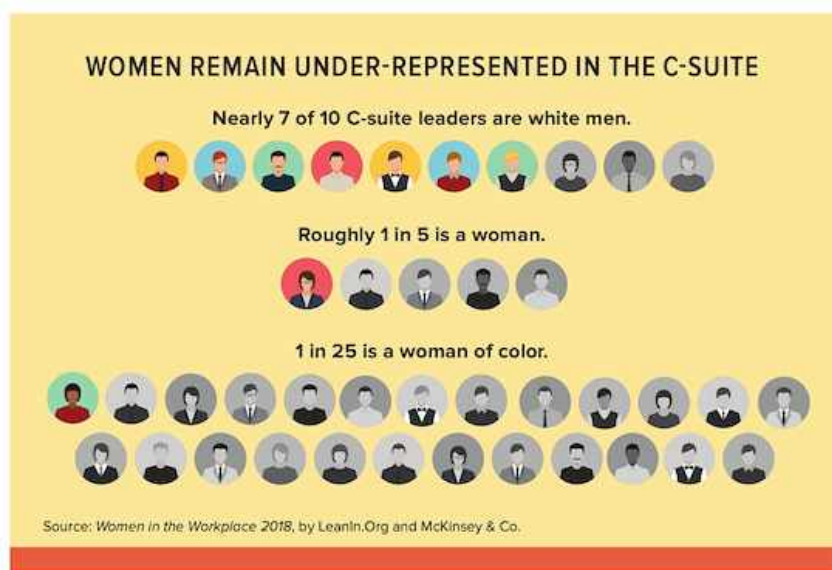
ment on improving the environment. Only two of its 11 members are male. One man refused to acknowledge that he played a role in creating the conditions in the office.

"Some men don't understand," Mattice Zunell says. "Their experience was fine and dandy."

These men don't realize how their actions can create a toxic brew—a blind spot especially prevalent in male-heavy industries such as tech. But even in firms that don't resemble a "Game of Thrones"-like environment, there aren't enough white men dedicated to populating the workplace with those that don't look like them. Only 51 percent of white men say they're committed to diversity, according to the 2018 report. While that's an improvement from 47 percent in 2017, not every signal is positive.

Sixty percent of male managers say that they're uncomfortable mentoring, working alone with or socializing with female colleagues, according to a recent national survey of U.S. adults by SurveyMonkey and LeanIn.Org. That's an increase of 14 percentage points from last year's poll.

Men's actions—particularly white men's actions—are under a microscope. This fall, the University of Kansas is offering "Angry White Male Studies," a class that will examine why some white men have become bitter and how their attitudes have been affected by the rights-based movements of women, people of color and LGBTQ individuals. Earlier this year, *Why Do So Many Incompetent Men Become Leaders? (And How to Fix It)* (Harvard Business Review) hit bookstores, along with an updated version of last year's best-seller *Boatman: Rebuilding on the*



position was being eliminated due to budget cuts.

"I thought we were discussing the finding," recalls Kaskiris, who now works elsewhere at Berkeley. Last year, she went public with her story because she didn't believe that the leadership at her former department was moving to change the dynamics that had caused the situation. Her disclosure triggered such an uproar among the staff that the department was forced to hire an outside consultant to study the culture.

"I waited. I was patient," Kaskiris says. "It was difficult to go public, but I realized my silence was only protect-

port by LeanIn.Org, a nonprofit group dedicated to fighting workplace gender bias, and consulting firm McKinsey & Co. Women of color hold just 4 percent of those posts. The figures are flat compared with 2017 numbers.

Berkeley's IT department tapped Catherine Mattice Zunell, president of Civility Partners, to improve the atmosphere. The pushback she encountered early on illustrates why creating a diverse workplace is so difficult, despite the billions of dollars that institutions spend on such initiatives.

Few men volunteered to sit on an employee council that Mattice Zunell



I realized my silence was only protect-  
ing them.”

employee coach that Marilee Zallen  
was assembling to work with manage-

best-seller *Dropout: Breaking up the  
Boys' Club of Silicon Valley* (Portfolio),

which chronicles rampant chauvinism in the tech industry. And in February, razor-maker Gillette aired a highly controversial campaign during the Super Bowl depicting men engaging in sexist behavior that encouraged them to be better.

“There’s never been a worse time to be a man,” says Tomas Chamorro-Premuzic, author of the book about incompetent men. “They perceive that their power and authority is being threatened.”

### ESTABLISHING MALE ALLIES

Diversity advocates typically want to recruit white men as allies, so there’s value in not alienating them or putting them on the defensive.

“Men hold the power in organizations in America and around the world,” says Alixandra Pollack, a vice president at Catalyst, a nonprofit group that promotes gender equality in the workplace. “Diversity can’t only be the responsibility of women and minorities.”

Some efforts are underway to vary the corporate landscape. Earlier this year, for example, Chevron Corp. pledged \$5 million to expand Catalyst’s Men Advocating Real Change (MARC) program. MARC helps men to understand the challenges women face in the workplace and to modify their behaviors to create more-equitable environments. Program participants spend a day and a half in facilitated conversations, speaking honestly about their experiences in the corporate world.



*‘Men hold the power in organizations in America and around the world. Diversity can’t only be the responsibility of women and minorities.’*

ALIXANDRA POLLACK

Men who have participated in the program say it opened their eyes to the issues women face and helped them recognize how they may have unintentionally blocked the career paths of women and minorities. Several said the program alerted them to an unconscious bias toward hiring people whose backgrounds and experiences mirror their own. In response, they’ve taken actions such as revising job descriptions to attract more diverse applicants, creating more-flexible schedules and bringing more women into their inner circles.

“What resonated with me is that I’m a leader of a large organization, and, if I don’t speak up and make changes, no one will,” says Kevin Lucke, who manages roughly 1,000 employees as vice president of supply chain for lubricants at Chevron.

Companies such as Chevron and fellow MARC booster Hilti North America have numerous programs to foster diversity in their ranks. For example, within the last couple of years Hilti started groups called OWN IT! that

are made up of employees interested in creating a more inclusive workplace. “They’re really helpful because the ideas are coming from the grass roots,” says Alison Braman, senior vice president for human resources at Hilti North America. “The ideas aren’t only relevant to them as individuals but also bring forth solutions to make the workplace better.”

Through such groups, Hilti learned that the shirts salespeople must wear didn’t come in enough sizes to accommodate many women—especially those who were pregnant, so the company changed shirt suppliers. Another idea out of the groups was establishing a diversity calendar so the company could celebrate notable dates such as Martin Luther King Jr. Day and International Women’s Day.

Hilti also trains its managers in inclusive leadership, and there was a special emphasis on bias training in a companywide, team-building event two years ago. Additionally, human resources executives regularly accompany salespeople on their calls to develop relationships with them. “Those relationships are very important,” Braman says. “They facilitate conversations.”

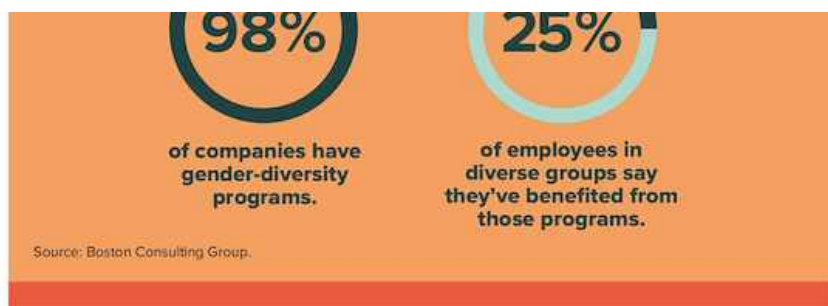
### COMING UP SHORT

Despite good intentions, most gender-

### INVESTMENT BUT NO PAYOFF







diversity policies don't work, however, according to a study by Boston Consulting Group (BCG). It found that 98 percent of companies have such policies but only a quarter of the employees that they're designed to help say the policies are beneficial.

These are expensive failures: Companies spend more than \$1 billion a year on inclusion and diversity, includ-

FALL 2019 HR MAGAZINE 49

## AN UPHILL CLIMB

ing by providing training programs, fighting lawsuits and paying settlements, estimates Matt Krentz, BCG's global leader for diversity, inclusion and leadership.

"It isn't enough just to have an inclusion program or sexual-harassment training," Krentz says. "What we haven't seen, though are starting to see, is leadership making [gender diversity] a front-line priority."

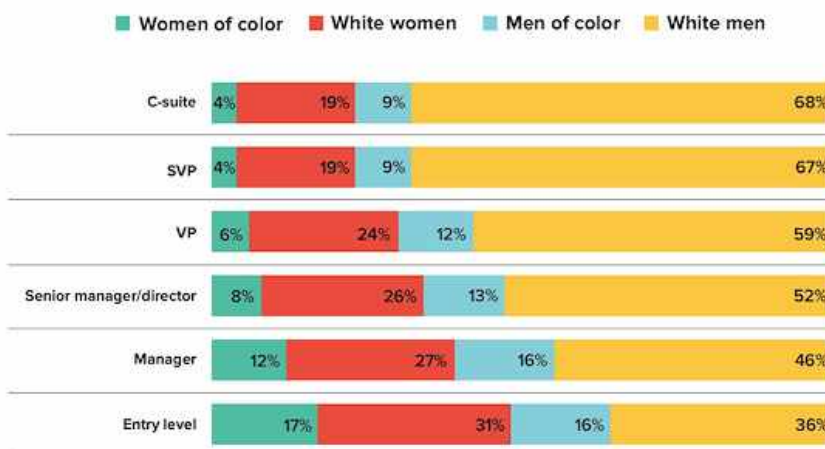
Krentz says companies must give employees the appropriate training to broaden workplace diversity. Those charged with hiring, managing and promoting people must learn how to supervise inclusive teams, spot unconscious bias and open their minds to different perspectives.

Those who benefit from the status quo don't have much incentive to change it, and transforming a culture isn't easy under the best of circumstances, says Chamorro-Premuzic,

## TIPS FOR CREATING A MORE-DIVERSE WORKFORCE

- Implement a zero-tolerance policy stipulating that any kind of discrimination or harassment will lead to an employee's dismissal.

### THE 2018 CORPORATE PIPELINE



Source: *Women in the Workplace 2018*, LeanIn.Org and McKinsey & Co.

who is also chief talent scientist at ManpowerGroup and a professor of business psychology at University College London and Columbia University.

After examining about 1,000 studies on gender, personality and leadership, as well as his own research, Chamorro-Premuzic concluded that too often companies choose managers for their confidence and charisma—traits typically more associated with men—than for their competence. He adds that clinical narcissism is almost 40 percent higher in men than in women, and those with that condition are more prone to bullying and harassment.

In today's rapidly changing corporate climate, firms need leaders who

far from ideal, they would have to concede that they're not the meritocracies they believe themselves to be.

"It's very hard for organizations to acknowledge, let alone admit, that many people who emerge as leaders—or at least a large portion of the leaders—are not effective or don't have what it takes to be effective," he says. "You're not as democratic as you think. You're not as objective as you think. You're not as unbiased."

### DIVERSITY EQUALS DOLLARS

Broadening leadership composition could bring companies significant profits. For example, the plurality of managers are white men, according to the study by McKinsey and LeanIn

- Use automated resume-screening tools to reduce bias.
  - Require that a diverse group of individuals is considered for each open position and that those making hiring decisions also represent different genders, ethnic groups, ages, sexual orientations and religions.
  - Make creating diverse teams a factor in determining managers' raises, promotions and bonuses.
  - Track the company's progress in creating a diverse workplace.
- Examine whether strategies used in departments that have succeeded in building an inclusive team can be incorporated into other units.

can think critically and who are intelligent, curious and empathetic—in other words, people with high emotional intelligence, or EQ—and these attributes are more typically found in women. Chamorro-Premuzic writes that “positive leadership styles are associated with high-EQ leaders and most female leaders, while negative leadership styles are associated with low-EQ leaders and most male leaders.”

He adds that an emphasis on emotional intelligence wouldn't benefit just women but also would boost men with those traits. The challenge is that for companies to recognize that their systems for hiring and promoting are

.Org. Poor management is one of the most common reasons people leave their jobs, and the cost of replacement is often one-third of an employee's salary or more.

Meanwhile, both gender and ethnic diversity correlate with higher profitability and value creation, according to McKinsey. The firm found that companies in the top quartile for gender diversity on executive teams were 21 percent more likely to outperform on profitability.

“The business case for hiring diversity is there, but it doesn't appear to be changing hearts and minds,” says Marianne Cooper, Ph.D., a sociologist at the VMware Women's Leadership

## IN SEARCH OF BETTER LEADERS: A Q&A WITH TOMAS CHAMORRO-PREMUZIC

*HR Magazine's Theresa Agovino spoke with Tomas Chamorro-Premuzic, author of *Why Do So Many Incompetent Men Become Leaders? (And How to Fix It)* (Harvard Business Review, 2019) and chief talent scientist at ManpowerGroup, about why men have the inside track on leadership roles even though women may be better-suited for those positions. Chamorro-Premuzic is also a professor of business psychology at University College London and at Columbia University, as well as an associate at Harvard's Entrepreneurial Finance Lab.*

### What was the reaction to the book's title?

People either hated or loved the book without reading a single page.

### Could a woman have written a book with that title?

Many of my female colleagues said, “You realize that people are only paying attention to the book because you're a man.” If people pay attention because I'm a man, so be it. I feel that I have a responsibility to write about it because I'm a man. Follow the arguments and the evidence and refute and criticize if you want, but the book is evidence-based. It is data-driven.

### How did so many incompetent men become leaders?

For most of evolution, leadership was a function of visible, physical traits. It was quite tangible. The person to lead the group and ensure its survival needed to be strong, courageous and honest. Today it's more complex. We need people who are strategic, critical thinkers, curious, intelligent, empathetic. Leadership has changed in complexity, but our approach for making inferences about leadership has not evolved. We make inferences on people we barely meet. This is why fundamentally when you ask someone what makes a good leader, they think things like confi-

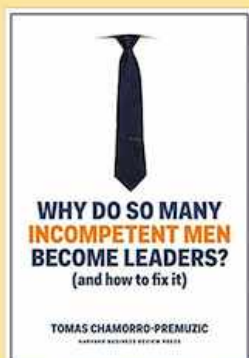




dence, charisma, likeability. This is what they can see. We need technical skills, competency, honesty—things that are harder to identify in short interactions. We have outdated systems to identify leaders.

