

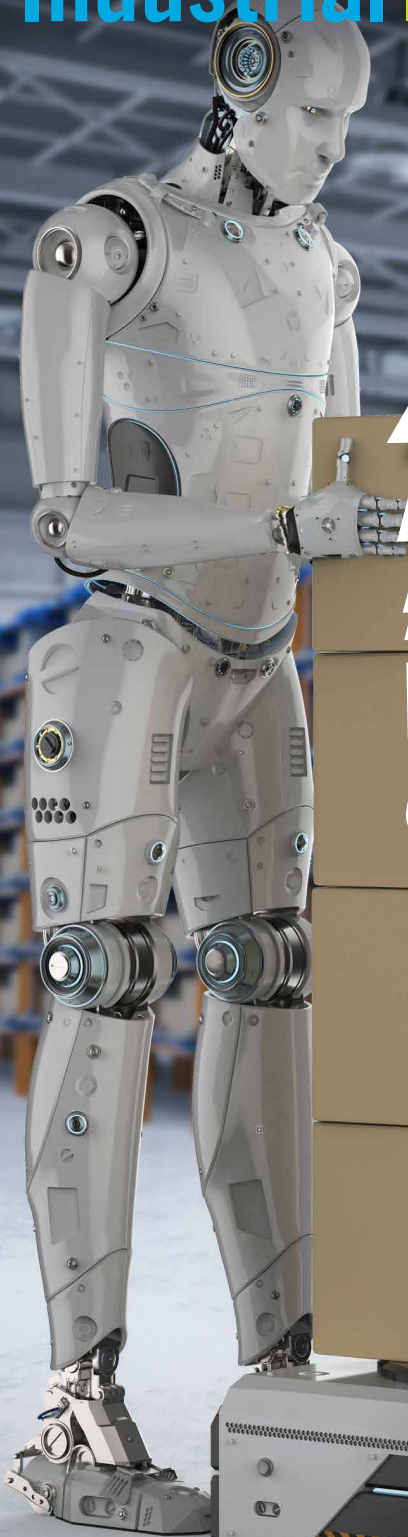
THE RESOURCE

VOL. VI, ISSUE I

Labor &
Industrial

INSIGHTS

Magazine®



***Are You
Ready
for the
Workforce
of 2030?***

INSIDE

Toxic Culture in the Workplace

Trending In 2020: Accessibility,
Balance, and Adaptability

How to Address Employee
Absenteeism

Excerpted from a feature article on *The Resource*, from the local publication, *'Forsyth Woman'*. Story by Martie Emory.

Empowering people to find their place!

"Celebrating 40 years in business at the end of this past August, *The Resource* has a proud history and an inspired story. It is truly a time-tested, innovative company that has navigated a variety of obstacles to achieve this impressive 40th anniversary milestone.

Their message to business clients is a simple one: "Are you operating as your best self?"

That theory is clearly at the heart of the company's success through the years, as they have expanded their services to meet the ever-changing needs of their clients and their employees, while keeping one step ahead in the business world through innovation, creativity, and personal insight.

For CEO Kathy Hartung, it has been both a personal and professional journey of learning, adapting, and making the most of every opportunity. From early beginnings in 1979 under the name of Executive Resources, to a new focus – and the new name Temporary Resources – with Kathy coming on board in 1983, she has guided a respected business through recession, changing workplace dynamics, and the challenges of new technology, for 36 of its 40 years in existence.

The early '90s brought changes in the business recruiting industry, with the introduction of background checks, followed by a turn to technology, with the mid-'90s bringing computers and an official "database" of applicants into the workplace. Housed in a single location in Winston-Salem in the 90s, the company then expanded to Greensboro, Mocksville and Lexington. The rollercoaster of the recession of 2008 brought still more change, and eventual rebranding and name change in 2014 to *The Resource*, to better reflect the company's mission. In 2017, the expansion continued to markets in Salisbury and Yadkinville.

"There were always plenty of challenges and obstacles to overcome," says Kathy.

Believing every employee has their very own set of unique abilities, *The Resource* team also aids companies in optimizing their current workforce as well. With every change or adjustment in staff, they assure clients they are already solving issues for the future. How empowering!

At the heart of their success, Kathy and her staff consider change to be a positive factor, and one they embrace at every stage of development.

"What's interesting is that the same challenges repeat over and over during the years, with just a different face or disguise," she says, with confidence that a positive solution will always be within reach!"

THE RESOURCE

“ At *The Resource* we are passionate about our story, and the stories of evolution our clients and employees have to tell. Here's to the next 40 years of fulfillment! ”



Best Regards,

Kathy Hartung, CEO

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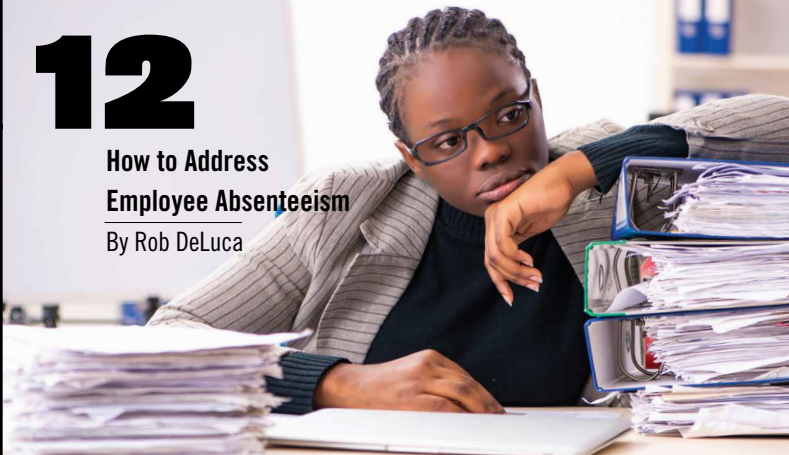


