



# Human Capital Management Sevices



## 2019 HR Trends

March 2019





# Strategic HR trends for 2019

## Objectives

1. Attracting Employees
2. Aligning HR with Business Goals and Objectives
3. Holistic Human Capital Management Wellbeing Approach
4. Workplace Violence Prevention
5. Department of Labor – White Collar Exemption
6. Questions & Answers



# The Labor Market

3.8%

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	4.6	4.5	4.4	4.5	4.4	4.6	4.7	4.6	4.7	4.7	4.7	5.0
2008	5.0	4.9	5.1	5.0	5.4	5.6	5.8	6.1	6.1	6.5	6.8	7.3
2009	7.8	8.3	8.7	9.0	9.4	9.5	9.5	9.6	9.8	10.0	9.9	9.9
2010	9.8	9.8	9.9	9.9	9.6	9.4	9.4	9.5	9.5	9.4	9.8	9.3
2011	9.1	9.0	9.0	9.1	9.0	9.1	9.0	9.0	9.0	8.8	8.6	8.5
2012	8.3	8.3	8.2	8.2	8.2	8.2	8.2	8.1	7.8	7.8	7.7	7.9
2013	8.0	7.7	7.5	7.6	7.5	7.5	7.3	7.3	7.2	7.2	6.9	6.7
2014	6.6	6.7	6.7	6.2	6.3	6.1	6.2	6.2	5.9	5.7	5.8	5.6
2015	5.7	5.5	5.4	5.4	5.5	5.3	5.2	5.1	5.0	5.0	5.0	5.0
2016	4.9	4.9	5.0	5.0	4.7	4.9	4.9	4.9	4.9	4.8	4.6	4.7
2017	4.8	4.7	4.5	4.4	4.3	4.4	4.3	4.4	4.2	4.1	4.1	4.1
2018	4.1	4.1	4.1	3.9	3.8	4.0	3.9	3.9	3.7	3.7	3.7	3.9
2019	4.0	3.8										

35%  
49.6%  
60%  
4 years

Increase in Turnover from Baby Boomer generation  
Current Lack of Job Satisfaction  
Now Looking for Job  
Today's Average length of time at job





U.S. DEPARTMENT OF LABOR

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JOLTS

7.6 MILLION  
JOB OPENINGS

## JOB OPENINGS INCREASE TO 7.6 MILLION

Job openings in America increased to 7.6 million in January – the third-highest level on record. For the 11th straight months, job openings have exceeded job seekers.

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### What

Job title, keywords, or company



### Where

City, state, or zip code

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Page 1 of 132,689 jobs

### What

Job title, keywords, or company



### Where

City, state, or zip code



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Indeed.com 3/21/19

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# The Culture Shift

	Traditionalists (1928 – 1945)	Baby Boomers (1946 - 1964)	Generation X (1965 - 1980)	Millennials (1981 - 1996)	Gen Z (1997 – Present)
	20 <sup>th</sup> Century (1901 - 2000)				21 <sup>st</sup> Century (2001 – 2100)
Work is...	An obligation A LongTerm Career	An exciting adventure A Career Work and then Retire	A difficult challenge A contract Just a Job	A means to an end Fulfillment Flexible Work Arrangements	Multi-Taskers Entrepreneurial Technology Driven Promotes Individuality