### Do you think women are better leaders?

Most people agree that people with higher EQ (emotional intelligence), people skills, integrity, self-awareness and coachability are assets to be effective leaders or managers today. If we truly selected leaders on the basis of EQ, women would be over-represented. Feminists don't like this. They say men and women are equal, but I disagree. Evidence shows that women are more empathetic, have higher levels of agreeability, altruism, higher degrees of self-control and self-awareness, humility, coachability, and those are assets. If we don't acknowledge this, we're making it harder not only for women to get into leadership but for men with more-feminine profiles to get ahead, too.



### You say companies spend \$360 billion on leadership and management training. Why don't we have better leaders? Is spending all that money a good idea?

It's out of proportion to return on investment. A lot of the problems that are trying to be solved with training and executive coaching could have been prevented if people had been selected appropriately. We're much better at predicting behavior than changing behavior. People should spend more time, money, resources to evaluate employees and leaders before they join their companies.

FALL 2019 HR MAGAZINE 51

## AN UPHILL CLIMB

Innovation Lab at Stanford University and an author of the *Women in the Workplace* reports. "That's troubling."

### WHAT WILL LEAD COMPANIES TO DO THE RIGHT THING?

Lawsuits and bad publicity have sometimes sparked organizations to embrace change. Allegations of sexual harassment against top brass at Uber, CBS and NBC forced those companies to promise investigations into the charges and overhaul policies designed to prevent such behavior. However, Cooper notes, it's difficult for outsiders to know if anything substantial is going on beyond the public pledges.

Liz Marsh, director of strategic initiatives and chief of staff to Berkeley's chief information officer, won't discuss specifics of Kaskiris' case. She ac-



*'The business case for hiring diversity is there, but it doesn't appear to be changing hearts and minds.'*

MARIANNE COOPER, PH.D.

ers simply walk around more often, to be attuned to what's going on within the ranks.

"It feels better," Marsh says.

### HOPE FOR THE FUTURE

There are diversity drivers beyond public scandal. Chevron has been recognized for years by various organizations for promoting inclusion. The energy

organization," he says. "But we have the power to change the processes."

The Catalyst program has been so successful at Chevron that the company is replicating it for other under-represented groups in the U.S., such as the LGBTQ, black and Hispanic communities.

Avi Kahn, president and chief executive officer of Hilti North America,

knowledges, however, that Kaskiris' public pronouncements pushed the department to act.

"There became a sense of 'What the hell is going on here?'" Marsh says.

The initial staff survey found that 85 percent of those working in Berkeley's IT department were at least somewhat satisfied with their jobs. However, a large amount of the workforce perceived the environment to be negative, unfair and not inclusive. Many respondents stated, for example, that they have witnessed or experienced unfair treatment, bullying or harassment. Men and white employees were more satisfied with the environment than women and people of color.

"We hadn't been putting energy into making sure that managers knew how to manage," says Marsh, adding that there wasn't enough money for training due to university budget cuts.

That has been changing. The department held a series of talks to instruct employees on what to do if they witness harassment or bullying. Management holds quarterly meetings with staff to discuss whatever is on employees' minds. Beyond that, manag-

company adopted Catalyst's MARC program in 2016 and adapted the policies to suit its needs. Chevron's program extends beyond a day and a half meeting to having groups meet regularly throughout the year. There are also single-gender groups that are melded to form coed units for discussion.

Chevron's Lucke says the program taught him that he had an unconscious bias toward hiring people like him: men with similar work experience. After realizing that, Lucke started to rewrite job descriptions to focus less on specific types of experience and more on leadership skills. He said that broadened the candidate pool.

Lucke oversees 16 plants, and, for the first time, two are led by women. There are about a half-dozen female plant supervisors, and three women are on his leadership team of seven—up from one.


Lucke adds that he often discusses the program with his direct reports and incorporates elements into his management meetings. Two of his direct reports have chosen to participate in the voluntary program.

"Chevron is a very process-oriented

says he became committed to diversity after volunteering to attend a MARC seminar. The leader of the division for the Liechtenstein-based provider of tools and construction services recalls being shocked when every woman in the group said she had been harassed at work. He was so astonished that he called his wife to share the news and was surprised again when he learned that she'd had similar experiences.

"Maybe I'm just naïve, but I couldn't believe it," Kahn says. "Women are just so resilient. What women face is not so clear to men."

Kahn has since become one of the more than 60 Catalyst CEO Champions for Change who have pledged to promote more female leadership in their organizations. His executive team of 11 now includes two women. Additionally, seven of the company's 25 division managers are women, up from three.

Kahn says the seminars caused him to alter how he views awarding promotions. "In general, men get promoted based on future promise. Women get promoted on what they delivered," he says. "Until you understand that, you may overlook women." 

Theresa Agovino is the workplace editor for SHRM.



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19/1401







A friendly competition can spur employees to pull together as a team. Photography courtesy of Shutterstock.





7

# AFFORDABLE WAYS TO BOOST MORALE

Try these **simple, low-cost** ideas for making positive changes in your workplace.



By Joe Cantiupe

FALL 2019 HR MAGAZINE 55

## 7 AFFORDABLE WAYS TO BOOST MORALE

**Y**ou don't have to spend a lot to make a big difference in your workplace. We asked HR practitioners, via the SHRM Connect online community and LinkedIn, to share their ideas for easy, affordable ways to boost morale in the work environment.

Many of the ideas show how effective HR can be by simply helping employees relax, connect and enjoy each other's company. And the end result?

"Happy people are productive people," says Dawn Craig, SHRM-CP, director of HR and Compliance at the Clarus Benefits Group, a consulting and insurance brokerage company in Houston.

## 1 Give Employees a Voice

For some companies, boosting morale and encouraging teamwork are orchestrated parts of a specific plan to give back to the community. Other companies simply gather volunteers and go for it—they hold events with the primary aim of letting employees have fun and enjoy each other's company.

Employees at Clarus volunteer to serve on an engagement committee. In the past, they have proposed a variety of events, including collecting food for local charities, decorating the lobby for holidays and holding a Halloween costume contest.

Craig offers some advice: Don't let managers do the event planning. Let employees make the decisions. That helps employees feel listened to, she says.

Clarus employees have been receptive. And not just em-

## 2 Encourage Friendly Competition

They're energetic employees, and sometimes they need to blow off steam. So why not have a tug-of-war?

That's what Symplicity Corp. in Arlington, Va., invites its employees to do periodically throughout the year, says Mel Hennigan, SHRM-SCP, the software company's vice president of people.

About 30 employees gather in the parking lot, and the tug begins. They pull, they huff, they puff. Or they collapse in laughter. The game is a great diversion and has been a hit with employees, says Hennigan, a member of the Society for Human Resource Management Special Expertise Panel on Talent Acquisition.

Symplicity's tug-of-war isn't competitive. (Well, maybe a little bit.) Nor is it expensive: The thick, braided rope cost \$70, she says, and has been re-used numerous times.

Other inexpensive events include:

**Game nights.** Employees bring games (especially strategy-based games) to the table. Outside the office, employees join in online or Xbox games. The company provides \$30 worth of snacks and beverages.

**Guest speakers.** Once a quarter, a guest speaker is invited through a professional network. The topics, including cybersecurity and healthy living, can be work-related—or not. "The possibilities are endless," Hennigan says.

Employees also are invited to movie nights, live music events and camp-outs.

The events are orchestrated by Symplicity's "party people group," about eight to 10 volunteers who get together each February to brainstorm events for the year.

## 3 Promote Healthy Living

A San Diego hotel group relayed the importance of healthy eating to its housekeeping staff by providing nutritious snacks, including apples, frozen fruit trays, salad and healthy burritos every Friday.

The hotels partnered with a community program, Live Well @ Work, to teach about nutrition in fun, positive ways, recalls Shawn Stout-Jough, SHRM-SCP, about her former employer. She now works as a principal consultant for Strategic HR Advisory in San Diego.

The hotels didn't only give food. but food-for-thought.





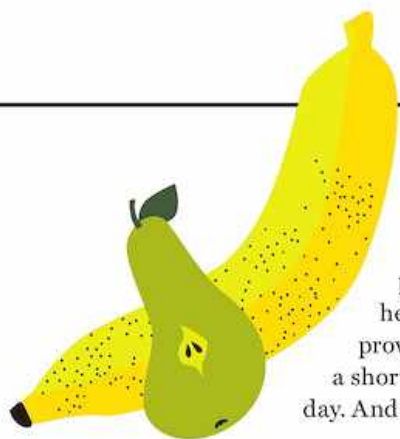


employees, she says, but clients. One client reported that such events have reduced employee turnover to 22 percent from 36 percent in six months.

They arranged to help employees understand the ins-and-outs of nutrition labels and demonstrated, for example, how much sugar is in a bottle of soda. The organization tapped community groups and the American Red Cross to provide free recipe books and pedometers. The hotels also scheduled occasional exercise sessions for some pre-work stretches.

"Fruit Fridays" was "an extremely successful program and very low-cost other than time for meetings," Stout-

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Jough says, "We've always been looking for ways to engage our employees and make them healthier. It definitely improved morale and provided a short break from the normal day. And it was fun."

## 4 Get Employees Moving

Talk about throwbacks. Scranton Gillette Communications runs a Tour de France tricycle race for employees. No, that's not a typo. *Tricycle* race.

For the past two summers, the company's HR department has rounded up donated tricycles and scheduled a

The company is big into fitness programs and cheerleads for other events, too. It runs a summer challenge encouraging employees to count their steps. HR team members keep a spreadsheet to log their steps over a four-week period, she says. Prizes are given for the most overall steps, the most improved participant and the first to reach a personal milestone, such as 50 or 75 miles.

The HR team also sponsors a "stairmageddon," calling on its 130 employees to count the number of stairs they climb in a day. The person who takes the most flights wins a gift card, Sammons says.

Other fun events include a mini-golf tournament, played in the office hallways; a Wiffle ball home run derby (scheduled to coincide with the start of baseball season); and a paper airplane contest, which has employees launching their creations into an atrium from the second floor.

It's not all about fitness, though. Employee appreciation

# 'HAPPY PEOPLE ARE PRODUCTIVE PEOPLE.'

Dawn Craig

fairly slow "race" around the office parking lot, says Emily Sammons, HR and facilities manager for the Arlington Heights, Ill., company.

As employees tackle each 50-yard race to make it to the next round of competition, their colleagues staff hydration stations, Sammons says, doling out Dixie cups of water. To top it off, the winners take home small trophies.

is also shown on Strawberry Shortcake Day and Root Beer Float Day with low-cost (if not low-calorie) treats.

Employees also enjoy no-cost activities such as designated days to wear their favorite sports team jerseys.

Each employee who participates receives a raffle ticket. At the end of the month, one employee wins a \$20 gift card and is featured in the next employee newsletter.



## 5 Communicate Clear Goals

Games and fun events can do more than just bring people together.

One of the most important things a company can do is let employees know what's ex-





A tricycle race helps Scranton Gillette Communications employees build camaraderie.

pany can do is let employees know what's expected of them. But that wasn't happening at Hi-Grade Welding and Manufacturing in Schaumburg, Ill. So the HR team sought ways to improve communication between managers and the company's 116 employees.

Changes began with the purchase of two \$500 televisions, one for the shop floor and another for the lobby. Each department's goals are displayed on the TV screens, along with numbers reflecting the amount of rejected products. The quality of work has improved (and the amount of rejected products has been reduced) since the statistics have been shared openly, says Belen Huerta, HR manager at the company that specializes in making complex machine parts. That simple change helped motivate and engage employees in a friendly competition with other departments to improve quality, she adds.

FALL 2019 HR MAGAZINE 57

#### 7 AFFORDABLE WAYS TO BOOST MORALE



Volunteering together in the community helps boost employee morale.

is good luck, we are lucky to have YOU. Thank you for everything you do every day." As an extra touch, the plant manager signed each card.

"When I walk around, I still see people that have theirs hanging up," she adds. "At the end of the day, we all just want to feel wanted and appreciated."

That's why the HR team at Clarus tries to do something special when employees are working on major projects and under a lot of stress. The HR professionals hand out small gifts along with notes expressing their thanks.

The gestures help maintain morale, Craig says, and let "employees know we appreciate all they're doing for us."

The HR team tries to introduce a little levity into their messages to lighten the workers' mental load. In the past, employees have received a bag of microwave popcorn with a note: "Bursting with excitement you're on our team!" or a Mounds candy bar with the message: "Thank you for the mounds of work you're doing!"

Other small gifts to show gratitude include:

- **Highlighters.** "You're the HIGHLIGHT of our day."
- **Fun-shaped paperclips.** "Thanks for keeping things together around here."

## 6 Help the Community

One of Symplicity's most popular events is a program coordinated by the company that enables employees to volunteer at a food kitchen in Washington, D.C. Harrison says



at a food kitchen in Washington, D.C., Hemmigan says.

Employees also take paid time off from work to read to children and participate in Earth Day cleanups, she adds.

While working for the hotel group, Stout-Jough says, she was involved in Red Nose Day, an annual charity drive in the U.S. and the United Kingdom that raises money for children in need. Red noses were sold at Walgreens for \$1 each, and the effort resulted in donations of \$5,000 in a year and a "lot of positive feedback from employees," she says. "It's such a great charity and helps children everywhere."

## 7 Say Thank You


Two years ago, Jennifer Weber, an HR assistant manager at Enertech Global LLC in Mitchell, S.D., was looking for a way to recognize the company's 116 employees.

She glued a penny to a piece of card stock and added the words, "Just like finding a penny

together around here.

- **Chewing gum.** "Your hard work BLOWS us away."
- **Mentos mints.** "We've MENTO tell you how much we appreciate you."
- **Donuts.** "We DONUT know what we'd do without great employees like you."

When the company wants to commend employees for a specific effort, Craig and her team place messages on their desks before they start the workday. The surprise gesture helps them "start their day off on a good note," she says.

"While these are small, inexpensive tokens, they really mean the world to the employees," Craig says. "It shows it doesn't take something grand to make a difference. A little goes a long way!" 

Joe Cantlupe is a freelance writer in Silver Spring, Md.



