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HR INSIGHTS magazine

VOL. XII, ISSUE IV

from the eyes of industry leaders

Essential Leadership Attributes for Success

IN THIS ISSUE

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Essential Leadership Attributes for Success

BY STRATEGIC HR

Stellar leadership is in high demand in businesses across all industries. The workplace climate has drastically changed in recent years, requiring leaders not only to focus their time and attention on the success of their core business but also to provide strategic leadership and support to their employees. They must possess the right attributes and competencies to lead in an environment that requires constant reevaluation and change. They must also meet the needs of employees who have new expectations for personal needs, development, inclusion, and more. Companies should seek (and develop) the leadership attributes needed to adapt to these new mindsets and drive organizational success.

Developing a Culture by Design

Culture consistently ranks among the most important areas for senior leadership to address. Leaders must drive a well-planned culture in order to cultivate high-performance teams. It's critical that they actively create a positive culture by design (rather than merely allow a culture to form haphazardly at the water cooler). As influential shapers of culture, leaders must include living the organization's mission, vision, and values as central components of their own business ethos.

Leaders Affect the Bottom Line

A strong connection exists between leadership and retention rates. When leadership is strong, those rates rise—and the converse is true, with a significant amount of employee disengagement directly attributable to poor management. Disengaged employees are often on the lookout for new jobs, and when they leave an organization, the turnover costs that incur can equal a big chunk of the departing employee's salary. Leaders must have the ability and foresight to assess engagement on an ongoing basis and to make course corrections when needed.

The Key Attributes for Success

Leadership starts with caring and empathy—seeing employees as people first and as employees second. Showing genuine care for and commitment to employees' well-being builds trust and establishes mutual relationships. The need for servant leadership has not diminished, and leaders must be sure to lead with their hearts as well as their heads.

Humility can be a superpower in leadership. Authentic leaders admit mistakes, give credit where it's due, and remain coachable. They foster inclusion and ensure that all voices are heard. They recognize that even though they are at the top of the hierarchy, those on the ground often have relevant knowledge and innovative ideas unknown at the management level.

Curiosity, emotional intelligence, and effective collaboration can't be omitted from the list of key leader attributes. Asking why, how, and what-if questions urges employees to think deeper and speculate about possibilities. Holding people accountable (but without harsh condemnation) ensures that employees are supported if they try and fail. Lastly, collaboration must be fostered to ensure that each individual, regardless of their work style or personality, is comfortable bringing their contributions to the table.

Tactics for Developing Leader Attributes

According to the 70-20-10 model for learning and development, leaders gain 70 percent of their knowledge via challenging experiences and assignments, 20 percent through relationships with others (including collaboration, networking, coaching, and mentoring), and 10 percent from formal presentations (such as coursework and modules) and training. All of these types of learning can be incorporated into development opportunities designed specifically for leader growth:

- Stretch assignments push leaders into new territories and allow them to test—and transcend—the current limits of their skills and knowledge. They can help leaders figure out both what works and what needs further improvement.
- By placing leaders in different departments or job functions, a job rotation can expand their practical and contextual knowledge of the organization. It can help them to further hone their strengths while also providing them with valuable new perspectives that can benefit them now and in the future.
- Situational-based questions can be designed to push potential leaders outside their comfort zone and to promote more extensive strategic thinking. It may also allow them an opportunity to insert or leverage their own personal style.
- Appointing some of the organization's most efficacious team members to serve as leadership mentors can help a leader to see the company and its employees from a different angle. Leaders are human, too, and often require the same support they are providing to their teams.

What Leaders Need to Unlearn and Change

Strategic planning remains an essential best practice in the business world. With today's economic and political uncertainty, however, as well as enduring impacts of the pandemic, it can be useful for companies to develop alternative contingency plans via scenario planning. Annual plans tend to be rather fixed, but scenario planning (with its "if this happens, then do X" approach) enables employers to be prepared for many possibilities. It can also be a valuable component of the ongoing process of checking operating plans for current relevance.

Leaders should consider long-term business shifts to determine which of today's new practices that were adopted on a temporary basis will transition to permanent status. The rise of remote work and the discovery that an office facility is no longer a necessity to run an organization are two such changes that are here to stay, and leaders will need to be able to adapt to them.

Leaders must also adapt to operating in an environment in which decision making is significantly influenced by the use of artificial intelligence and technology. Data-driven decisions are based on factual statistics as long as the "data in" is credible. Task automation can make decision making easier and also frees leaders to focus on other aspects of human capital and the overall business. The most effective leaders optimize their use of technology so they can focus more of their time on areas that require a human touch.