# Convergence



## GENERATIONAL INFLUENCES

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## UNEMPLOYMENT RATE

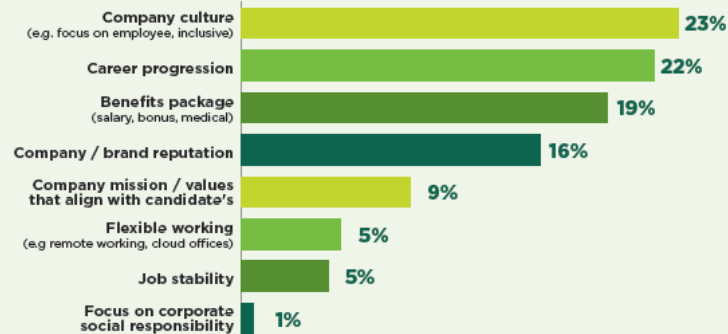
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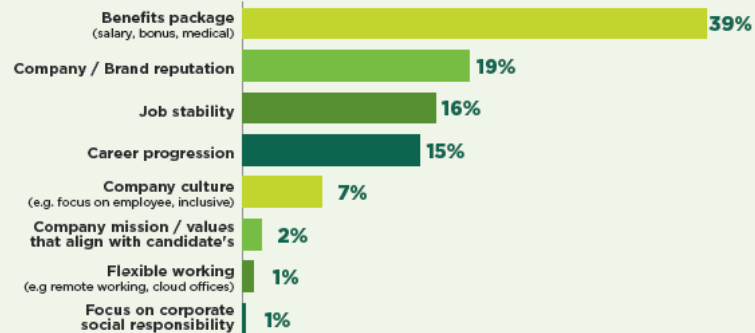
# Employer of Choice



What is the main reason you believe candidates are choosing organizations today?



Thinking back five years, what do you think was the main reason candidates were choosing organizations?









# Benefits of Defined Positive Culture

## Employee Engagement

- ✓ Talent Attraction
- ✓ Retention
- ✓ Impacts Health & Welfare
- ✓ Increased performance

## Employee Disengagement

- ✓ Turnover
- ✓ Reputation in community
- ✓ Local competition for applicants
- ✓ Lack of Presenteeism
- ✓ Healthy & Safety Claims





# Benefits of Employee Retention

- ✓ Meeting Business Goals
- ✓ Improves Production/Customer Continuity
- ✓ Increases Institutional Memory
- ✓ Limits Recruiting, Onboarding and Training Costs

# Attacking the Root Causes



paycheck  
absenteeism  
garnishments  
missed  
illness  
wage  
days  
injury  
work  
to  
tardiness  
presenteeism



# High Impact Life Events



Holistic Wellness - High Impact Life Events					
Event	Employer State/Federal Regulated	Financial	Emotional	Social	Physical
Addiction		X	X	X	X
Child Care	X	X			
College Planning	X	X			
Credit Card Debt/Bankruptcy		X	X	X	
Day Care		X			
Death		X	X	X	
Divorce		X	X	X	
Estate Planning		X			
Home Buying/Rental/Relocation		X			
Identify Theft		X	X		
Illness Child		X	X		X
Illness Personal/Spouse		X	X		X
Legal Aid		X	X		
Loss of Job/Wage Reduction		X	X	X	
Marriage		X	X		
Medical Bills		X			X
Mental Health		X	X	X	X
Natural Disaster			X		
Parental Care	X	X			
Personal Health Care	X	X			X
Retirement Planning	X	X			
Savings Plan		X			
Student Loan Debt	p	X			
Tuition Assistance	X	X			
Volunteerism				X	
Weddings		X			
Workplace Stress		X	X	X	



# ALIGNING HEALTHY EMPLOYEES = HEALTHY BUSINESS





# Strategic CEO-HR collaboration

Strategic conversation with CEO – how to elevate HR in the company

What are the business objectives?

How does HR help to meet those objectives?

What is needed for HR to meet those objectives?







# What are the Business Objectives?





# Strategic HR

- Adopt a strategic approach to any topic affecting their workforce;
- conduct an annual business analysis and measure against current, 3-year and 5-year goals;
- customize Human Capital Total Rewards package to fit their workforce needs



# People = Hire or outsource - Efficiencies?

- ✓ Payroll
- ✓ FMLA/COBRA administration
- ✓ ACA reporting
- ✓ Supervisor Support
- ✓ Annual Handbook update
- ✓ Recruiting



# Resources = Job Efficiencies

- ✓ Budget
- ✓ Access to Technology systems & programs
- ✓ Access to Information: SHRM, APA
- ✓ Professional Development



# Technology – Digital Efficiencies

- ✓ Benefit enrollment
- ✓ ACA reporting
- ✓ Handbooks
- ✓ Performance Management
- ✓ Training





# Technology Efficiencies

- ✓ E-signature
- ✓ Easy contact management
- ✓ Easy user management
- ✓ Desktop, tablet, phone, printed
- ✓ Reporting
- ✓ Personalized content
- ✓ Employee groups
- ✓ Version control
- ✓ Security
- ✓ Custom branding
- ✓ 24/7 access



# Workplace Violence

Act or threat of physical violence, harassment, intimidation or other threatening disruptive behavior that occurs at the worksite.