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**How to Address
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By Rob DeLuca



Labor & Industrial **INSIGHTS**

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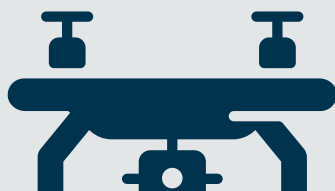
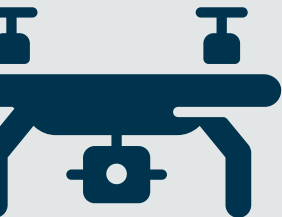


Are You Ready for the Workforce of 2030?

The long-heralded workforce of 2020 has arrived, which means that leaders now need to focus on preparing for the workforce of 2030 and what employment landscapes will look like in another decade. No one has a crystal ball that makes it possible to predict the future with 100 percent accuracy. But people who pay close attention to the employment and technology sectors of the business world have come up with some pretty good estimates about which key drivers will affect the workforce over the next ten years—and the role that company leaders will play in helping their organizations navigate them.



BY VALERIE M. GRUBB



GENERATION Z

It seems that just yesterday the Millennials were on the doorstep of the business world. Today, this generation has fully integrated into the workforce, and the next generation is poised to make its grand debut.

Enter Generation Z, the cohort that has just begun to enter the workplace. It's very different from its predecessors, though, so anyone who wants to manage this group well needs to throw out any assumptions about what it means to be a younger employee today.

Overall, this generation is more diverse than any that preceded it; having grown up with technology, its members are the first true digital natives. Organizations will need to understand how to appeal to this group's diverse interests and leverage its comfort with and widespread use of online technologies and social media. They will also need to figure out how to provide the meaning, ethics, and sense of purpose that the members of Generation Z want in their careers.

AUTOMATION

First, a quick look at the numbers: recent research has found that about half “of current work activities are technically automatable through currently demonstrated technologies” and that three-fifths of “current occupations have more than 30 percent of their activities that are technically automatable.” At the same time, “very few occupations—less than 5 percent—consist of activities that can be fully automated.”¹

What does this signify? In short, it means that as automation is increasingly implemented between now and 2030, upwards of 800 million full-time employees could be displaced and as many as 375 million full-time employees will have to change occupations during that period. In fact, up to one-third of workers in the USA could be affected.

Some sectors will be more (or less) affected by automation:

Activities most susceptible to automation include physical ones in predictable environments, such as operating machinery and preparing fast food. Collecting and processing data are two other categories of activity that can increasingly be done better and faster with machines. . . . Automation will have a lesser effect on jobs that involve managing people, applying expertise, and those involving social interactions, where machines are unable to match human performance for now. Jobs in unpredictable environments—occupations such as gardeners, plumbers, or providers of child- and elder-care—will also generally see less automation by 2030, because they are difficult to automate

technically and often command relatively lower wages, which makes automation a less attractive business proposition.²

In other words, although some jobs may become automated, overall employment rates might not change as dramatically if the workforce shifts to other tasks. Therefore, company leaders need to figure out how to help workers retrain so they can continue to have skill sets that meet the ever-changing demands of the market.

DATA ANALYTICS

More than ever, over the next decade companies will need to learn how to use data analytics to predict performance and empower agile HR. As Josh Bersin puts it:

With the increased focus on measuring diversity, gender pay equity, skills gaps, labor utilization, retention rates, real-time feedback, and even organizational network analysis, CEOs and CHROs now understand that people analytics is a vital part of running a high performing company.³

Fortunately, most organizations seem to recognize the importance of leveraging data analysis. In one recent study, three quarters of the companies surveyed said they were “planning on increasing investment in analytics capabilities over the next two years.”⁴ As the use of data analysis rises, so too will demand for professionals in the high-paying field of data science.

Companies that want to be ready for the workforce of 2030 need to analyze the maturity level of their data analytics capability. For example, one key question to ask is “Do our multiple data systems talk with one another?” Some of the different areas to measure (and tools to measure them) include:

- employee engagement (pulse surveys, continuous performance management tools)
- employee recognition (social recognition systems)
- employee communications and teamwork (organizational network analysis and e-mail metadata analysis systems)
- employee travel and location (time and expense trackers, employee badge readers, phone location data)
- employee well-being (voluntarily shared data about exercise and fitness, well-being applications)
- employee sentiment and trust (“mood analysis” of survey responses and e-mail)

► CONTINUES ON PAGE 14

Toxic Culture in the Workplace

BY JOHN ROSSHEIM

Bullying. Radio silence from management. Abrasive performance feedback. Discrimination and harassment. These toxic behaviors are all too familiar in American workplace culture. Less understood, though, is the cost of a toxic work environment—in organizational and human terms, as well as in dollars and cents.