Future Forward

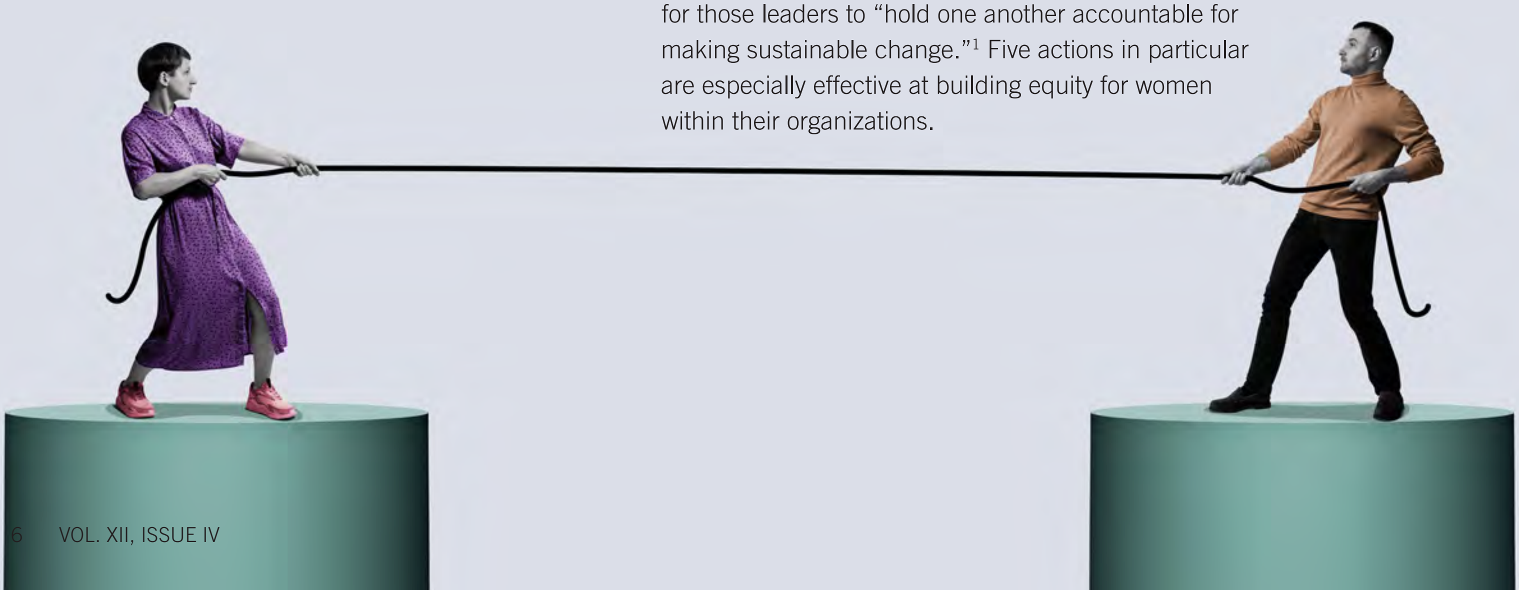
Navigating toward future success may require leaders to make bold moves. They'll need to combat old habits, banish outdated and ill-informed ways of thinking, and drive disengaging and toxic behavior from their organizations. It might be necessary to displace a top leader who is unwilling to represent the best interests of the organization unselfishly and with excellence and empathy. But change doesn't stop there. Leaders must also overcommunicate, develop strong and lasting relationships built on trust and transparency, provide recognition, and always strive to catch individuals and teams "doing something right." The best leaders of tomorrow will be those who help their employees thrive today. ■

Strategic Human Resources is a national full-service HR management firm based in Cincinnati, Ohio. In 2021 it joined Clark Schaefer Hackett Business Advisors to lead key HR solutions. The president and founder of Strategic HR, Robin Throckmorton, can be reached at robin@strategichrinc.com.

5 WAYS TO PROMOTE GENDER EQUITY IN THE WORKPLACE

BY TED KITTERMAN

In most companies, women have a wide range of experiences. Such experience gaps are opportunities for organizations to expand to all employees the successes they have had with one group of employees. According to Ty Breland, executive vice president and chief human resources officer with Marriott International, the best way for companies to start that process is to "bring . . . leaders together to engage in dialogue and practices on the development of women to drive gender equity" and for those leaders to "hold one another accountable for making sustainable change."[1] Five actions in particular are especially effective at building equity for women within their organizations.