## Behaviors:

- ✓ Threats
- ✓ Verbal abuse
- ✓ Physical assaults
- ✓ Homicide

OSHA requires that employers maintain a reasonably safe and healthy workplace. It's general duty clause says "employers are required to provide their employees with a place of employment that is free from recognized hazards that are causing or are likely to cause death or serious harm".







# Workplace Violence

## Best practice:

- Develop, train and maintain a Workplace Violence Prevention Policy and Weapons Policy
- Coordinate response plan with building owners, local police department, hospital
- Follow your state/local procedures for conducting background checks on all applicants
- Conduct pre-employment assessment testing
- Performance Management – clear communication
- Use Employee Assistance Programs (EAP)
- Maintain a holistic wellbeing culture
- Know your employees



# EEOC & OSHA





# DOL - Exemption Status

2015 to today

- Edicts from Presidents (past and present)
- final overtime rules published,
- injunction enjoined and invalidated the final published rules,
- silence,
- nationwide listening sessions,
- Release of new proposed overtime rules: effective January 2020
- Public Comment Period closes May 21, 2019



# Affected White Collar Exemptions

Administrative

Executive

Professional

Computer

Highly compensated employee (HCE)





# Highlight of Proposed Changes

Proposed:     \$35,308.00 annually/ \$679.00 weekly  
                    Highly Compensated \$147,404 annually/  
                    no change to standard duties test  
                    10% non-discretionary, bonus, incentive and commission  
                    proposed updates every 4 years

89% of employers who needed to make changes under “new rule”  
made change in 2016.



## Administrative

### Administrative Exemption Fact Sheet

- Current
  - The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week);
  - The employee's primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers; and
  - The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.





## Executive

### Executive Fact Sheet

- Current
  - The employee must be compensated on a salary basis (as defined in the regulations) at a rate not less than \$455 per week);
  - The employee's primary duty must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise;
  - The employee must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent; and
  - The employee must have the authority to hire or fire other employees, or the employee's suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees must be given particular weight







## Professional

### Professional Fact Sheet

- Current
  - The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less \$455 per week;
  - The employee's primary duty must be the performance of work requiring advanced knowledge, defined as work which is predominantly intellectual in character and which includes work requiring the consistent exercise of discretion and judgment;
  - The advanced knowledge must be in a field of science or learning; and
  - The advanced knowledge must be customarily acquired by a prolonged course of specialized intellectual instruction.
  - To qualify for the **creative professional** employee exemption, all of the following tests must be met:
    - The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week;
    - The employee's primary duty must be the performance of work requiring invention, imagination, originality or talent in a recognized field of artistic or creative endeavor.



## Computer Employee = Computer Employee Fact Sheet

- Current
  - The employee must be compensated either on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week **or**, if compensated on an hourly basis, at a rate not less than \$27.63 an hour;
  - The employee must be employed as a computer systems analyst, computer programmer, software engineer or other similarly skilled worker in the computer field performing the duties described below;
  - The employee's primary duty must consist of:
    - 1) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;
    - 2) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;
    - 3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or
    - 4) A combination of the aforementioned duties, the performance of which requires the same level of skills.





## Highly Compensated Employee (HCE)

### Highly Compensated Fact Sheet

- Current
  - Highly compensated employees performing office or non-manual work and paid total annual compensation of \$100,000
  - customarily and regularly perform at least one of the duties of an exempt executive, administrative or professional employee identified in the standard tests for exemption.



# 2019 HR Philosophy

Stay connected







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