TO SHARE YOUR MORALE-BOOSTING IDEAS, JOIN THE ONLINE DISCUSSION AT [SHRM.ORG/BUDGETIDEAS](https://www.shrm.org/budgetideas)

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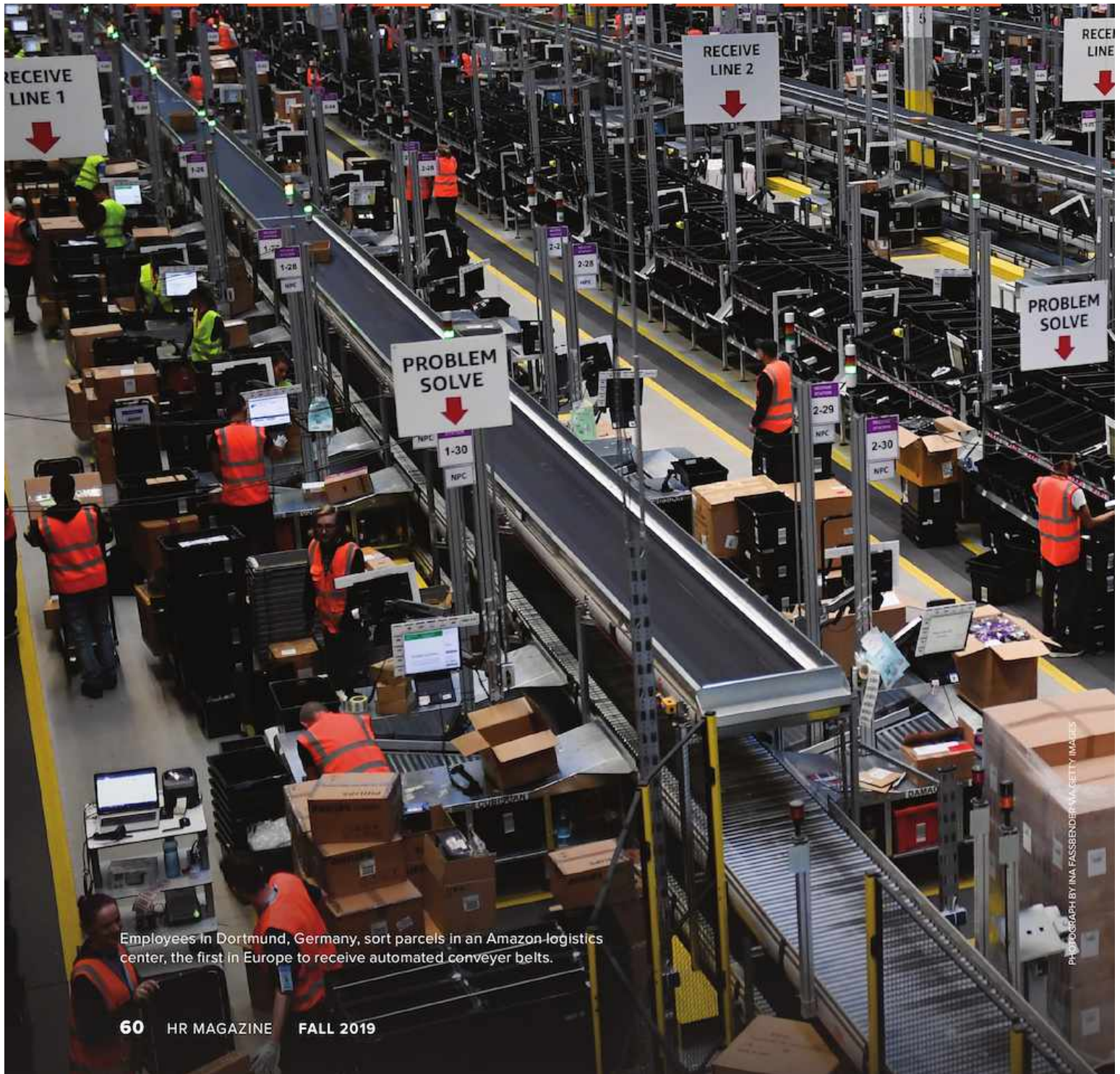


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# BRAVE NEW

# WHIRL





Employers are constantly pushing for greater productivity, and today's technology provides them greater means to measure it.



# But how much is too much?

By Mike Ramsey



FALL 2019 HR MAGAZINE 61



# A mantra is posted everywhere at Amazon's fulfillment center in Kenosha, Wis.: *Work hard. Have fun. Make history.*

Indeed, employees at the distribution hub 65 miles north of Chicago appear to be working hard—certainly maintaining a brisk pace—as they pick and pack orders near wheeled robots and display screens. A network of conveyor belts whisks sealed boxes toward cargo bays, where a worker hand-fits the boxes into trailers.

An Amazon tour “ambassador” likens this last part to Tetris, the video game in which players try to maneuver block formations into airtight stacks.

“We want to ship packages, not space,” he tells visitors.

To an outsider, the Wisconsin operation looks immaculate, efficient and even kind of fun. But the reality may well be different for Amazon workers. News reports have raised issues about the company’s blend of proprietary software, automation and human labor.

Some past and current Amazon employees have said they face unyielding pressure to “make rate” or face termination. In April, *The Verge* reported that computers can flag warehouse employees to be fired based on their individu-

ally tracked performances; Amazon insists human managers can intervene and help workers get the coaching they need.

The company’s widening footprint on U.S. commerce and its sometimes-contentious relationship with employees highlight the delicate balance that HR professionals seek in helping business leaders achieve their financial goals while also protecting the health and well-being of their employees.

“A lot of these employers that really push on productivity don’t recognize the cost of constantly replacing people,” says Pittsburgh-area consultant Bill Thomas, SHRM-SCP, managing principal of Centric Performance LLP and a member of the Society for Human Resource Management Special Expertise Panel on HR Disciplines. “If they step back to think a minute, it’s a pretty costly proposition to have that kind of churn.”

Companies typically face competitive pressures within their regions to keep working conditions and wages at acceptable standards, says Thomas, who works with industrial companies. However, in economically depressed areas, “there’s not much incen-

‘Nobody’s doing a lot of research on the psychological toll of being under that level of surveillance and that level of pressure to work quickly under threat of being fired by the computer.’

BETH GUTELIUS







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A worker picks up a storage box containing a customer's order at the Amazon.com fulfillment center in Passo Corese, Rieti, Italy.

PHOTOGRAPH BY GUILIO NAPOLITANO/BOLOBERG VIA GETTY IMAGES

tive for the employer to worry about striking a middle ground. They're going to take the approach that 'Hey, this is the best job around. Take it or leave it.'

With their focus on both business goals and the well-being of the workforce, HR professionals are in a unique position to help their organizations achieve the best outcomes.

## THE TOLL

**M**anufacturers have been scrutinizing productivity levels—and examining weak links in the chain—since the first moving assembly lines began operating more than a century ago. Before that was Frederick Taylor's system of "scientific management," which examined the components of industrial shops to quicken workflows.

Technology to monitor employees has also been around for a while. Decades ago, security guards turned keys in "watchlocks" to verify that they made their nightly rounds. For years, drivers for delivery companies such as UPS and FedEx have been tethered to barcode scanners. Today, their vehicles are rigorously tracked to make sure they're staying on course and on time.

"You don't get in the truck and figure out where you're going to go," says productivity expert Robby Slaughter, founder of AcelaWork, a consortium of business consultants based in Indianapolis. "You're told exactly where to go and when to turn via GPS. And if you're off even a tiny percentage and you can't justify it, you get in trouble."

What's new is the way Amazon compiles granular metrics about workers and subjects them to demanding computer algorithms, says Beth Gute-

## WHEN NATURE CALLS

The push for productivity may have met its match in the human bladder.

Impromptu trips to the bathroom taken outside of scheduled breaks or lunches can pose a challenge, especially in a manufacturing setting, several HR professionals agree.

The issue of closely monitored bathroom breaks has dogged e-commerce giant Amazon, which tracks the productivity of workers at an unprecedented level. Some warehouse workers in the United Kingdom resorted to relieving themselves in bottles, rather than taking the time to walk to restrooms and risk accumulating disciplinary points, according to James Bloodworth's book *Hired: Six Months Undercover in Low-Wage Britain* (Atlantic Books, 2018). Amazon has denied those allegations.

Restroom access is central to a federal lawsuit filed on behalf of a former Amazon call center employee in Winchester, Ky. Nicholas Stover said he was fired for spending too much time in the bathroom, even after he provided the company with medical documentation noting that he has Crohn's disease, an inflammatory bowel disorder.

The lawsuit alleges that Amazon, with its "unyielding and inhuman policies governing bathroom access," failed to make a reasonable accommodation for Stover, as required by the federal Americans with Disabilities Act (ADA). The complaint says an HR manager told him that if the company made an exception for Stover, it would have to do the same for everyone.

Amazon didn't respond to a request for comment on the ADA-related lawsuit.

Evan Stall, an HR manager for DRiV Incorporated, says an employer is obligated only to try to accommodate the worker with the disability.

"We have to work with them and determine if there's reasonable accommodation without undue hardship," he says.

At the Indiana auto-parts factory where Stall used to work, an employee with epilepsy was able to remain at the plant under an arrangement worked out with managers. The employee was stationed away from heavy machinery and agreed to wear a hard hat on the floor.



lius, a senior researcher at the Great Cities Institute at the University of Illinois-Chicago.

"We have to consider the physical toll and the mental toll," she says. "They're linked, but the mental toll gets much less attention. Nobody's doing a lot of research on the psychological toll of being under that level of surveillance and that level of pressure to work quickly under threat of being fired by the computer."

away from heavy machinery and agreed to wear a hard hat on the floor. The worker also took medication to offset potential seizures, he says.

Eric Emerson, SHRM-CP, HR manager for Value Added Products Cooperative, advises using common sense and flexibility. His company makes wholesale pizza crusts via a sometimes fast-paced production line.

"We're grown adults, and we know when we have to go to the bathroom and when we can hold it a little longer," Emerson says. "If you say, 'Hey, I've got to go to the bathroom,' they'll have somebody rotate into your spot for a few minutes while you run to the restroom." —M.R.

FALL 2019 HR MAGAZINE 63

## BRAVE NEW WHIRL

Gutelius thinks Amazon, which she calls the influential "first mover," is creeping toward a system of near-total automation. Workers who have a stake in that transformation should be heard, she says.

"Without any kind of input on the development of labor standards on the part of people who will actually be underneath those labor standards, I think we're going to run into trouble," she says.

Slaughter also advocates for involving employees whose lives will be changed by technology.

The Verge report about Amazon computers being able to effectively fire slower workers suggests that human supervisors are being supplanted by artificial intelligence (AI). This makes some HR professionals uneasy.

Managers play a crucial role in unlocking the full productivity of individual workers, says Gayle Troy, SHRM-SCP, former HR manager for Globe, a firefighter garment manufacturer in Pittsfield, N.H. "They have to coordinate and balance and coach and train, and they have to



**Workers 'don't want to be treated as an extension of the widget they make. They want to be looked at as somebody who has a mind and has values they can contribute.'**

BILL THOMAS, SHRM-SCP

"Otherwise," he says, "you risk disenfranchising them and disconnecting them and creating more problems for yourself."

Amazon didn't respond to requests for comment for this article, beyond offering some information about its fulfillment centers. (For example, during holiday-related peaks, a location like Kenosha is able to move more than 1 million items in a 24-hour period.)

discipline, when necessary, if people aren't meeting expectations," she says. "You have to be genuinely concerned about both your employees and the company."

### OBJECTIVE MEASURES

Steve Kraus, vice president of marketing for Boston software developer Cogito, agrees with Troy's assessment. But he maintains that AI can enhance the traditional relationship between employees and supervisors.

His company, which counts MetLife and Hu-



64 HR MAGAZINE FALL 2019

mana as clients, has developed a platform based on behavioral research that analyzes conversations between call center agents and customers. The program uses onscreen prompts to suggest ways agents can be more effective. For example, it may advise them to talk in a more empathetic way or to not interrupt the customer.

"I always cringe when I hear terms like 'monitor' and 'judge,'" says Kraus, who prefers the word "nudge" to describe the software's effects. "You're giving the agent the tools to manage that conversation like a professional. People talk a lot about empathy. You want them to be empathetic with a customer, but you don't want them to take on the customer's burden."

He says Cogito depressurizes the workplace because managers aren't looming over employees

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as much. Additionally, performance reviews are no longer based on a few recorded phone calls.

"When [employees] actually meet with their supervisors now, they're both talking about very objective, transparent data that they didn't have before," Kraus says.

There's no denying that monitoring software can help managers, says Aaron Burciaga, the Virginia-based chief technology officer for data firm Analytics2Go. He has used a program to make sure members of his team in Brazil are staying on task.

"The limitations are going to be what the market can bear—what the employees will sign up for," Burciaga says.

Beth Galetti, Amazon's senior vice president of human resources, has said it's not feasible for the employer to do things in conventional ways.

"If we're going to hire tens of thousands—or now hundreds of thousands—of people a year, we can't afford to live by manual processes and manual transactions," said Galetti, a former FedEx executive with logistical expertise, in a *Fast Company* magazine interview earlier this year.

In terms of employee benefits, Amazon last year raised the company's minimum wage to \$15 an hour. It offers onsite vocational classes at some of its facilities, including Kenosha; those classes can help

skill set to advance, he says, or they might not feel inspired in automated environments.

Companies should be upfront about the potential trajectory of employees' careers and the role that automation is expected to play in the years ahead, so that individuals can determine whether they have a future there, O'Brien says.

"I've had hourly workers say, 'How do I get ahead?'" he says. "The ideal state would be to have a culture that has a broad enough net to attract and retain people.

Those who have eyes to see the opportunity will also cooperate to try to enhance their own skills so that they can go up the food chain."

Insofar as Amazon or any company keeps employees informed about productivity, that's a good thing, industry veterans say.

Evan Stall, SHRM-CP, an HR manager for DRiV Incorporated near Detroit, says an Indiana auto-parts plant where he previously worked was equipped with





employees land jobs in other fields. In July, Amazon announced a \$700 million retraining program for one-third of its U.S. workforce as technology and automation changes the nature of many jobs. For full- and part-time employees who want out immediately, the company offers individual cash payments of up to \$5,000 to walk away, *The Atlantic* reported.

Indeed, Amazon may not be the right employer for everyone, says consultant Joe O'Brien, former HR manager for precision manufacturer Oberg Industries in Freeport, Pa. People might not have the right

## HOW TO HELP

Preventing employee burnout helps a company's bottom line, says Rob Wilson, employment expert and president of Employco USA in Westco, Ill.

One million workers skip work each day because of the physical and emotional stress of employee burnout, which is estimated to cost employers almost \$300 billion annually.

"Common job stressors include a heavy workload, intense pressure to perform at high levels, job insecurity, long work hours, excessive travel, office politics and conflicts with co-workers," Wilson says.

To help reduce employee stress and, in turn, improve health, morale and productivity, he suggests the following:

- Make sure that workloads are appropriate.
- Require managers to share information with employees regularly.
- Address inappropriate and illegal actions immediately. Don't tolerate bullying, discrimination or similar negative behaviors at work.
- Celebrate employees' successes, increasing morale and decreasing stress.
- Encourage work/life balance.
- Ensure that employees can take paid time off.
- Promote exercise, which is a proven stress reliever.
- Plan activities to give employees a reason to take a break.
- Train managers on how to keep employees engaged and motivated.