THE ELEMENTS OF WORKPLACE TOXICITY

According to Greg Barnett of the Predictive Index, a firm that specializes in organizational psychology and psychometrics, a toxic workplace exists “when trust, psychological safety, and employee morale degrade to psychologically unhealthy levels.” In such a milieu, he points out, employees suffer from high levels of stress, “and just like a disease, [toxicity] becomes contagious if not treated right away.”

HERE ARE THE TOP TEN MANIFESTATIONS OF WORKPLACE TOXICITY:

- Insufficient or dishonest communication
- Failure of managers to listen
- Lack of recognition of subordinates’ and coworkers’ good works
- Overly negative performance appraisals
- Rampant office politics
- Bullying
- Discrimination (by age, race, gender, or another dimension of identity)
- Sexual harassment
- Expectations that employees will take ethically or legally questionable actions
- Disrespect for work–life balance

What kinds of bosses create or perpetuate toxic workplaces? According to Michael O'Malley, managing director at consulting firm Pearl Meyer and a lecturer in psychiatry at Yale University School of Medicine, "It's bullying, abusive managers—the shouter, the thrower. It's micromanagers who always intervene to do a task the way they would do it, and managers who take credit for everything that goes right—and blame others for all that goes wrong."²

Indeed, the manager relationship is central to each worker's experience of company culture: in one recent survey, just over three-quarters of the respondents "agree that their managers set the workplace culture."³ The same survey also found that "58% of those who left a job because of workplace culture cited their manager as the reason behind their decision."

But if culture makes a company a bad place to work, managers can't hold all the blame. The top executives have the ultimate responsibility for a company's culture, whether they acknowledge it or not. "Toxicity usually starts at the top," says Barnett. "Senior leaders set the tone for what behaviors are expected. They create those expectations through their own actions and decisions, and through what they reward and punish."

THE COSTS OF A TOXIC WORKPLACE

Consider the numbers. During just the past five years, turnover cost companies \$223 billion, and nearly 20% of American workers left their jobs because of the culture at their organizations.⁴ In another study, three out of five employees who had been with their company for eight or fewer years said they would "leave their company for one with a more positive culture."⁵ And of course there are also the costs associated with unplanned absences of workers who call in sick when they don't feel like going to work.

A toxic workplace leads to even more costs through the constant stress it creates. Drew Fortin of the Predictive Index points out the broad and deep toll that toxicity can take:

High-performing employees leave, dragged down by underperformers. Toxic culture takes an emotional toll on employees. At the end of the day, employees in these cultures go home to families drained, exhausted, and negative.⁶

This stress not only undermines engagement and productivity, but can also lead to associated medical costs.

HOW TO COMBAT TOXIC CULTURE

In order to curb the high costs of a toxic culture, an organization must focus on building a strong workplace culture based on shared values. Civility and gratitude for collaboration and good work are key in healthy workplaces. But even though "the organization can establish core values that are rewarded, recognized, and enforced," says Fortin, "if policies, processes, and recognition aren't built around core values, then the values won't stick."

Although the foundations of a healthy workplace culture are humane values, number crunching may be required to get there. "Organizations need to gather data, to do assessments and surveys on organizational culture," says Ryan Lahti of the consulting firm OrgLeader. "But they also need to do more than 'surveying just to survey.' They need to take action based on the data."⁷ For senior leadership at toxic organizations, human resources departments should provide feedback, executive coaching, and guidance, bringing in independent experts when necessary, Lahti says.

Communications and recognition, too, can play key roles in counteracting toxicity. "Poor managerial communication hurts employee engagement by making team members feel removed from decisions and devoid of any sense of ownership," says Carlos Castelan of the consulting firm the Navio Group. "In many ways, a boss's poor communication—or lack of communication—is worse than conflict itself, because it signals to someone that they're not valued enough to be included." That's why healthy communication (specifically, recognition and thanks) should be a key element of performance management. Discussions of performance should predominantly be informal, continuous, and conducted with a positive attitude.

The payoff in improved culture can be huge. For example, "workers who check in with their managers at least weekly . . . are five times less likely to be disengaged" than those who never have check-ins.⁸ Management consultant Susan Kuczmariski advises:

Praise and recognition should be a key component of your management strategy. Personalize praise—match the right kind and amount of praise to each recipient. Use written and other tangible forms of recognition, not just verbal praise. Praise both the effort and the outcome.⁹

She adds that "a culture of praise is essential for innovation," because in that environment people are more open to sharing their ideas as well as "their success stories and failures."

Healthy communication is not just about bosses recognizing the accomplishments of their subordinates. Peer recognition is critical to many employees' sense of belonging. In organizations that enable everyone to give recognition, 87% of workers "feel like they belong at their company."¹⁰ But the same study found that when managers are the only ones empowered to give recognition, just 72% of employees feel that they are part of the organization.