1 Close the pay gap

Over the past two decades, the gender pay gap hasn't changed much in the United States: last year, "American women typically earned 82 cents for every dollar earned by men" (a very slight improvement since 2022, when it was 80 cents).[2] Pew Research suggests that stubborn cultural norms around family and dependent care are to blame for this gap, with gender parity disappearing for women later in their careers, even when women start on more equal footing with men. Increased workplace flexibility and evolving norms about gender may offer some solutions to this gap.[3]

2 Recognize each person's potential

Leaders must be willing to put faith in someone who lacks the credentials or experience that might make them a more "comfortable" choice for a role. If leaders don't take that generous first step, it's hard for them to build the trust needed to transform a workplace. Recognizing each person's potential includes looking past gender stereotypes and expectations to give women opportunities that don't necessarily align with cultural norms.

3 Give women a warm welcome

First impressions have a huge impact: the onboarding process often influences whether an employee feels comfortable bringing their full self to work. Companies can demonstrate their inclusivity in other ways, too, by offering programs that can help women flourish in the workplace, such as flexible work arrangements, networking opportunities, and career development.

4 Ensure that women have visibility

With many companies remaining laser-focused on performance and productivity in 2023, it's crucial that women have visibility with top leaders. However, flexible work offerings appear to be at odds with an increased emphasis on performance. There is some concern that women who take advantage of great opportunities for hybrid and flexible work arrangements in the postpandemic area are more likely to be overlooked for promotion, because leaders have reduced contact with people outside of their network. This lack of connection can make it harder for employees from underrepresented groups to rise through the ranks of an organization.

One way for an organization to increase the visibility of these employees is to implement a leadership development program. Through its Emerging Leader Program, for example, Marriott is creating a more diverse leadership pipeline with a focus on developing high-performing women and people of color. The program has been so successful that it's been expanded beyond its original focus on senior managers and is now used to develop talent at various levels of the organization.

5 Help women tell their stories

Do employees have opportunities to share their life experiences with the wider organization? Do executives get a chance to hear those stories? When different employee resource groups (ERGs) come together to tell their stories, they create opportunities for thinking about how overlapping identities can be supported and celebrated in the workplace. Organizations can also find ways to help senior executives connect with employees of backgrounds that differ from their own.

Women make valuable contributions to their organizations but often don't receive the opportunities and recognition that they deserve. When leaders implement programs that increase inclusivity and expand opportunities for women to advance and connect with others, they can create more gender equity within their organizations. ■

A content manager at Great Place to Work, Ted Kitterman has experience covering the workplace, business communications, public relations, internal communications, work culture, employee well-being, brand purpose, and more.

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Creating Great Incentive Plans in Uncertain Times

BY DAVID NYGARD

High inflation, global warming, and international conflicts continue to disrupt supply chains in the wake of a multiyear pandemic. Although the personal and business hardships of COVID-19 now lie mostly in the past, discussions of possible recession still dominate the media, and many US executives are receiving significantly reduced bonus payout and performance awards (if they get any at all). These turbulent economic conditions highlight significant issues with incentive design, and the business world should explore multiple possible options until more predictable forecasting conditions return.

Goal-Based Performance

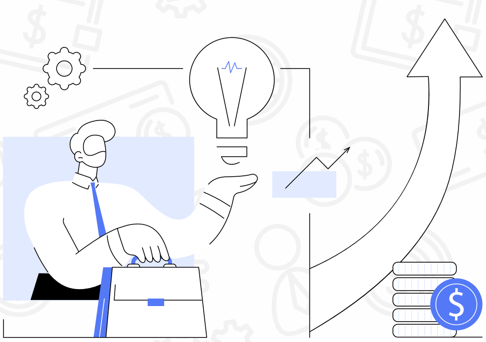
Most executives probably have a goal-based performance incentive plan, a "best practice" shared by most established and respected US companies. Goal-based variable-incentive plans use financial and accounting measures and preestablished incentive formulas that convert corporate, business unit, and individual performance (all tabulated at the end of the performance period) into bonus payout dollars or shares of stock. Incentives are usually paid within two to three months after the end of the calendar year, timing that qualifies many corporations for an accelerated tax benefit for these payments.

Plans that incorporate goal-based performance targets for the current incentive plan year were established back in the days when overall US corporate financial performance exhibited few early warning signs in limited industrial sectors. As this current incentive plan year progresses, however, many US organizations may find that they are unable to meet preestablished budget-based incentive targets or thresholds. The collective US corporate experience has tempered many of the budget and incentive target expectations for the incentive plan year. The incentive thresholds and targets for future years have generally diminished or increased at a slower rate in light of the poor performance results, reflecting a newly shared reality within the industrialized world. One consolation is that executives who may not have earned a bonus or performance award this year could make up for this loss with larger incentive cash and performance equity opportunities for lowered overall corporate performance expectations.