FALL 2019 HR MAGAZINE 65

BRAVE NEW WHIRL

## CHINA'S '996': GLOBAL COMPETITION?

U.S. workers may gripe about the number of hours they're expected to put in, but they have it better than some of their counterparts in China, where business leaders are openly pushing a system known as "996."

Employees at Chinese startups are expected to work from 9 a.m. to 9 p.m., six days a week, for a grand total of 72 hours. The work ethic has been endorsed by Jack Ma, co-founder of e-commerce giant Alibaba, Asia's equivalent of Amazon, and some of his entrepreneurial peers.

"I personally think that 996 is a huge blessing," Ma said in a controversial blog post earlier this year, according to a CNN report. "How do you achieve the success you want without paying extra effort and time?"

Tech workers and even state-run media in China have pushed back at the idea, saying employees could literally work themselves to death. Critics also say workers have little quality of life when they're so snowed under.

"As long as China's economy is growing as fast as it is and as long as the startups and tech are growing as fast as they are, I think it is going to stick," Fannin says. "That's pretty accepted, that's the work pace, and work is your life."

Observers agree that the Chinese model will put competitive pressure on U.S. companies and their employees, but they doubt 996 will gain traction here. For one thing, U.S. labor laws are markedly stricter. Some also challenge the assumption that extra hours guarantee success.

One thing that separates a high-performing company from the others is it doesn't focus on doing more—it focuses on better results, says consultant Bill Thomas, SHRM-



Jack Ma

Still, 996 is likely to prevail, says business journalist Rebecca Fannin, author of *Tech Titans of China* (Nicholas Brealey, 2019), which examines the cultures of these companies.

SCP, managing principal of Centric Performance.

"You can spend more time on the clock, you can do 996, but that doesn't mean the quality's going to be there or the output you need is going to be there," he says. —M.R.

electronic boards, and, in real time, the screens tallied the number of items employees had produced versus the goal for that day.

"For the people on the line, it can either be highly motivating or it can be a source of a lot of pain," Stall says. "But it is highly visual. They know exactly how it's going."

Thomas, the Pittsburgh consultant, says businesses also cannot underestimate the power of human interaction when dealing with workers.

"They don't want to be treated as an extension of the widget they make," he says. "They want to be looked at as somebody who has a mind and has values they can contribute."

#### MONEY HELPS

**A**nd then there's compensation, a no-brainer where employee motivation is concerned, experts say.

In an effort to make jobs at Value Added Products Cooperative in Alva, Okla., more attractive, the pizza-crust maker revamped its wage tiers and increased pay rates, says HR Manager Eric Emerson, SHRM-CP.

That, coupled with the revival of an annual

review system for workers, has greatly improved the company's turnover rate. It dropped from 143 percent in 2017 to 80 percent in 2018, and to about 25 percent so far in 2019, he says.

"Human resources is just customer service, and your employees are your customers," Emerson says. "You're selling them a job, though it's incumbent on you to sell them a job that they want to purchase with their labor hours. Conversely, you're their customer, so it's incumbent on them to provide you with a labor product that you want to buy."

Troy recalls that Globe, which produces about 120,000 firefighter garments annually, tracked several aspects of productivity, including quality and efficiency. These metrics drove a "layered incentive" system that financially rewarded workers for individual and group benchmarks, she says.

"We have to think 'What is good for the company?' and then 'What is good for the employee?'" Troy says. "It can be very different things, so we have to work that out together." ■

Mike Ramsey is a Chicago-based freelance writer.



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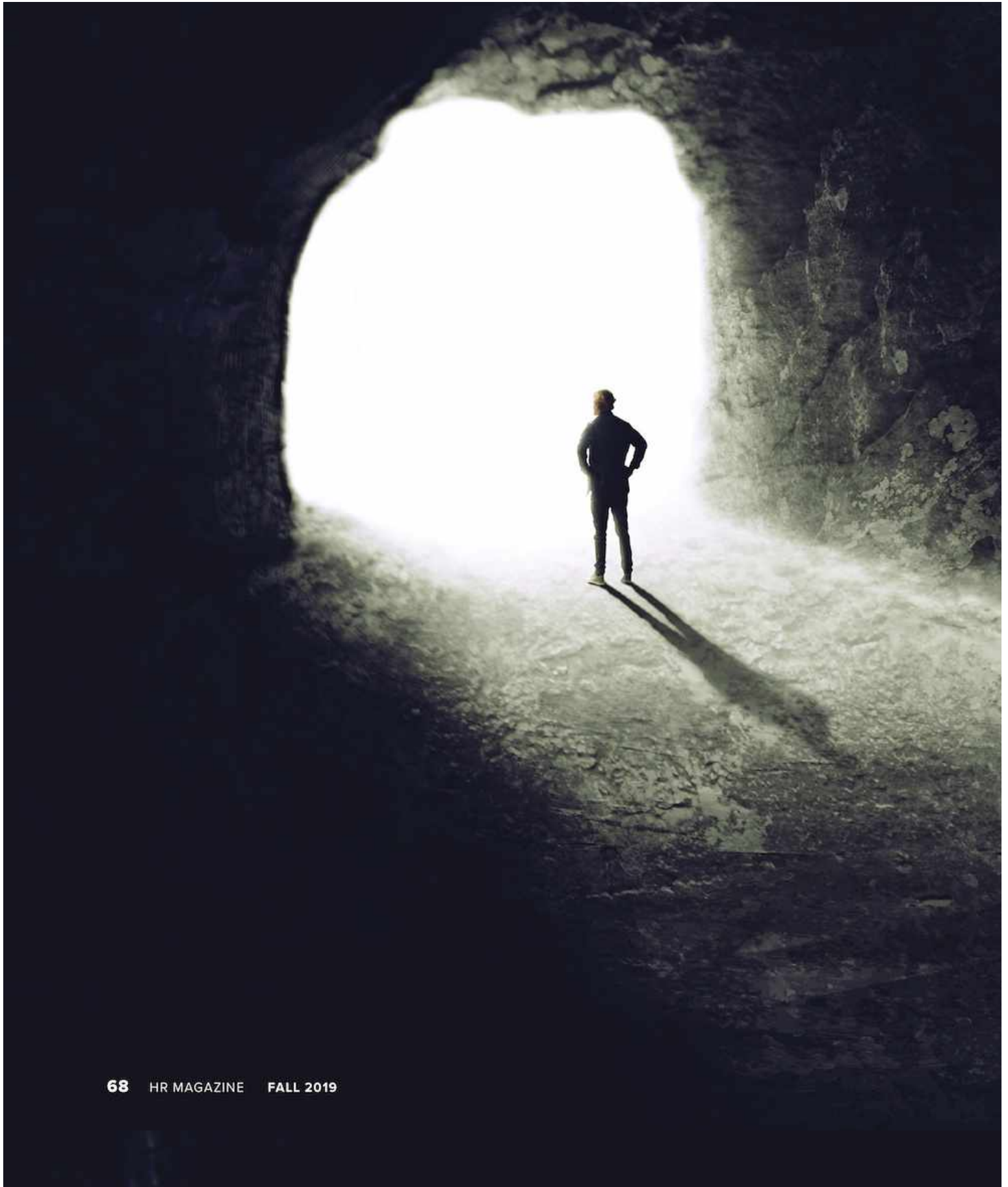
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Employers are ramping up  
their efforts to navigate  
the mental health epidemic.

# OUT OF THE DARKNESS

By Theresa Agovino

## OUT OF THE DARKNESS

Like a lot of firms, tech company Buffer has a variety of Slack channels. It's doubtful, though, that many have one that replicates Buffer's conduit for employees to discuss their mental health issues. That's where founder and chief executive Joel Gascoigne posts about his therapy appointments. Another employee shared that he was asking his doctor for an anti-anxiety medication, while a third broadcast his intent to start counseling sessions.

Buffer, a maker of social media management products whose workforce is entirely remote, prides itself on a culture of transparency, and that includes employees talking about all facets of their lives.

"It's hard to be the first to talk about mental health," says Courtney Seiter, director of people at Buffer. "To have someone like Joel say he's going to a therapist and what he's working on paves the way for someone else to say something about what they're going through."

Many companies are striving for at least some of that candor as they seek to increase awareness about mental illness and encourage more employees to seek treatment. Suicide rates nationally are climbing, workers' stress and depression levels are rising, and addiction—especially to opioids—continues to bedevil employers. Such conditions are driving up health care costs at double the rate of illnesses overall, according to Aetna Behavioral Health.

Starting workplace conversations about behavioral health is challenging. Such conditions are often seen as a personal failing rather than as a medical condition.

A firm such as Buffer likely has an easier time addressing mental health issues than other companies given its employee demographics. Its founder is 32, which is also the average age of its 87 employees. As a Millennial, he's part of a generation whose members, along with those of Generation Z, are

percent of Millennials say they're comfortable discussing their mental health issues, almost twice as many as the 32 percent of Baby Boomers who expressed such ease, according to the American Psychiatric Association (APA).

"[Younger people] just lay things out on the line," says Selvi Springer, assistant director of medical accommodations at EY, a London-based professional services firm, which started a campaign to raise awareness of mental illness last year.

EY is not alone. Johnson & Johnson (J&J), the New Brunswick, N.J.-based pharmaceutical giant; Cigna, the Bloomfield, Conn.-based health insurer; and Garmin International, an Olathe, Kan.-based tech company, are among those with specific mental health programs for their employees. Approaches differ, though tactics include bulking up mental health services and teaching managers how to spot signs of behavioral illness. Providing access to therapists through nontraditional means such as texting





accustomed to broadcasting their lives on social media. Both generations also grew up in an era when children and teens were regularly diagnosed and medicated for conditions such as attention deficit hyperactivity disorder and therefore don't have the same negative associations with mental illness as their older counterparts. In fact, 62

70 HR MAGAZINE FALL 2019



is also a popular and pragmatic strategy, since the current psychiatrist shortage can make finding a professional for in-person counseling difficult.

The Center for Workplace Mental Health at the American Psychiatric Association Foundation reports that 77 percent of counties in the U.S. don't have enough psychiatrists. Reasons for the shortage include low reimbursement rates, burnout and administrative burdens. And according to a survey by Mercer, about 75 percent of employers with workforces of 5,000 people or more say access to behavioral health care is a concern in some or all of their locations. Fifty percent of all employers say they have enhanced their employee assistance programs, while just over one-third have implemented a tele-therapy program.

### INCREASING COSTS, SUICIDE RATES DRIVE CHANGE

"Employers are getting more savvy on addressing mental health," says Darcy Gruttadaro, director of the Center for Workplace Mental Health at the American Psychiatric Association Foundation in Washington, D.C. "They understand the direct and indirect health care costs."

Mental health expenses jumped by more than 10 percent annually over five years, compared with an annual increase of 5 percent for other medical costs, according to a study conducted by Aetna Behavioral Health. Treating depression alone costs \$110 billion annually, and half of that cost is shouldered by employers. Companies spent \$2.6 billion on opioid addiction in 2016—an eightfold increase since 2004, the Kaiser Family Foundation reported last year.

Meanwhile, more people are taking their own lives. Suicide rates rose 33 percent, to 14 per 100,000 people, up from 10.5 per 100,000 people, from 1999 through 2017, the last year for which figures were available, according to the Centers for Disease Control and Prevention. One reason: Many younger workers are stressed, depressed or anxious. In fact, the proportion of workers with symptoms of depression rose 18 percent from 2014



## WORKPLACE EMPATHY IS CRITICAL



An estimated 40 million Americans are coping with some form of **anxiety**.



Untreated depression symptoms cost employers an estimated **\$44 billion a year** in lost productivity.







to 2018. Among members of Generation Z and Millennials, depression symptoms increased at an even faster rate, jumping 39 percent and 24 percent, respectively, according to New York City-based technology company Happify Health.

Most people's reluctance to discuss mental illness belies the diseases' prevalence. Nearly 1 in 5 U.S. adults experience some form of mental illness every year, the APA reports.

Such diseases cause changes in emotions, thinking or behavior that can lead to problems carrying out basic functions. Experts believe that mental illnesses are caused by genetic, social and environmental factors, or some combination of those.



80% of employees,  
HR professionals and CEOs  
say companies portray people  
**negatively** if they have a  
mental health issue.

Source: Businessolver 2019 State of Workplace Empathy Study.

FALL 2019 HR MAGAZINE 71

## TYPES OF MENTAL ILLNESS

### ANXIETY DISORDERS

Anxiety is the uneasiness that individuals feel when thinking about a future event they fear won't end well. But to be diagnosed with one of the several disorders such as a phobia, the fear must be out of proportion to the situation or age-inappropriate, while also hindering the patient's ability to function normally. Individuals suffering from anxiety disorders often try to avoid situations that trigger or worsen their symptoms, potentially risking their job performance and personal relationships. Anxiety disorders are the most common type of mental illness, affecting nearly 30 percent of adults at some point in their lives.

### MAJOR DEPRESSIVE DISORDER

This condition affects how patients feel, think and act, and it can lead to a variety of emotional and physical problems. Symptoms include a loss of interest in once-enjoyed activities; changes in appetite; dwindling energy; feelings of worthlessness; and difficulty thinking, concentrating or making decisions. Symptoms may resemble those of grief and sadness. However, depression

tiple personalities and most people with the disease are not dangerous or violent.

### POST-TRAUMATIC STRESS DISORDER

Experiencing or witnessing a traumatic event such as a natural disaster, a terrorist act, combat or a violent personal assault can lead to post-traumatic stress disorder (PTSD). Symptoms include intense, disturbing thoughts and feelings related to the experience that last long after the situation has ended. People with PTSD may feel sadness, fear or anger and may become estranged from others. Roughly 11 percent of the U.S. population will be diagnosed with PTSD in their lifetime.

### EATING DISORDERS

People with eating disorders develop disturbing eating habits and become preoccupied with their food and body weight. People with anorexia nervosa and bulimia nervosa—common eating disorders—tend to be perfectionists with low self-esteem who are extremely critical of themselves and their bodies. They usually “feel fat” and see themselves as overweight, sometimes despite life-threatening semi-starvation. Eating

Anxiety and depression are among the most common conditions.

“We want people to understand that mental illness is not a character flaw,” says Craig Kramer, a mental health awareness ambassador at J&J. “People should bring casseroles to people with mental illness just like they do for people with cancer.”

### TOUGH CONVERSATIONS

In the workplace, mental illness remains a largely taboo subject.

A majority of employees—68 percent—worry that reaching out about a mental health issue could negatively impact their job security, according to a 2019 study by Businessolver, a West Des Moines, Iowa-based health benefits administrator. Although 50 percent of employees overall (and 60 percent of Millennial employees) reported having had a mental health lapse, only one-third of those employees reached out to their employer.