FINAL THOUGHTS


Few would disagree that toxic cultures are bad for employees and their organizations. Recognizing the signs of toxicity is only the first step toward addressing it. Efforts to eliminate toxic cultures won't get far, though, without going all the way to the top: "All of these remedies and measures are only going to work if the leaders themselves can handle the truth," says Barnett. "The reality is that in many instances, the leadership is directly or indirectly responsible for the formation of a toxic culture." When it comes to workplace culture, the buck stops at the door of the C-suite. ■

John Rossheim writes about healthcare, diversity, recruiting, and human resources. He can be reached at john.rossheim@gmail.com. This piece originally appeared on the Workhuman blog. Workhuman (www.workhuman.com) is a leading provider of social recognition solutions, trusted by some of the most admired companies in the world to inspire and energize employees and create best places to work. Through award-winning SaaS technology and proven methodologies, Workhuman empowers HR and business leaders to take a modern, more strategic approach to recognition programs.

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LABOR MOBILITY AND TODAY'S JOB MARKET

BY JOSH WRIGHT

The background of the page features a silhouette of five business professionals walking from left to right against a bright, hazy city skyline at sunset. The sky transitions from a deep blue at the top to a warm orange and yellow near the horizon. The silhouettes are dark against the lighter background, creating a professional and forward-moving atmosphere.

In today's tight labor market, employers need to get creative if they hope to find and attract candidates. One option is to deepen their understanding of one of the key drivers of recruitment, retention, and turnover: labor mobility, which is defined as “the ease with which laborers are able to move around within an economy and between different economies.”¹ Employers deal with labor mobility whenever they consider site selection, relocation hires, and flight risk.

Labor mobility has played a role in shaping many recent workplace-related trends. For instance, it has affected the generational shift of younger workers to urban areas and framed discussions about how that might shift change the pattern of young families moving to the suburbs.² The rich cultural experiences in high-profile large cities such as New York and San Francisco are major attractions, but they come with high housing costs. Moreover, life events (such as a family member's illness or a partner taking a new job) also influence whether a worker will decide to move locations or switch careers.

THE COMPLEX RELATIONSHIP BETWEEN JOBS AND LOCATIONS

It's widely recognized that switching jobs and changing locations both present many challenges, but how the two intersect receives little attention. Out-of-town applicants have a significantly harder time finding jobs, especially in some of the most prominent and dynamic metropolitan areas in the country, such as Boston, New York City, Atlanta, and Washington D.C.³ Those cities share several features that may make it difficult for workers to find employment, but two that stand out are their size and a significant student population. Large cities tend to have a higher cost of living and thus higher relocation costs than other parts of the country. And because these cities are so populous—and often host several strong universities—they already have rich local talent pools.

Indeed, the impact of local schools is substantial, because the largest volume of open jobs and job applicants are typically entry-level. For example, in New York City, which is home to numerous universities and colleges, students from those schools have four years to network and build relationships with local businesses through internships, apprenticeships, and coop work. All of those opportunities gives them a leg up on out-of-town candidates.

The cities that are most promising for out-of-town applicants (that is, those with the lowest ratio of applicants to available jobs) are generally low-profile locations that feature lower costs of living and less diversified talent pools, such as New Haven, Portland (Maine),

and Springfield (Massachusetts).⁴ A few of the other cities that welcome out-of-towners are effectively satellite cities that exchange applicants with larger metropolises nearby. These include Provo (near Salt Lake City) and Allentown (near Philadelphia). In Ohio both Youngstown (near Cleveland) and Dayton (near Columbus) find themselves exchanging applicants with nearby larger cities.

In contrast, several cities are at great risk for losing workers; this list includes Provo and Ogden in Utah, San Jose in California, and Providence in Rhode Island.⁵ Most of them have large student populations looking for jobs, but smaller and less diversified industrial bases than those found in New York or Los Angeles. Durham and Raleigh in North Carolina, for example, have a famously large bilateral exchange of workers that has led to mutually beneficial economic spillovers. Because the two cities are separated by only a 30-minute commute, neither faces much risk of seeing its tax base erode from workers moving to work in the other location. On the other hand, the employers in these cities may face poaching risk more similar to employers in large cities than in medium-sized cities.

The cities with the lowest level of outbound applications compared to local job seekers tend to be farther away from the coasts⁶. Many of the cities on this list, such as Louisville, Memphis, Jackson, and Albuquerque, hew to major rivers. Other outliers are scattered across the West and Midwest and include Las Vegas, Fresno, Boise City, Wichita, Oklahoma City, and Indianapolis.

HOW TO ATTRACT OUT-OF-TOWN APPLICANTS

In a competitive job market, employers need to take talent where they can find it, yet the evidence suggests that many employers are still reluctant to hire out-of-town applicants. Because it is harder for employers to find and evaluate those candidates because their networks don't overlap as much as those of local applicants, organizations are very likely overlooking some not-so-well-connected people who would actually be star performers.

Hiring out-of-town candidates is certainly a challenge, but companies looking

to do so have a few tools at their disposal. In the long term, they can support affordable housing policies that make it easier for out-of-towners to visit or relocate. In the short term, organizations need to find or create reliable gatekeepers who can help them filter through all those unfamiliar candidates. In short, they need to build talent pipelines specifically for out-of-towners. Reaching out to community colleges, universities, and other skill-building institutions with well-matched programs is a good place to start, but employers don't need to settle for the existing offerings. They could also invest in sponsoring new linkage programs to funnel promising students directly to employers.