The stigma may be dissipating, however, as more people share their stories.

Toms Shoes founder Blake Mycoskie was diagnosed with mild depression five years ago, a revelation he made



symptoms last at least two weeks, while grief and sadness come in waves. Depression affects about 1 in 15 adults annually, and 1 in 6 people will experience it during their life.

#### BIPOLAR DISORDERS

Bipolar disorders are brain disorders that cause "mood episodes," or extreme and intense emotional states that occur at distinct times and can cause changes in a person's behavior, energy level and ability to function. Such episodes are generally interspersed with normal moods.

#### SCHIZOPHRENIA

Schizophrenia is a chronic brain disorder that affects less than 1 percent of the U.S. population. Symptoms can include delusions, hallucinations, trouble with thinking and lack of motivation. Contrary to common perceptions, the condition does not cause a split personality or mul-

disorders most often affect women between the ages of 12 and 35.

#### ADDICTION/SUBSTANCE ABUSE

Addiction is a complex brain disease manifested by compulsive substance use despite harmful consequences. People with addiction have an intense focus on using an item such as alcohol or drugs, to the point that it takes over their lives. They often forsake school, jobs and personal relationships to fuel their habit.

Source: American Psychiatric Association.



public for the first time in June at the Society for Human Resource Management 2019 Annual Conference & Exposition. He plans to launch a self-help toolkit next year "to help people live their best lives."

"I believe you cannot take care of others until you take care of yourself," Mycoskie said at the conference.

Michael Phelps, the most decorated Olympic athlete in history, has discussed his problems with depression and is featured in an ad campaign for a text therapy company. Britain's Prince William raised his behavioral health struggles and the importance of seeking help at the World Economic Forum in Davos earlier this year. His brother, Prince Harry, is working with Oprah Winfrey on a documentary series about mental health. And last year's suicides of chef and TV host Anthony Bourdain and designer Kate Spade highlighted the need to talk about and treat such conditions before tragedy strikes.

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"We're in a moment," Kramer says, "and we can't let it pass."

#### COVERED BY THE LAW

Mental health conditions are covered under the Americans with Disabilities Act. That means employers must make reasonable accommodations for workers with such disorders to perform their responsibilities. However, employees must be willing to divulge their need for modifications.

Myriad laws protect medical privacy, and experts say individuals don't have to provide extensive details about their conditions.

"We don't need to know that you go for treatment or you're on a certain amount of drugs," says

**'I believe you cannot take care of others until you take care of yourself.'**

BLAKE MYCOSKIE



Jill Vaslow, managing director of global benefits and well-being at Cigna. "But the more we know, the more we can do."

Supervisors might think someone who's regularly late for work and misses deadlines is lazy. But when managers know that the individual is dealing with a mental health issue, they may be able to adjust the employee's schedule or allow the person to work from home, for example.

"If we don't know anything, we just know that you aren't doing your job," Vaslow says.

Companies are training their employees to be sensitive to signs of mental illness, such as noticing changes in someone's behavior. If a typically stellar employee's performance declines, supervisors might reach out to the individual to discuss the shift and remind the person of services provided by the company, such as an employee assistance program (EAP).

These aren't easy conversations to have, though employers are learning that they're necessary.

Sometimes employees get the discussions started. Kramer became a mental health awareness advocate after his daughter tried to kill herself as she struggled with an eating disorder. When he began sharing his story with colleagues, Kramer learned that many had their own experiences with behavioral health. Those discussions led to a groundswell to find ways to help employees and their families address mental health concerns.

In 2017, J&J created an employee resource group for men-

tal health that now has about 1,500 members, or "diplomats," who provide resources to educate and support colleagues coping with behavioral ailments. Many have been trained on how to spot signs of problems among their staffs and to broach the topic with those who may be hurting. This year, J&J's human resource professionals and managerial-level staff will also learn how to spot potential signals and provide help.

"Our employees came out of the woodwork to help fix the system," Kramer says.



Garmin's mostly male staff loved 'The Amazing Workbook,' which used a graphic-novel format to discuss mental health.



**WATCH HR STORYTELLERS: INVESTING IN EMPLOYEES' MENTAL HEALTH AT [SHRM.ORG/MENTALHEALTH](https://shrm.org/mentalhealth)**

FALL 2019 HR MAGAZINE 73

OUT OF THE DARKNESS

**'Employers are getting more savvy on addressing mental health. They understand the direct and indirect health care costs.'**

**DARCY GRUTTADARO**



#### **SUPPORT SYSTEMS**

Nearly five years ago, an employee at Denver-based con-

tioning correctly. They take time to get to know the workers personally, asking questions about their lives and being



struction company RK Mechanical took his own life, shocking the company and pushing it to highlight the importance of mental health to its workers.

"We chose to make it a priority," says Gretchen Meyer, vice president of human resources for the firm. Meyer notes that such discussions are especially important in the male-dominated construction industry. That's because men are typically less likely to discuss their health and feelings than women. In addition, many construction workers are former military service members who may struggle with post-traumatic stress disorder tied to their combat experiences.

RK took a multipronged approach to emphasizing the importance of mental health, including hiring two wellness counselors and promoting the use of mantherapy.org, a website that uses humor to educate men about mental health and directs them to further resources.

The company also added members to its safety team and taught them that checking for security goes beyond just physical measures such as ensuring that equipment is func-

sensitive to changes in their demeanors.

"We want the security officials engaged," Meyer says. "We want them out there saying, 'How are you today? How can I help?'"

RK schedules regular lunch discussions about mental health topics, and signs around the office remind employees about the EAP. Recently, the company added a service that allows workers to text a counselor 24 hours a day if they need to talk.


"You need different approaches," Meyer says. "You want to give people as many ways to get help as possible."

Finding the right method to deliver the message is key, as Garmin's leaders discovered. When it was preparing to launch a campaign highlighting mental health in 2016, the company found that the topic trended poorly with some employees, especially Baby Boomers, says Haley Prophet, senior well-being specialist at the firm. "They said it had a stigma," she explains.

So Garmin focused on the same issues using a banner of "resilience." For example, the staff developed "Adventures in

Resilience: The Amazing Workbook," which uses a graphic-novel format to discuss mental health. The overwhelmingly male staff loved it. Garmin also holds regular discussions on mental health topics that concentrate on the science behind the conditions. "We talk about what's physically going on in the brain and the body," Prophet says. She adds that the approach especially appeals to the company's engineers, who make up 65 percent of the workforce.

At the mental health discussions, Prophet says, some employees will get up and tell stories about their own conditions.

"We're seeing more discussions and a culture shift," she says. "People are standing up to be advocates and saying they're not ashamed to talk about mental illness." 

Theresa Agovino is the workplace editor for SHRM.

## OPENING UP

62% of Millennials say they're comfortable discussing their mental health issues, compared to 32% of Baby Boomers.



Source: American Psychiatric Association.

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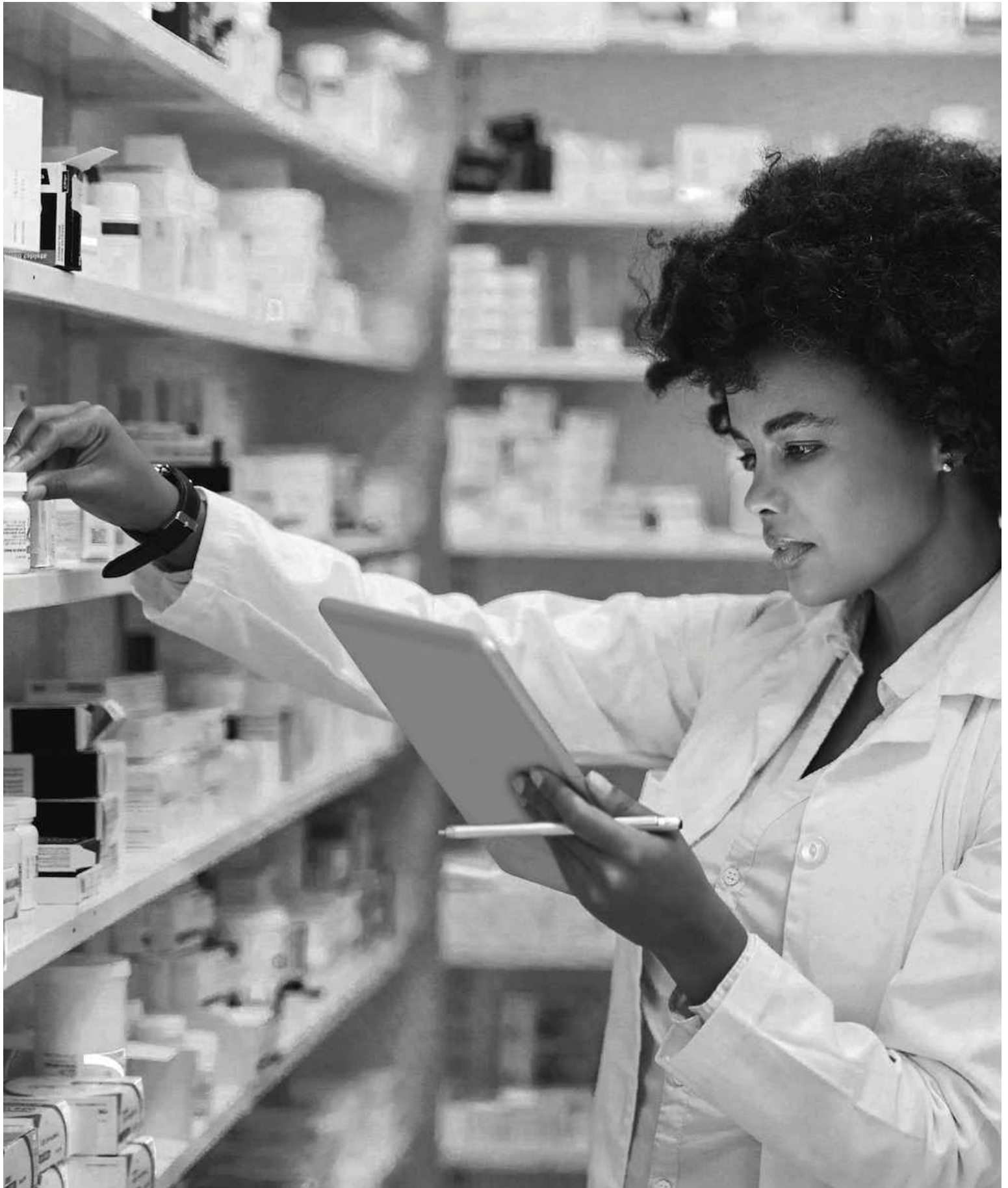


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# Rx COST CONTROL

By Ed Silverman

Companies are adopting co-pay accumulator programs to discourage employees from using high-priced prescription drugs.





## RX COST CONTROL

**M**ore than a decade ago, viewers watched with a mix of fascination and confusion as news programs showed senior citizens taking buses en masse from the U.S. to Canada so they could stock up on medicines that were becoming unaffordable back home.

Now, as prices have continued to rise, a growing number of U.S. consumers can relate, and their angst over the ability to pay for prescription drugs has become a focus of heated national debate.

Consider a few examples: Between 2002 and 2013, the typical price for a milliliter of insulin climbed 198 percent, from \$4.34 to \$12.92. List prices for older multiple sclerosis medicines increased between 2014 and 2019, even as newer treatments became available. For example, the cost of Avonex rose to \$90,035 from \$59,085 per year, while Tysabri climbed to \$83,152 from \$60,827. The annual wholesale cost for Humira, an anti-inflammatory drug dispensed via injectable pen, rose to \$67,050 this year from \$17,160 in 2007.

Meanwhile, retail pharmacy drugs amounted to 19 percent of employee insurance benefits last year, even when factoring in rebates from drug manufacturers, according to the Kaiser Family Foundation.

The most popular coping mechanism among employers has been to use a multitiered formulary, an approach devised by pharmacy benefit managers to shift some pharmaceutical costs to employees. This tactic also involves the use of techniques such as prior authorization



rose to \$17,250 this year from \$14,100 in 2007.

These are not isolated instances. Overall, U.S. spending on prescription drugs totaled \$333 billion in 2017, up from \$236 billion in 2007, according to national health expenditure data from the Centers for Medicare & Medicaid Services. Fourteen percent of those who have health insurance coverage through their employer said they had difficulty affording their medicines last year, a Kaiser Family Foundation poll reported. And the cumulative effect is placing a growing burden on employers, too.

The cost of prescription drug benefits per organization (among those with 500 or more employees) is expected to reach 6.9 percent of the price of employee health insurance plans this year, up from 6.5 percent in 2018, according to Mercer, a benefits and management consulting firm.

techniques such as requiring prior authorization for some medications and step therapy—seeing if less-expensive drugs work before allowing payment for more-expensive drugs.

For the most part, these tactics have been successful, despite some employee resentment over the persistent hurdles when purchasing prescription drugs. In general, 68 percent of those with employer insurance gave their health plan an excellent or good rating, the Kaiser Family Foundation poll found.

But in an era of rising prices, new cost-control strategies are needed. One cost-saving tactic is the co-pay accumulator. This type of program is fairly new and growing in popularity, even as some critics question how much savings it really provides to employers.

## COMPANIES EXPLORE CO-PAY ACCUMULATOR PROGRAMS

In recent years, high-profile corporations such as Walmart, PepsiCo and Home Depot have adopted co-pay accumulators, and the trend is growing.

**26%**

of employers used a co-pay accumulator program in 2018.

**3%**

planned to implement one this year.

**21%**

are considering adopting one.

Source: National Business Group on Health.

## CO-PAY CARDS

For more than a decade, drug makers have been of-

more expensive medicines," says Susan Raiola, president of Real Endpoints, an advisory and



tering co-pay cards to consumers who have private health insurance. The cards have become popular, and for good reason. They help employees obtain medicines at a lower cost and remove access barriers that may prevent adherence to treatment. The real appeal for anyone who gets a card is that the amount provided by the drug maker counts toward deductibles and out-of-pocket costs. By the time a card's limit is reached, most workers have met their out-of-pocket maximum.

In a bid to push back against the drug companies, pharmacy benefit managers recently began offering the co-pay accumulator. Simply put, co-pay accumulator programs don't count the value of co-pay assistance cards toward patient deductibles. The goal is to discourage the use of expensive medicines when cheaper or generic (and equally effective) options or treatments are available. The use of higher-priced prescription drugs increases overall health care costs for both employers and their employees.

Co-pay accumulators are "a way of getting employees to follow the formulary, and they're targeting employees who hope to have lower health expenses, especially those who regularly need

analytics firm that tracks reimbursement issues. "And it's a way for the company to keep its health care costs down."