Although the depiction of the job-hopping Millennial is an inaccurate stereotype, one widely discussed trait of this generation does hold true: Millennials are carrying significant student debt loads. Therefore companies that offer programs that promise debt relief increase their odds of attracting workers from across the country. Networking-and-filtering events (such as hackathons, for example) are great opportunities to reach out to and connect with possible out-of-town candidates. ■

Josh Wright is the chief economist at iCIMS, a leading provider of innovative Software-as-a-Service (SaaS) talent-acquisition solutions that help businesses win the war for top talent. To learn more about how iCIMS can help your organization, visit www.icims.com.

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TRENDING IN 2020

ACCESSIBILITY,
BALANCE,
AND
ADAPTABILITY

BY CECILE ALPER-LEROUX

At the start of each new year, many business leaders and managers reflect on the experiences and circumstances that made the greatest impression on them during the preceding year. They think about how those forces shaped their work lives and those of their customers and, most importantly, about what the coming year will hold for people and organizations across the globe. They also explore the major trends that affect industries and disciplines other than HR and relate those trends to the world of work.

Today major socioeconomic, geopolitical, and demographic forces are at play that will radically affect workforces and workplaces and require immediate and intentional action, even if their effects are not yet obvious. In 2019 companies realized the importance of holistically addressing their overloaded employees' well-being while simultaneously understanding and planning for the impact of the Fourth Industrial Revolution. In the coming year organizations must extend their view further into the future—while grappling with a long-term labor shortage and a massive crisis in public trust—if they hope to ensure their survival.

The majority of business leaders are focused on growth, yet countries and organizations around the world are facing unprecedented numbers of unfilled jobs. What workforce will fuel the growth for which those business leaders are striving? Smart technology, artificial intelligence, and robots will play roles in the future workforce, with some sectors of the economy benefiting from their contributions more than other areas. But those solutions alone won't be enough. In order to survive and thrive in the coming years, companies will need to tap into new and underutilized workforce segments and empower them in uniquely humanistic ways.

FOCUS ON ACCESSIBILITY

Even as much of the world struggles with record-high labor shortages, “an estimated 386 million of the world's working-age people have some kind of disability” and their rate of unemployment “is as high as 80 percent in some countries.”¹ As the world's population continues to get older, many members of that workforce will age into disability, which will add another factor to an already complex labor scene.

To meet their labor needs, organizations should explore how to incorporate the largely untapped potential of working-age people with disabilities. In short, they will have to make work truly accessible. As the number of organizations investing in design and implementation initiatives increases globally, it's time to expand these programs to explicitly include nontraditional labor segments, such as gig workers, returning retirees, people with visible and invisible disabilities, and the neurodivergent.

Companies can no longer ignore or shut out a large portion of the workforce if they are to meet the needs of their businesses and customers. Organizations will need to invest in technologies that can augment and compliment the capabilities of diverse groups of people while making their workplaces (and transportation to these workplaces) fully accessible. Central to this effort is broadening the scope of “accessibility” to include access to new opportunities, which makes inclusion—not just accommodation—critical.

In order to meet the requirements of more potential employees (including generalists, specialists, gig workers, retirees, and remote and virtual workers), organizations will want to redefine work to be more fluid and flexible. This could entail introducing cyclical or intermittent work (which is not the same as seasonal work) or life-cycle-based assignments and compensation. If they want to attract diverse and disabled employees based on actual job requirements, organizations must provide significantly better accommodations so that all employees can contribute to their full potential.

BALANCE, TRANSPARENCY, AND DATA PRIVACY

Investments in accessibility are more challenging—and more critical—to achieve amid today's rising global uncertainty and decreasing trust in institutions such as the media and government. People continue to place their trust in their employers, though: 58 percent of respondents to one survey say they see their employers as “trustworthy source[s] of

information about social issues and other important topics on which there is not general agreement.”²

In this situation, organizations risk losing talent if they cannot strike the right balance between the transparency, candor, and open communication that foster the trust their employees want and expect from them, and the general mounting pressure to be less open in order to protect their workers' data and privacy. In the face of the growing movement to consider employees' control and ownership over their data as a human right, organizations are often ill-equipped to successfully and legally balance the needs of all parties (as evidenced by the growing number of complaints, fines, and lawsuits in these areas).

HR's charge is to lead organizations as they navigate these murky waters. (This holds true in Europe as well: even though data privacy is better defined there, plenty of ambiguity remains for how to meet legal requirements.) Policies and programs must be updated continuously as regulations proliferate and their complexity and scope increase. At the same time, communication needs to be clear and consistent, and information and systems must be both secure and accessible to all.

BUILD AN ADAPTIVE WORKFORCE

HR circles have been talking a lot lately about the need to adapt. But this discussion has largely focused on transforming the organization—and paid little attention to transforming the workforce. This oversight can only hinder companies' efforts to become environments of trust and belonging. For organizations to become more accessible and fluid places in which all people can thrive and be productive, the workforce needs new adaptive skills and capabilities.

Organizations must build adaptability into the workforce by identifying and developing the skills needed to flourish in the ever-changing modern workplace. The business world pays lip service to new critical professional skills such as self-awareness, empathy, and resilience, but has taken little action to establish them as the primary gauges of a person's contribution to and impact on an organization.

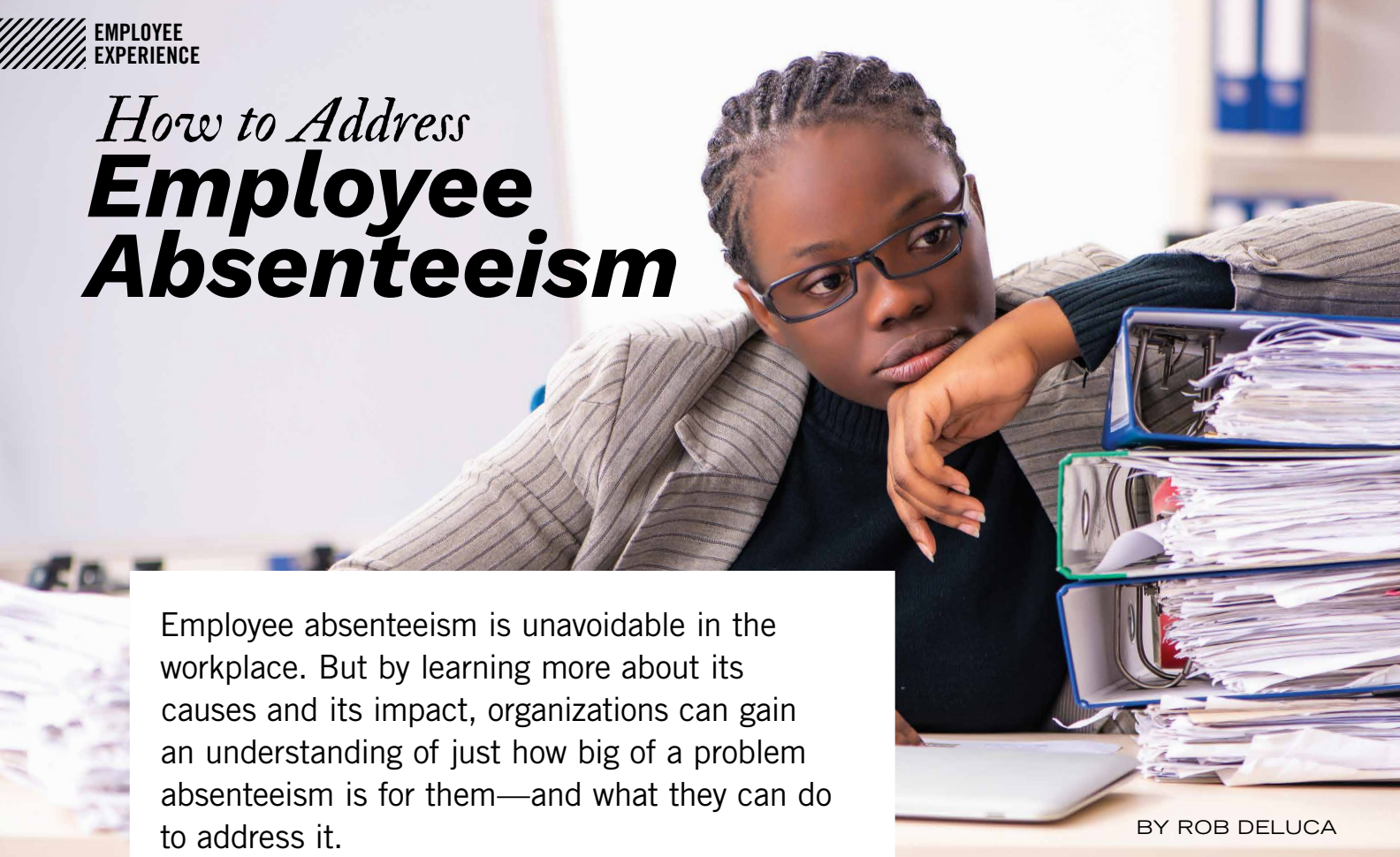
Too many business leaders and recruiters prioritize technical skills even though new entrants to the workforce have so much more to offer. People want to be recognized for their contributions and want to learn the adaptive skills they need to have positive impacts on their organizations and communities. But unfortunately the business world lacks tools for quantifying those impacts.

These are some of the main trends that HR will have to grapple with in 2020. A great deal is at stake financially and socially, and organizations will not survive—much less evolve—without taking note of these trends and responding to them. This is the time for the business world to step up by protecting employees' privacy while being more open with them; by making work more technologically, cognitively, and physically accessible; and by putting people first in every way by developing and valuing their adaptability. ■

Cecile Alper-Leroux is Ultimate Software's vice president of HCM innovation. With more than 20 years' experience in both national and global markets, she is an internationally sought-out speaker, thought leader, and visionary on human capital management trends, hot topics, and global strategies. She can be reached at cecile_leroux@ultimatesoftware.com.

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How to Address Employee Absenteeism



Employee absenteeism is unavoidable in the workplace. But by learning more about its causes and its impact, organizations can gain an understanding of just how big of a problem absenteeism is for them—and what they can do to address it.

BY ROB DELUCA

WHAT IS EMPLOYEE ABSENTEEISM?