Here's an example of how an accumulator program might work: Let's say an employee named Joe takes a brand-name medicine that costs \$20,000 a year, and, per his employer's plan, he's responsible for \$5,000 in out-of-pocket costs. Without a co-pay card, he must cover all \$5,000. But with, say, a \$3,000 co-pay card, he must pay only \$2,000 in out-of-pocket costs. If his employer uses an accumulator, however, Joe must still cover the entire out-of-pocket costs of \$5,000 once his card is used up.

"The impetus behind our accumulator program were requests, even demands, from our clients, [the employers]," says Meghan Pasicznyk, senior director for specialty market development at Express Scripts, a pharmacy ben-

Co-pay cards  
are funded  
by drug  
companies to  
help consumers  
buy medicines.



FALL 2019 HR MAGAZINE 79

#### RX COST CONTROL

efit manager and a unit of health insurer Cigna. "They wanted to know, 'Can we shut off the co-pay cards?'"

#### GROWING MOMENTUM

Accumulator programs are relatively new, so there's no reliable data yet indicating how much they may be saving employers. But the practice is gaining traction anyway.

Last year, 26 percent of corporate America had adopted an accumulator, while 3 percent said they planned to this year, and another 21 percent are considering making the move over the next couple of years, according to a survey of employers by the National Business Group on Health, a nonprofit coalition of businesses. Notably, such high-profile corporations as Walmart, PepsiCo and Home Depot have recently adopted accumulators, although none of the companies would dis-

Accumulator  
programs  
don't count the

#### THE COST OF RETAIL DRUG SPENDING



As a share of national  
health spending.

## value of co-pay cards toward deductibles.

These are generally higher-priced biologic drugs that are used to treat chronic, complex conditions such as rheumatoid arthritis, multiple sclerosis and cancer. Humira is an example. Cancer medications, in particular, are of special concern, because many newly approved drugs are being introduced at increasingly higher prices.

"During the last few years, we're seeing for the first time that what companies spend on specialty drugs is around 50 percent of their total pharmacy spending, yet these are medicines for conditions that only affect less than 2 percent of their employees or dependents," says Brian Marcotte, chief executive at the National Business Group on Health.

### SOME CAVEATS

While accumulator programs may be attractive to employers, there are some caveats.

For one, workers can find these programs financially painful and surprising. Remember, once a co-pay card is used up—which typically occurs in the third or fourth month of the year for expensive drugs—and the accumulator takes hold, the employee must shoulder the full amount of the deductible.

cuss their experiences for this article.

Accumulator programs are particularly attractive because they offer organizations the possibility of holding down spending on so-called specialty medicines.



As a share of employer insurance benefits.



As a share of employer insurance benefits after rebates.

Source: Peterson-Kaiser Health System Tracker, 2018.

80 HR MAGAZINE FALL 2019

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"Take the example of someone who had a [deductible] of \$1,000, but then their card is used up and they're suddenly [having to use] their own dollars," says AJ Ally, a pharmacy management consultant at Milliman, a global consulting and actuarial firm. "Now they get sticker shock. And they're unhappy."

This is especially true for employees who chose high-deductible health insurance plans, because they may be bearing a larger portion of prescription drug costs than they expected. As is, a growing number of workers are expressing dissatisfaction with high-deductible plans. Half of employees surveyed complained that their insurance cover-

Another option, Raiola says, is to structure an accumulator that would be spread out over a full year so that the sticker shock doesn't emerge all at once.

### POLICY ISSUES

Concerns about co-pay accumulators have heightened as their profile has increased. Last year, a few dozen groups representing patients and providers asked state insurance commissioners to investigate the growing use of accumulators. Among those groups were the American College of Rheumatology, the National Viral Hepatitis Roundtable, the AIDS Institute, the Infectious Diseases Society of America, the Patient Access Network



age has worsened in the past five years, the Kaiser poll found.

Generally, organizations have nothing to gain by making their workers anxious or resentful about their finances. And there's also the possibility of unintended consequences of high drug costs: Squeezed by medication prices, employees might choose to not fill a prescription. This lack of adherence could cause a costly downward spiral if their health suffers.

One way to cushion the blow is to forecast the effect on workers before proceeding and to educate employees, so the result is fully understood.

Foundation and the National Organization for Rare Disorders. One concern is that insurance plans are using accumulators and giving little or no notification to beneficiaries, which may mislead them about their coverage.

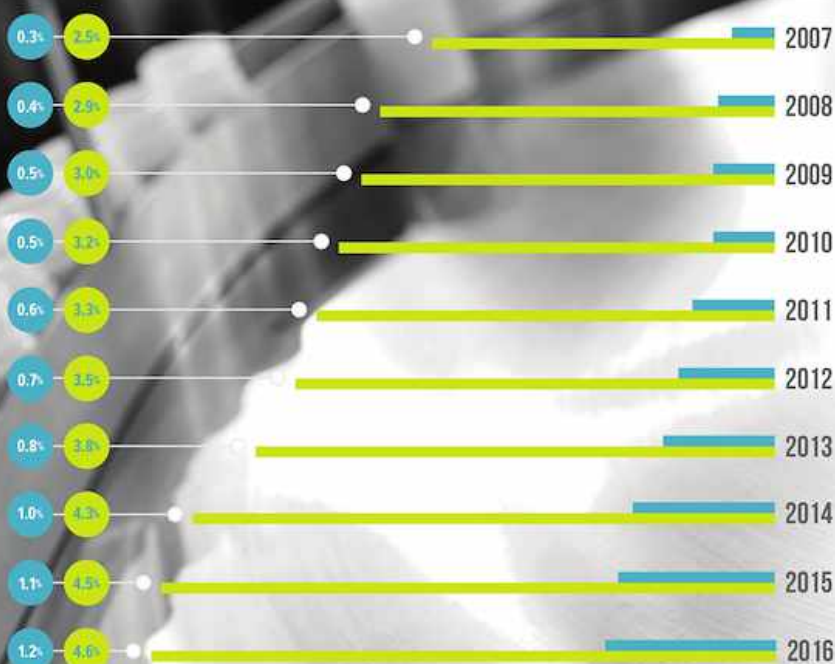
A few states have reacted. Earlier this year, Virginia and West Virginia adopted laws that preclude individual- and small-market plans from using accumulators. Other states are considering similar legislation. In Arizona, meanwhile, a new law offers a compromise: Patients can use co-pay cards if a prescribed medication's generic alternative isn't available or if a medicine is obtained



## HIGHER DRUG BILLS HIT MORE EMPLOYEES

The share of people with employer coverage who have high annual drug spending has increased in recent years.

- Drug costs of \$20,000 or more
- Drug costs of \$5,000 or more

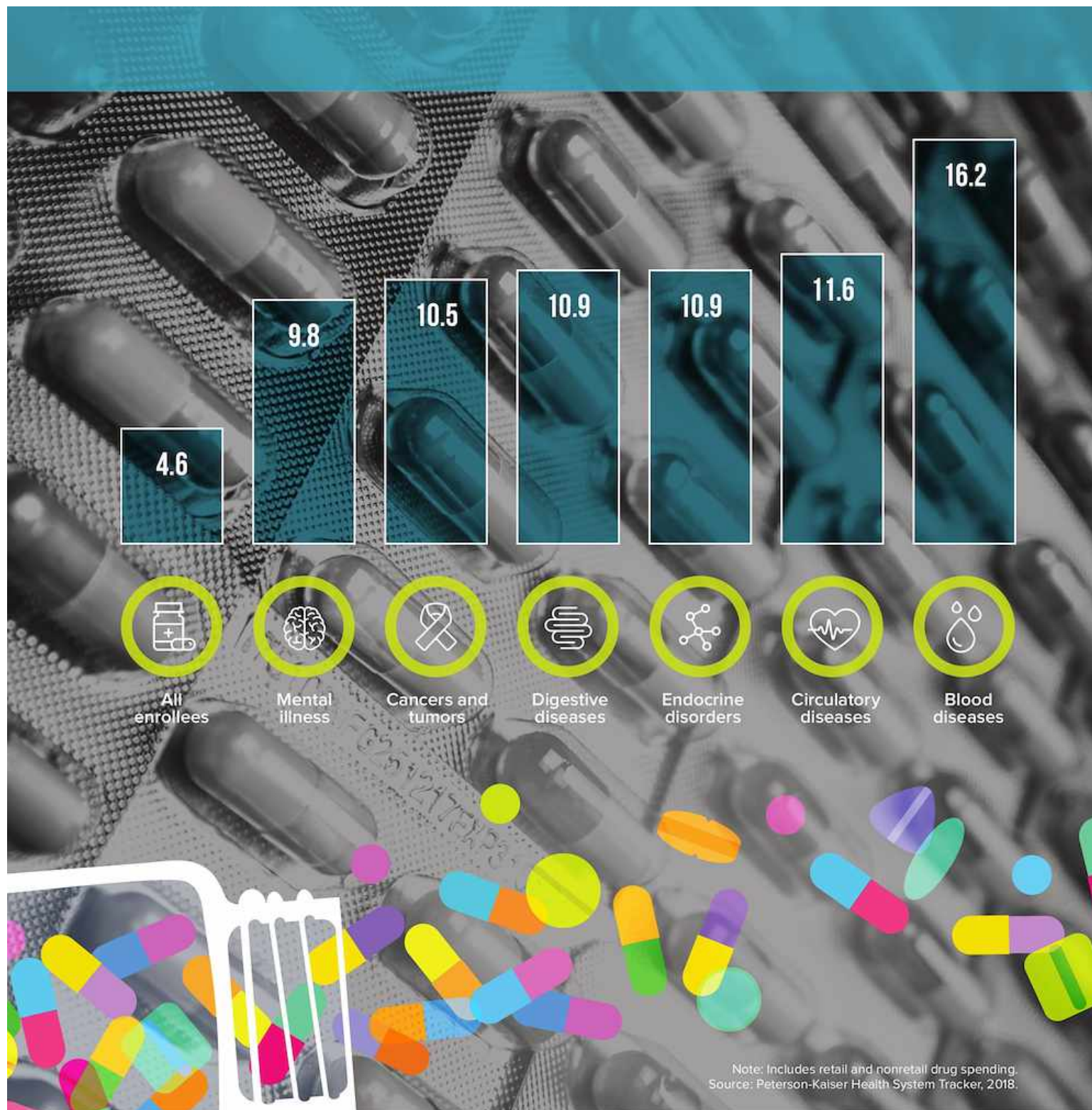


Source: Peterson-Kaiser Health System Tracker, 2018.

### RX COST CONTROL

## COSTLY AILMENTS

Percentage of people with large-employer coverage who had annual drug spending in excess of \$5,000, listed by disease, in 2016.







after the patient has undergone prior authorization to receive it.

"The end result was a compromise in which everyone made some changes we believe patients can live with and that's not a blanket prohibition of co-pay accumulator programs at all," says Nancy Barto, an Arizona state senator who sponsored the legislation. "It also still allows insurers the same coverage flexibility they use now to control costs. The [co-pay accumulator] programs can be discriminatory against the high-cost patient who can only afford their medications with assistance, who are then forced to either go without their lifesaving medication or go broke" paying their deductibles and insurance premiums.

Also this year, the Centers for Medicare & Medicaid Services issued a regulation prohibiting the use of accumulator programs for brand-name drugs when an equivalent generic is not available.

Another issue is whether employers are treating all workers equally. Companies that fail to do so could find they have violated the law, according to Cheryl Larson, chief executive officer of the Midwest Business Group on Health, a nonprofit employer coalition.

Employers have a fiduciary responsibility to ensure that beneficiaries are treated equitably. "This is a big deal," Larson says. When a co-pay card is used, she says, "some employees—who may not have a disease—get a cost advantage, and that's not equal. So employers need to be guided carefully on this issue. A lot of smaller to midsize, self-insured employers may not be as knowledgeable."

## COUNTERMOVES

Stung by the growing use of accumulator programs, the pharmaceutical industry is striking back in a couple of ways.

To maintain sales of key products and market share, more drug makers have been adding money to their co-pay cards, according to Richard Evans of Sector & Sovereign Research, which tracks pharmaceutical pricing. (This tactic, though, has

hurt their net prices on brand-name drugs, which fell 4.1 percent in the first quarter of this year, partly due to the growing use of accumulators.)

Several big drug makers that sell specialty medicines support a nonprofit group called Aimed Alliance that, last fall, issued a report to dissuade employers from adopting accumulators. The group claimed organizations using accumulators may be violating the Affordable Care Act, specifically its cost-sharing requirements and anti-discrimination provisions, as well as consumer protection laws.

And some benefits experts agree that organizations should be wary of accumulators. That's because these programs may not offer a tremendous benefit for employers, especially when considering the ongoing fallout, one expert cautions.

"Accumulators are a very clever way to counter co-pay cards, but there's really not a lot of value to the employer"

in the end, says Randy Vogenberg, a principal at the Institute for Integrated Healthcare, a consulting and research firm that specializes in health care plan benefit designs.

As Vogenberg sees it, the dollars saved are not always going to be significant. As an example, he points to a \$100,000 drug regimen for which the employee ends up paying a \$5,000 deductible after exhausting a co-pay card, thanks to the employer's use of an accumulator. "When all is said and done, the employer will still pay 80 to 90 percent of the bill," he says, "but, meanwhile, they're risking ill will and maybe fiduciary issues." ■

Ed Silverman, a journalist who runs the *Pharmalot* Blog, has covered the pharmaceutical industry for more than two decades.

## Concerns about co-pay accumulators have grown as their profile has increased.

## ON LEADERSHIP



## ON LEADERSHIP

# THE RIGHT PATH

How leaders can make better decisions.

By Dawn Onley

**T**he average person makes thousands of decisions each day, and most of them have little lasting impact.

However, decisions made by business leaders can determine whether an organization ultimately succeeds or fails. A glance at recent news articles will show plenty of examples of poor decisions that sent companies into a downward spiral. In fact, there's a 95 percent correlation between companies that excel at effective decision-making and those with strong financial performance, according to research by Bain & Co., a global management consultancy in Boston.

In today's fast-paced and complex business world, leaders must continuously refine their decision-making processes and practices to ensure they stay on the right path.

"A good leader is open-minded and takes into consideration other ideas and points of view," says Jennifer Lee Magas, vice president of Magas Media Consultants in Monroe, Conn., who has a background in HR and employment law. "Having a narrow-minded approach to

understanding of your authority and role as leader, the expectations of your team, and the types of decisions to be made," Hansen says. "Leaders who remain transparent in the manner in which they make decisions and why they choose different styles, dependent on the type of decision, are able to build trust and respect."

Four commonly recognized decision-making styles are:

- **Directive.** The leader uses his or her knowledge and past experience to reach a decision without seeking information from others. The advantage is that decisions can be reached quickly; the disadvantage is that the leader might not consider the long-term ramifications.
- **Conceptual.** The leader seeks ideas from team members, which encourages creativity and innovation. This style is suited for long-term projects and planning.
- **Analytical.** The leader relies on direct observation, facts and data.
- **Behavioral.** The leader collaborates with others on options and is highly influenced by their feelings



decision-making can limit your growth as a leader, and you may be missing out on a decision that could actually benefit you and the company.”

Because each decision is different, leaders would be wise to choose the appropriate decision-making style for the situation at hand, says Marie Hansen, SHRM-SCP, dean of the College of Business at Husson University in Maine.

“Determining which style to use and when requires an

and opinions. The downside: If a consensus can't be reached, the leader must choose a different approach.

## KEY STEPS

Incorporating a process or checklist can help strengthen the decision-making skills of C-suite executives.

Financial guru Dave Ramsey, author of *EntreLeadership* (Howard Books, 2011) who trains leaders on better

84 HR MAGAZINE FALL 2019

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decision-making, says the key steps include:

**Set a deadline.** “Procrastination can be avoided by setting a self-imposed deadline,” Ramsey says.

**Gather many options.** “Quality decisions come from having the most options—find them,” he says. “Options have the power to remove fear.”

**Determine the worst-case scenario.** “When you emotionally digest the absolute worst-case, you can make the call with a degree of confidence,” he says.

**Follow your guiding values.** “When you have a clear sense of ethics, you can make decisions more easily and quickly,” he says.

**Understand that inaction is an option.** At times,

hesitant and don't seek other opinions can create problems as well. When a business leader offers his opinion before soliciting input from others, other team members are likely to be reluctant to offer different ideas. As a result, innovation and creativity could be stifled, Mietus says.

Heather Ishikawa, senior vice president of Caliper, a human capital analytics company in Princeton, N.J., warns that confirmation bias can occur when leaders seek only information that confirms their beliefs and dismiss information that does not.

While input from the group is a worthy goal, holding out for consensus is often a bad idea, says Jim Hauden, author of *What Are Your Blind Spots? Conquering the 5 Miscon-*

‘Leaders who remain transparent in the manner in which they make decisions and why they choose different styles, dependent on the type of decision, are able to build trust and respect.’

MARIE HANSEN, SHRM-SCP



doing nothing is the best choice. “That’s different from being paralyzed,” Ramsey says. “Deciding not to decide is a decision.”

Another important step that leaders sometimes overlook is to review the legal ramifications of their decisions before they render them.

“A lot of the litigation I see, at least in the area of employment law, arises from executives making snap and uninformed decisions,” says Nannina Angioni, a labor and employment attorney with Kaedian LLP in Los Angeles.

Seeking legal advice before announcing layoffs, for example, can help reduce the risk of legal troubles, she says.

## THE ROADBLOCKS

Fear of making the wrong choice, worrying that the deci-

sions *that Hold Leaders Back* (McGraw-Hill, 2018).

“We shouldn’t need a vote,” Hauden says. “We want the wisdom of the group to lead us to the right path. While the decision-making process does culminate in a decision, it’s the art of co-thinking and synthesizing together that yields the most powerful results.”

Of course, having a process alone doesn’t ensure that leaders will make the right decisions, ones that will benefit their organizations over the long run.

“Empathy plays a pretty significant role in good decision-making because leaders need to actually care if their decisions have a positive impact,” says Helen McPherson, founder of McPherson Consulting Group Inc. in Fort Worth, Texas.

sion won't be popular, or being unable to decide altogether are a few of the challenges that executives encounter when they need to make important decisions.

"Fear is the ultimate cause of paralysis, and, just like the squirrel that runs in front of your car and can't decide what he wants to do, fear will get you killed," Ramsey says. "Of course, there will be times when you're afraid. Just don't allow indecisiveness due to fear."

Such delays can cost an organization "first to market" position and have lasting consequences, says Larry Mietus, founder of Speaking of Strategy, a consultancy in Buffalo, N.Y.

"When your heart, brain and gut tell you that you've got about 80 percent of the data collected ... make a decision," he advises.

On the other hand, leaders who are overconfi-

## TRUST YOUR INTUITION

In the end, the best decisions involve a mix of knowledge, intuition and a willingness to take a bit of risk—some of which has to be developed over time through experience.

For this reason, Greg Githens, author of *How to Think Strategically* (Maven House, 2019), likens decision-making to an art form rather than a process. Leaders need to develop insight.



"It is the insight that allows them to effectively cut through all the data-noise," Githens says, "so that they can recognize the 'crux of the matter' and make good strategic and tactical decisions." [IR](#)

Dawn Onley is a freelance writer based in Frederick, Md.

FALL 2019 HR MAGAZINE 85

## MANAGING YOUR CAREER

### MANAGING YOUR CAREER

# HOW TO TALK YOUR WAY TO A BIGGER RAISE

Sharp negotiating skills are key to landing a salary increase.

By Daniel Bortz

**G**ood news: You could be in store for a bigger pay bump before the year is out. Data from HR consulting firm Mercer found that employers anticipate U.S. private-sector salaries for 2019, which includes merit and promotion-related pay increases, will rise by 3.4 percent on average, up from an average raise of 3.1 percent in 2018.

Shining stars, though, could earn significantly more money. Indeed, the average salary increase for top performers was 4.7 percent last year.

Unfortunately, great performance doesn't always speak for itself, says Robin Pinkley, a management professor at Southern Methodist University and co-author of *Get Paid What You're Worth* (St. Martin's Griffin, 2003). And nearly two-thirds of people have never asked for a raise, according to a recent PayScale survey of more than 160,000 workers. That's unfortunate, given that 70 percent of employees who have asked for a raise received one, and 39 per-

whose research focuses on negotiating. "At some organizations, raise negotiations happen off-cycle, while at other companies, salary negotiation only happens during performance reviews," he says.

There are exceptions, though. "If your role has expanded but your salary has not been changed to reflect your new duties, that's a great time to ask for a raise," says career and salary negotiation coach Kathryn Meisner. Another factor to consider: "Generally, you want to ask for a raise before the fiscal year begins, so that your salary increase can be a line item on the coming year's budget," she says.

Also, think about your boss's







86 HR MAGAZINE FALL 2019

also received one, and 67 percent of those who asked got the amount they requested.

Many bosses assume that human resources professionals know better than anyone how to ask for a raise. But, unless you specialize in negotiation strategies, you're likely in the same boat as every other employee, which means you'll need to firm up your negotiating skills to talk your way to a bigger bump. Here are 12 steps to help ease that path:

### 1. TIME IT RIGHT

There's no golden rule that says when to time your ask—it depends on the norms at your company, says Maurice Schweitzer, a professor at the University of Pennsylvania's Wharton School of Business,

also, think about your boss's schedule. "You don't want to hit your manager right when they get back from a long vacation," Schweitzer says, "or when they're in the midst of preparing a big quarterly report."

### 2. PINPOINT A RAISE YOU CAN JUSTIFY

To demand a big raise, you have to know your market value, Schweitzer says. This measures how much money you should be earning based on your position, years of experience and location. (Typically, cities that have higher cost-of-living expenses tend to have higher salaries.)

Online resources such as Glassdoor, PayScale and Salary.com collect compensation data that you can use to see how much you should be making. But don't stop there—your co-workers can also be valuable sources of information. "We've found, in our research, that people are far more fearful

than they should be of asking their peers how much money they make," Schweitzer says. "Today, people are more open to sharing what their salary is than they were in the past."

### 3. ASK FOR A RANGE, NOT A HARD NUMBER

Instead of requesting a specific hike, says Sheila Heen, a professor at Harvard Law School's Program on Negotiation, employees should ask for a new salary range, "with the top of the range still being something that's justifiable."

Offering a range can also make you appear more flexible, Schweitzer

says. Also, ask your manager whether she'd like you to send any additional materials before your meeting.

### 5. LEAD WITH YOUR RAISE REQUEST, THEN DEFEND IT

Of course, how you steer the conversation is crucial. But you may be surprised by what experts say is your best approach. "In sales, people typically go in and try to sell you on the virtues of a product before giving you the price," Pinkley says. "However, our research has shown, definitively, that it's more productive to offer a numerical bid *before* explaining your value proposition when asking for a raise."

According to Pinkley, it's all about anchoring. "When managers hear you throw out a dollar amount first," she explains, "they then look for information that justifies

a well-timed, 10-second pause can actually help you get the raise you deserve. "I've seen managers offer employees more money just because they wanted to fill an awkward silence," Meisner says. Pausing also allows you to gather your thoughts and assess how the conversation is going in real time.

### 9. QUANTIFY YOUR ACHIEVEMENTS

Managers like metrics, says Rob Sullivan, author of *Selling Yourself Without Bragging: A Simple, 4-Part Formula for Quantifying Your Accomplishments—Even When You Think You Can't* (CreateSpace, 2009). In other words, the best way to highlight your achievements is by offering data that measure your contributions. So let's say you work on a big team, and you single-handedly

## TOP REASONS FOR RAISES IN 2018



	% OF RESPONDENTS
Performance	50%
Retention	18%
Cost of living	11%
Compliance	11%
Tenure	3%
Market adjustment	3%
Internal pay inequities	3%
Hot skills	2%
Merger or acquisition	1%

Source: PayScale.

says. The lower end, though, should be a big ask—that way, if your boss uses it as an anchor, you'll still get a handsome bump.

#### 4. SET EXPECTATIONS

You have to be direct when making an appointment with your boss to discuss your salary, Meisner says. In an e-mail to your manager, state: "I'd like to meet to discuss my compensation."

In addition, Meisner recommends sending your boss a "pitch deck" ahead of time that outlines why you deserve an above-average raise. "These will be your talking points during the actual conversation," she

for information that justifies offering you that amount."

#### 6. MAKE IT AN OPEN CONVERSATION

One mistake employees make, Heen says, is framing their raise request by asking a close-ended question (e.g., "I think I deserve a higher salary. Do you agree?"). As Heen puts it, "You certainly don't want to ask a yes-or-no question, since it enables your boss to easily respond 'no.'"

#### 7. USE 'WE' LANGUAGE

Taking a collaborative tack is key, which is why Meisner recommends frequently weaving in the word "we" during raise negotiations. For instance, "I'm hoping we can achieve this raise together" or "Let's figure out how we can have my pay fairly reflect what I'm worth to the organization." This will make your manager more motivated to go to bat for you when she asks *her* boss to sign off on your raise.

#### 8. SOMETIMES, SILENCE IS GOLDEN

Chatty Cathys, listen up: Deploying

on a big team, and you single-handedly recruited 10 of last year's 12 hires—that's compelling. You also want to point out any achievements that show how you improved your company's bottom line ("By expanding our recruiting efforts through social media, I've lowered our department's annual budget by 25 percent," for example).

#### 10. RESTATE YOUR COMMITMENT TO THE ORGANIZATION

Employers will go to great lengths to retain employees who are fully "engaged"—people who are actively involved in the organization and enthusiastic about their workplace—because research shows engaged employees perform better. Therefore, by reiterating to your boss that you're committed to the company's mission and aligned with its core values, you'll be in a better position to ask for an above-average raise.

#### 11. CAN'T GET A BIG RAISE? NEGOTIATE OTHER INCENTIVES

If your boss doesn't offer you the pay increase you deserve, you may be able to negotiate other forms of compensation or incentives, says Lydia Frank, vice president

FALL 2019 HR MAGAZINE 87

#### MANAGING YOUR CAREER

of content strategy at PayScale. Two-thirds of companies plan to use bonuses to retain top performers this year, according to PayScale's annual Compensation Best Practices survey, which asked more than 7,000 employers about their trends and attitudes toward compensation, retention and employee engagement.

Companies are also offering other benefits and perks in lieu of raises. PayScale's study found that 44 percent of employers plan to allow remote work, and 37 percent

**70% of employees who have asked for a raise received one, and 39% of those who asked got the amount they requested.**

well, or your boss has a cap on what size raise they can give employees, those are things you'd absolutely want to know."

#### 12. SET A TIME TO REVISIT

company through my role. I'd like to revisit the discussion in about six months' time."

"You could also ask for extra responsibilities that would lead you to



plan to offer flex time. Also, depending on your organization, additional vacation time may be more negotiable than a salary increase," Schweitzer says.

Still, Pinkley says it's important to ask your boss straight up why you weren't given the raise you asked for. "It may not be a reflection on you," she says. "If your company isn't doing

## 12. SET A TIME TO REVISIT YOUR COMPENSATION

Finally, you'll want to schedule a future date to meet and talk about your salary, says Meisner, who suggests using this prompt: "Thank you for having this conversation with me. I look forward to continuing to support the

a higher salary," Schweitzer says. Just make sure you deliver strong results once you're armed with that information—otherwise, that large raise you had in mind will only be a pipe dream. [HR](#)



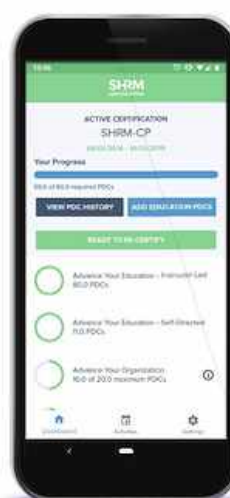
Daniel Bortz is a freelance writer based in Arlington, Va.

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88 HR MAGAZINE FALL 2019

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## DATA WATCH

# DISCOVERING THE PRICE OF PETTINESS

## Bad behavior is more harmful (and weirder) than you think.

By Alexander Alonso, SHRM-SCP

Imagine you're at work when your friendly HR professional stops by your desk to let you know a complaint has been made against you. Something about your recent behavior. Your heart races. You start to panic. But who filed the grievance? What did you do to offend them?

You listen closely as the HR professional outlines the nature of your purported transgression: "You were observed taking a tissue from the box in the cubicle next to yours. A third party submitted a claim that you'd stolen the tissue."

Yes, this was an actual incident, as reported in all seriousness to me by someone who was involved.

What would you do? Share a hearty laugh with the HR professional? Wonder how petty someone has to be to report such "misbehavior"?

Incidents like this are no laughing matter in many organizations. In plenty of workplaces, pettiness is the norm.

### THE PERVASIVENESS OF PETTINESS

Just how pervasive is pettiness? Of nearly 15,000 people recently surveyed by the Society for Human Resource Management, an astounding 98 percent indicated that they had experienced pettiness in the workplace. Nearly 68 percent reported experiencing pettiness of some kind as the result of a conflict they didn't even realize was happening!