Employee absenteeism is chronic or habitual workplace absence, often unplanned and unannounced. Every employee misses work on occasion, but it's important to differentiate between absenteeism and other forms of absence, both of which can adversely affect a company. Understanding the difference between the two is the first step toward nullifying their effects.

Scheduled absences include vacation, holidays, and foreseeable medical absences (such as maternity leave or surgical recovery). These absences aren't habitual or taken without good reason, and because they are preplanned, the employee and organization can prepare for them ahead of time (resulting in minimal drag on productivity). Sudden illnesses, family emergencies, and personal leave are some examples of absences that occur without warning but are legitimate and therefore likely to be excused by an employer. These types of absences don't fall in the category of absenteeism unless they become prolonged or are repeated without valid cause.

Absenteeism, on the other hand, is usually defined as chronic or habitual absence without good reason. But most people don't realize that absenteeism also includes partial absences, such as late arrivals, early departures, and even extended lunches. First and foremost, absenteeism is characterized by the lack of legitimacy. Announced or unannounced, any repeated or extended absence that doesn't come with a good reason counts as absenteeism.

THE EFFECTS OF ABSENTEEISM

Both types of absences can negatively affect organizations, but absenteeism is the more harmful of the two because it doesn't have legitimate causes and because companies can't really prepare for it. Unscheduled absences due to illness or some other acceptable reason are bound to happen, but although they arise without notice they are understood to be either one-off events or actionable. Even absences that last much longer than a single day can affect an organization less if managers and affected employees have information and opportunity to prepare for the reduction in staffing or a reallocation of responsibilities (such as temporarily taking over client relationships).

Absenteeism, on the other hand, has multiple disruptive effects. Because it's almost always unannounced, it has an even greater negative impact than excused absences on every affected party. Scheduling difficulties and lost short-term productivity may be the most visible impacts of absenteeism, but it also has many far-reaching impacts (such as undermined relationships and damage to an organization's employer brand) that may be impossible to repair and may not even be visible at first. Absenteeism also undermines trust between management and employees, and among employees. And perhaps most importantly, it usually indicates a need for some sort of fundamental change.

HOW TO MEASURE ABSENTEEISM

The formula for measuring the absenteeism rate is relatively simple: take the number of unexcused absences in a given period of time (such as one month or one year, for example), divide it by the number of days in that period, and multiply the result by 100.

There's no fixed number for how much absenteeism is too much. A rate of zero is ideal, of course, but unattainable. In any organization with more than a few people, some absenteeism is guaranteed.

When gathering this data, the most important thing to do is to track and calculate unexcused absences separately from legitimate ones. Both cause drops in productivity, but the former cause the most damage and are the ones that a company is more likely able to reduce. Tracking legitimate absences and absenteeism identically doesn't provide an accurate picture of the problem and makes it impossible to tell if efforts to address absenteeism have been successful.

HOW TO RESPOND TO WORKPLACE ABSENCES

The methods for reducing the impacts of legitimate employee absences are different depending on whether those absences are scheduled or unannounced. It's possible to counteract the negative effects of scheduled absences simply by being thoughtful and having a little foresight when becoming aware of an upcoming departure:

- **Reinforce.** Hire additional staff or call in part-time employees to fill vacant positions.
- **Communicate.** Make team members aware that they may need to help take up the slack.
- **Delegate.** Ensure that the appropriate people are aware of any projects and relationships that will require maintenance and that they have access to any information or permissions they'll need to perform the absent employee's job.
- **Record.** Keep track of what goes on while the absent employee is away so it can be reviewed with them when they return.

These straightforward, common-sense recommendations can help avert many of the problems that arise from an employee's planned absence.

Unfortunately, sometimes legitimate absences are unscheduled and can catch employers by surprise. But these unplanned absences can be weathered with level-headed leadership, some prior planning, and good internal communication. A company might not have reserve staff on call to fill in for missing people, but it can work a percentage of absences into its staffing plan to provide a cushion of coverage. In executive teams, for example, that cushion takes the form of making sure that information isn't siloed with a single individual so that a case of the flu or a fender-bender won't bring work to a halt.

HOW TO PREVENT ABSENTEEISM

The best way to counteract the negative effects of absenteeism is to try to prevent it from happening in the first place. (It won't be completely eliminated, but it can happen less often.) And the best way to prevent unscheduled absenteeism is to be a better employer. It sounds too simple to be true, but it's the foundation of every strategy for keeping employees present, productive, and on time.

Absenteeism is often a sign of poor management or poor working conditions—or the direct result of both. Consider some possible reasons employee absenteeism. For example, a draconian absence policy might result in sick people coming in to work and making their coworkers sick, which in turn leads to absenteeism (because although illness is legitimate, making employees sick as a result of poor management is a preventable issue). Some employees might be reluctant to spend their vacation time on something other than vacation, or they might worry that a manager will turn down their request for some time off. They could feel unappreciated or disengaged and see no obligation to notify anyone that they will be missing work. Or they may simply be taking advantage of a manager who provides endless second chances out of kindness or because the company has a shortage of available workers.