This survey's findings drove my interest in formally studying just how bad the pettiness problem is and how people are responding to it. (Their creativity knows no bounds!) The result of this investigation, *The Price of Pettiness: Bad Behavior in the*

*Workplace and How to Stomp it Out* (SHRM, 2019), can help anyone who has ever encountered petty difficulties in the workplace.

The book explores what pettiness does to culture and what makes some organizations prone to prolonged bouts of petty behaviors perpe-

### MOST-COMMON PETTY BEHAVIORS

- Acting unprofessionally.
- Acting immaturely or childishly.
- Undermining a boss or co-worker to peers.

trated by employees at every level. My research team and I uncovered nearly 1,600 cases of people acting in prolifically petty ways.

Some examples:

- A group of analysts ate stinky lunches at their desks for the sole purpose of preventing their odor-sensitive boss from speaking to them.
- A simmering disagreement among workers over the office thermostat setting erupted in a literal fistfight.
- A group of senior health care professionals who, unsatisfied with the level of deference shown by a group of new hires, sent

them an unsettling "message" in the form of a frozen whole fish.

Some of these offenders suffered no consequences, but more often they damaged reputations—their own and others'—and a few even derailed entire careers.


### THWARTING PETTINESS

So much pettiness abounds, and this book provides practical tools for increasing awareness of the problem. These tools include the Pettiness Index, which helps you quantify the prevalence of petty behaviors in your life, as well as ideas to develop mindfulness, job satisfaction and teamwork.

Many people have asked for my tips on how to address humanity's endless moments of pettiness. Here are three:

- Know the root cause of conflicts. Petty behavior is often the end result, not the origin, of discord.
- Understand your personality to improve your relationships with others. Pettiness is commonly rooted in personalities.
- Assess your own penchant for pettiness. To that end, the book includes a checklist designed to help you know yourself better and spare others the full impact of your petty behaviors. It helped me.

Have you experienced pettiness?

You are *absolutely* not alone. To learn more and to share your experiences, contact [pettiness@shrm.org](mailto:pettiness@shrm.org). 

Alexander Alonso, SHRM-SCP, is chief knowledge officer for SHRM.







# SHRM TALENT ASSESSMENT CENTER

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# INSIDE SHRM

## SHRM TAKES WORKPLACE CULTURE CONVERSATIONS TO NYC

Workplace culture is a driving factor in employee satisfaction and productivity. But too many of us are not having the crucial conversations necessary to make culture stronger.

That's why SHRM's initiative, Workplace Convos & Coffee—launched at the SHRM 2019 Annual Conference & Exposition in June—calls on all stakeholders of workplace culture, including People Managers, to have incisive, one-on-one discussions about culture that drive positive, strategic change.

On Sept. 25-26, SHRM is taking workplace culture conversations directly to working professionals in New York City.

A two-day pop-up event at the Oculus, the World Trade Center transportation hub, will immerse workers in an interactive coffeehouse experience while drawing attention to the importance of culture at work and how it impacts organizations and employees.

Employees will be inspired to think and talk about workplace culture and empowered to be part of the change.



To learn more, visit  
[talkworkculture.com](http://talkworkculture.com) and follow  
[@TalkWorkCulture](https://twitter.com/TalkWorkCulture) on Twitter



Attendees at the SHRM 2019 Annual Conference & Exposition in June discussed workplace culture at SHRM's Workplace Convos & Coffee, an interactive coffeehouse experience.

## BUILD A MORE-INCLUSIVE CULTURE

Join HR generalists and diversity experts at SHRM's Inclusion 2019

transform workplace culture; and create better, more productive work-

Three preconference seminars are available for an additional fee.



event to be held Oct. 28-30 in New Orleans.

Achieving workplace diversity is not enough. Learn how to shift to a culture that is truly inclusive. Attendees will gain strategies and insights needed to mitigate bias; shift exclusive workplace habits;

place environments.

Choose from concurrent sessions that include “Where Do We Go from Here? Managing Gender Conflict in the #MeToo Era,” “Maximizing Inclusion While Minimizing Backlash” and “Why Mental Health Is the Next Frontier of Diversity & Inclusion.”

The topics are change management, workplace harassment and inclusive culture.



For more information, visit [shrm.org/inclusion2019](http://shrm.org/inclusion2019)

FALL 2019 HR MAGAZINE 91

## SHRM EMPLOYEES ATTEND WHITE HOUSE EVENT ON TRAINING EXPANSION

Two SHRM employees attended a White House event in July to mark the first anniversary of a Trump administration initiative to expand training opportunities for U.S. workers.

With SHRM support, Savita Raeisian, SHRM-SCP, a senior talent acquisition specialist, and Yuletta Pringle, SHRM-CP, an HR knowledge advisor, earned their SHRM certifications this year.

When SHRM's CEO Johnny C. Taylor, Jr., signed the “Pledge to America's Workers” last year, the organization promised to educate and prepare more than 127,000 HR professionals through the SHRM-CP and SHRM-SCP certification programs over the next five years.

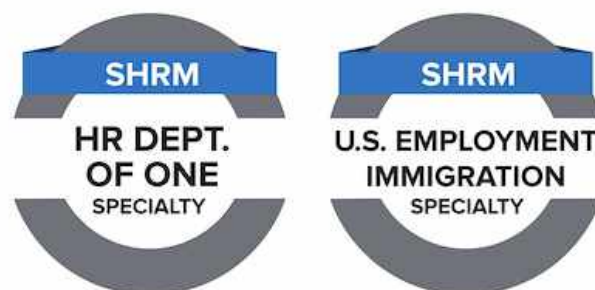
In the first year, more than 53,000 HR professionals were certified, were recertified or participated in specialty credentials or educational programs. SHRM is one of more than 300 organizations that have signed the pledge.



For more information on SHRM certification, visit [shrm.org/certification](http://shrm.org/certification)



## TWO NEW SHRM CREDENTIALS AVAILABLE



HR professionals can enhance and showcase their expertise by obtaining two new credentials.

The SHRM HR Department of One Specialty Credential highlights the key challenges facing solo practitioners, identifies best practices for addressing them and helps maximize HR professionals' success in smaller organizations.

The SHRM U.S. Employment Immigration Specialty Credential increases the HR practitioners' effectiveness in managing employment visas, regulations, employment verification processes and audit risks to keep their organizations competitive and compliant.

To earn either of these specialty credentials, candidates are required to purchase and complete the SHRM learning packages, including a 50-question online knowledge assessment.

SHRM certification is not required to obtain a SHRM specialty credential. However, those completing the credential requirements will earn professional development



SHRM employees Savita Raeisian (left) and Yuletta Pringle (right) joined Presidential Advisor Ivanka Trump at a White House ceremony in July celebrating an Initiative to offer more training opportunities to U.S. workers.

credits required for recertification.

Other specialty credentials include:

- The SHRM People Analytics Specialty Credential, which gives HR practitioners a foundation in the principles and applications of metrics and technology that support HR practices and organizational objectives.
- The SHRM Talent Acquisition Specialty Credential, which allows HR professionals to demonstrate their ability to create a sustainable, high-performing workforce.
- The SHRM California Law HR Specialty Credential, which provides HR professionals with a deeper knowledge of that state's complex and unique laws.



For more information, visit [shrm.org/specialtycredentials](https://shrm.org/specialtycredentials)

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92 HR MAGAZINE FALL 2019

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## GUAM STUDENT CHAPTER ADVISOR HONORED

Richard S. Colfax, SHRM-SCP, of Mangilao, Guam, has received the 2019 Student Chapter Advisor of the Year Award from the SHRM Foundation.

Colfax has served as the main advisor for the SHRM student chapter at the University of Guam since the chapter was established during the 1996-97 academic year. In 2018 the chapter received its 20th Superior Merit Award from SHRM.

Colfax is a past president of the SHRM Guam chapter

in Hagatna. He teaches HR management and organizational behavior courses at both the undergraduate and graduate levels. He developed the university's HR management program.

The \$1,000 award is presented annually for outstanding service and leadership.



For more information, visit [shrmfoundation.org](https://shrmfoundation.org)

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## NOTICE OF NOV. 14, 2019, SHRM ANNUAL BUSINESS MEETING OF MEMBERS (CALL FOR MEETING)

Date: Thursday, Nov. 14, 2019

Time: 3:15 p.m. to 4:30 p.m. EST

Place: Marriott Marquis Hotel, 901 Massachusetts Avenue, NW, Washington, DC 20001 Marquis  
Ballrooms

Business to Be Transacted:

1. Announcement of the election results for 2020 board positions.
2. State of the Society Address—SHRM President and CEO.
3. Responses to written questions submitted during the meeting.
4. Adjournment.

FALL 2019 HR MAGAZINE 93

### MEMBER SPOTLIGHT

## JENNY DOWELL, SHRM-SCP

Compensation and organizational  
effectiveness manager,  
Kansas State University

Jenny Dowell's colleagues might catch her humming as she walks down the hall. Maybe she'll be doing a dance step or two.

That's because she's practicing for a women's barbershop competition in New Orleans this fall. She'll compete in the Sweet Adelines International as part of the 45-member chorus called Vocal Standard.

Music offers her an emotional release.

"It's a different side of me," she says. "It's a good outlet."

And yet she sees similarities with her HR role.

"We sing in four-part harmony, and every part is important," she says. "Everybody brings their own skills and personality and perspective"—just like they do in the workplace.

In fact, Dowell was introduced to women's barbershop by a fellow volunteer at her local chapter of the So-



ciety for Human Resource Management (SHRM). She has served as president and held several other roles with the Manhattan, Kan., chapter, the Human Resource Management Network.

She's currently the state director of the Kansas State Council of SHRM. In 2017 she received the council's Trombold Achievement and Kansas HR Professional of the Year award.

By all accounts, she's a standout performer.

#### HOW DID YOU GET INTO HR?

Like many of my peers, I fell into HR by accident. What has kept me in HR is the diversity and dynamic nature of our profession. We have the opportunity to bring incredible value to our organizations through our own expertise and by engaging and empowering others.

#### WHAT ARE YOU PASSIONATE ABOUT?

Adding value. I want to know that my involvement has made a positive impact for the person, group or organization I've touched. I love it when I'm able to help shift someone's thinking or resolve a complex problem.

#### WHAT'S YOUR FAVORITE BUSINESS BOOK?

My current favorite is Cy Wakeman's *No Ego* (St. Martin's Press, 2017). Her lessons about recognizing and breaking free of ego are incredibly powerful and relevant in all aspects of life. Thanks to this book, I'm getting better at recognizing the waste of energy that comes from drama and arguing with reality. ■



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ONLY HUMAN

## LET'S GIVE 'EM A HAND!

HR should be doing a better job of supporting employees whose lives are a balancing act between parents and kids.

By Steve Browne, SHRM-SCP



**O**n a recent weekend, I was fortunate enough to drive two hours north of my house in Ohio with my wife to visit my parents. I spent the day cleaning the gutters, removing dead rosebushes and tightening the shutters. My mom stayed with me to give me “direction,” and my dad stayed inside to chat with my wife.

The cool thing about seeing my parents is that our lives have once again transitioned. You see, my mom is 80 years old and my dad is 76. If we hadn’t taken the time to visit, my mom was planning on climbing a ladder to do the gutter cleaning! Add to this the fact that the past few months have been rougher than most, because my dad has been in the hospital and a rehab facility more than he has been home. It has been challenging for him and my mom. She’s his sole caregiver; we’ll need to keep an eye on this situation.

My parents live relatively close to me, but my brother is almost eight hours away. Even with that separation, though, driving is quicker than flying, because their town isn’t near an airport. We all keep in contact, and I wish that the majority of our conversations weren’t about our parents’ health or the news of another elderly relative or friend of the family passing away. But that’s where we are ... sort of.

You see, my brother and I also have great kids who are now technically “adults,” according to their IDs. They’re all embarking on the next phase of their lives by landing jobs, adding friends and meeting significant others. It’s exciting to see them maneuver and struggle as they find their way. We give them guidance and assistance if they ask for it, and we see what decisions they make.

In the midst of all of this great “life” stuff going on, we have our careers and jobs. We’re sandwiched! We’re in the middle of caring for our aging parents and also taking care of our kids. This isn’t unique but rather the norm for many people now. This “Sandwich Generation” situation presents a huge work challenge, but it doesn’t have to.

When I hear about most workplaces, time off is cordoned into days and hours. We “allow” it if people have earned it, if it has been appropriately accrued, and if they fill out the seven-page, overly detailed form from HR, which must be approved by anywhere from one to three people. It’s ridiculous and archaic. Our HR systems continue to be based on “showing up” and being visible versus performing.

What if you knew your people so well that you could give them the grace to take time when needed to help a parent or child? What if you did this and didn’t have unlimited PTO? Would this lead to complete and utter anarchy?

Here’s a different perspective: Understand your people enough to learn about their circumstances.

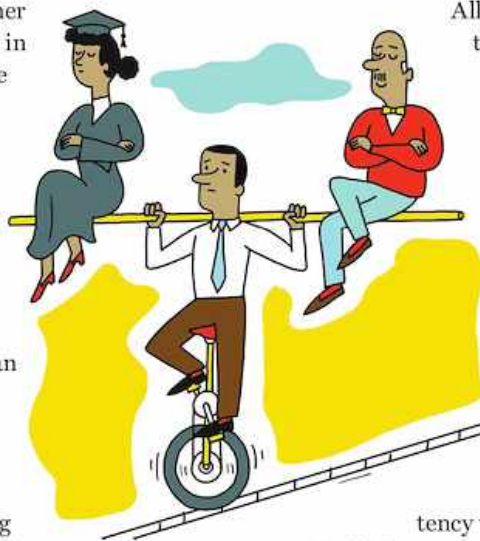
Allow them a work schedule that meets their needs and helps them perform in their role. Give them time to both address “life” things and do their work. Allow your systems to ebb and flow instead of being set in concrete.

My experience has been that if your workplace can accommodate people individually, they will, in turn, be more engaged, loyal and grateful to you as a company. If someone takes advantage of this in a detrimental way, address it—just as you would with any other poor behavior. You’ll have far more success if you aim for consistency versus compliance, because someday

you’re likely to need some latitude in your life, as well.

I know that this approach takes effort and attention. However, aren’t your employees worth it? Take a look to see if you have employees who are sandwiched. Learn their stories, and see how you can be a partner in helping them through work *and* life. ■

Steve Browne, SHRM-SCP, is vice president of HR for LaRosa’s Inc., a restaurant chain in Ohio and Indiana with 13 locations and more than 1,100 team members. A member of the SHRM Board of Directors and author of *HR on Purpose!!* (SHRM, 2017), he has been an HR professional for 30-plus years and has worked in the manufacturing, consumer products and professional services industries in various HR roles.







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