Employees who go absent without notice usually do so because of an issue in one of four key areas, and organizations that want to address absenteeism need to pay close attention to them:

- **Compensation.** When a company pays its people competitive wages for the market, they don't feel like they should take advantage of the organization in return for its underappreciation of their labor value. Good and fair compensation also reduces the likelihood that employees will look for other jobs that provide better wages.
- **Engagement.** Improvements in this area could take the form of offering better training, more opportunities for advancement, or other forms of career development that leave employees feeling more dedicated to their jobs.
- **Benefits.** Action in this area could be as straightforward as finding a better healthcare plan that keeps employees healthier through policies and events such as offering free flu shots during the workday, making telecommuting an option, implementing an unlimited PTO policy, or turning sick days into "personal days" to prevent people from feeling as though they need to lie in order to justify their need for time off.
- **Communication.** Better communication means telling people to stay home when they feel sick, and reassuring them that for tardiness excuses or time-off requests will be dealt with reasonably if they involve legitimate reasons. It also means encouraging employees to communicate about problems they're facing at work and at home so that the organization can help them address those problems. (And it means remaining open-minded about issues for which the company is to blame.)

Companies that make improvements in all of those areas are more likely to see a reduction in absenteeism (and will have more candidates for open positions if they do end up having to terminate a chronically absent employee). In the end, being a better employer will result in better behavior from employees. Consciously or not, they recognize when companies create workplaces that deserve their dedication. ■

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Organizations must understand that their ability to implement real-time data collection goes hand in hand with employees' expectations that this collection is immediately followed by answers and actions. In a world in which 24 hours is considered far too long to respond to an e-mail, companies will need to become increasingly agile to meet those expectations.

NEW WAYS TO WORK

If they want to be ready for the workforce of 2030, organizations need to shift their focus from redesigning processes to reimagining how work is accomplished. For example, rapid innovations in communications technology now allow much work to be done anywhere—and that technology will only become easier to use and more widespread over the next ten years.

The ability to work remotely isn't just a matter of having a new-model laptop and a high-speed Internet connection, though. As workers increasingly move offsite, that shift can have a dramatic impact on how employees relate to their managers, to their colleagues, and to their clients. For this reason, HR—not IT—will need to spearhead the rollout of these solutions over the next decade.

Collaboration platforms and work-based social media, too, will take center stage in the future. Although much has been written about how younger employees favor texting, social-media-based messaging, and applications such as Slack over e-mail, for now e-mail remains the standard for workplace communications. But that will change over the next decade as new communication technologies emerge and—perhaps more significantly—the workplace becomes increasingly filled with younger employees who have the numbers (and clout) to push the workplace toward non-e-mail communication formats.

Companies will need to ensure that managers are prepared (in terms of both mindset adjustments and practical training) to use collaboration platforms and social media to set goals and to motivate, engage, and develop their employees. This is especially true when dealing with offsite employees (whom managers might see only one or two times per year) but also holds true in more “traditional” work environments. At the same time, as organizations become increasingly hyperconnected, companies will need to conduct analyses on whether new communication tools actually improve organizational, team, and individual performance.

SOCIAL CORPORATE RESPONSIBILITY

I think CSR, corporate social responsibility, is something that is becoming front and center.

—ALAN PATRICOFF, AMERICAN VENTURE CAPITALIST

Over the past few decades, national demographics and culture have changed dramatically. The population has become more diverse—and the workforce has as well. As a result, many companies have embraced practices and policies that reflect the evolving interests of their employees and clients, as one recent study on corporations' social capital found:

An organization's track record of corporate citizenship and social impact now has a direct bearing on its core identity and strategy. Engagement on topics such as diversity, gender pay equity, income inequality, immigration, and climate change can lift financial performance and brand value, while failure to engage can destroy reputation and alienate customers and potential employees.⁵

As the political scene becomes more and more divisive, general confidence in the government's ability to address certain social concerns is being shaken. As this trust diminishes, “citizens are looking to business to fill the void on critical issues such as income inequality, health care, diversity, and cybersecurity to help make the world more equal and fair.”⁶ For example, in January 2018 three American companies (Amazon, Berkshire Hathaway, and JP Morgan Chase) formed their own nonprofit healthcare organization, Haven, because they were “frustrated by the quality, service, and high costs that their employees and families have experienced in the U.S. health system” and could not count on the government to solve those problems.⁷ As organizations work on their long-term plans for the path to 2030, they need to think about what they can do specifically to embrace and promote social corporate responsibility.

THE RISE OF HR

No matter what business you are in, there is change, and it's happening pretty quickly.

—JIM PATTISON, CANADIAN BUSINESS MAGNATE

So what does all of this mean for the business world over the next ten years? Like it or not, changes are coming, and senior leaders need to help the business world prepare for them.

It means that to stay relevant, companies must be on the forefront of change.

It's also important to recognize that technology issues are no longer the exclusive domain of the IT department. HR needs a seat at the table whenever conversations take place about the implementation of technologies in the workplace. These technologies include data mining and analysis, automation, communication vectors, and telecommuting. (No doubt ten years from now that sentence should probably be edited to include new technologies that don't exist today but will in 2030!)

Among all departments within a company, HR has the broad perspective and scope needed to be most effective at evaluating and implementing the practices that organizations will need to thrive—and perhaps even just to survive—in workforce 2030. Companies need to start asking themselves now whether their HR departments are positioned to lead this revolution. ■

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