The larger and more immediate problem with goal-based incentive plans in 2023 is that no one really knows how inflation and supply-chain interruptions will affect the bottom line. In the worst case, the United States and other industrialized countries may experience frequent supply-chain interruptions that could further diminish global commerce and significantly reduce corporate growth and earnings. In the best case, new markets could be opened, and companies would globally rebound to unprecedented levels of prosperity. Accordingly, preestablished budget-based incentive bonuses for 2023 could either tank for a second straight year or could reach capped payout maximums. Some argue that, in this time of uncertainty, companies are more likely to perform either well above or well below already diminished 2022 performance ranges. The crystal balls of corporate forecasting are currently foggy at best.

Profit Sharing

One of the incentive practices that went out of vogue with the spread of goal-based incentives was the use of old-fashioned profit sharing for the executive team. Profit-sharing bonus pools are linked by a formula to how much the company earned each year above a long-established threshold. Some profit-sharing plans have payout caps, whereas others do not. Profit-sharing plans directly link incentive bonus payouts to corporate earnings. In good years, participating executives receive more; in not-so-great years, they receive less. In all cases, awards are based on how much the company earned, not on the ability (or inability) of management to budget or set goals beyond a threshold minimum. In a time when it is difficult to know with certainty what the business environment will be like over the next several months or years, a simple approach based entirely on earnings and not targets could be an attractive alternative to goal-based structures.



Peer Comparisons

The peer-comparison approach to annual-incentive and long-term performance awards mitigates the impact of external political and economic factors by using formulas that link payout levels to how well the company performs relative to statistical reference points of peer-group performance. Budgets and historical peer-group relationships are generally used to calibrate peer-based incentive formulas from year to year. The peer-based approach shifts the focus of annual incentives away from absolute budget-based targets to how the company's financial performance compares with the peer group. Consequently, peer comparisons often involve calculation lags of several weeks or months as the company waits for financial performance data to become available for companies within their peer groups.

Measuring a company's performance relative to other competitors in the industry may initially appear feasible but is frequently difficult in practice. The complexity of this approach often becomes apparent in the peer-group selection process. A large peer group is necessary to lessen the impact any one company could have on the group's executive bonuses and to monitor the industry's performance for incentive comparison purposes. Yet many companies run into problems identifying a sufficient number of companies that are comparable in size, market, product, and relative financial health. Some "ideal" candidates might be incorporated in other countries that have different currencies, economies, and accounting conventions, and others could be subsidiaries of firms that serve vastly different industries or are privately held (and therefore do not have public performance-reporting requirements). A related problem is that, during trying times, many companies may enter—or exit—the list of "ideal" peer groups in any given year.

Something Completely Different

For the brave, an alternative to goal-based incentives during uncertain times involves equity awards over a mid-term (i.e., one to two years) period. In this approach, equity values are not set by corporate goal-setting; rather, the market for shares of stock is global, and investors do peer comparisons on a minute-to-minute basis. Temporarily replacing goal-based incentives with equity-appreciation–based incentive awards would directly link payouts to shareholder returns at a time when economic uncertainty makes other approaches difficult and unpredictable. This strategy also preserves cash at a time when it is most needed and could be set up to yield frequent periodic grants to avoid having awards that are unexpectedly based on market peaks or troughs.

These four approaches offer four viable options for creating and managing incentive plans during uncertain times. Not all approaches are suitable for every organization, though. It's up to each company to find the incentive plan that is most appropriate to its circumstances and best meets its needs. ■

David Nygard is the founder of Nygard Partners, where he consults on specialty compensation. Over a career spanning more than two decades, he has designed and communicated executive and employee rewards programs within the United States, the Middle East, and Europe.

Should ESG Programs

Over the past 20 years, programs that create corporate environmental, social, and governance (ESG) frameworks have been some of the hottest in the business world. No matter the industry, if a company has an environmental footprint, employs people, and adjusts to ever-changing government policies, then it has likely developed a model to help stakeholders understand how it plans to become greener, more socially conscious, and more transparent.

Current economic realities, however, are forcing executives to reassess all areas of their businesses and make tough choices—including reducing or even eliminating ESG initiatives. One recent survey found that as recession fears loom, about half of the CEOs interviewed "are pausing or reconsidering their existing or planned ESG efforts over the next 6 months," and just over a third of them "have already done so."[1]

Any organizations that roll back their ESG programs, however, might miss out on some of the financial benefits of those initiatives. Research from leading business authorities convincingly shows that continued support of ESG makes dollars and "sense" in three meaningful ways.

ESG drives cost savings and lowers capital costs

ESG is essential to ensuring corporate long-term financial success, with a direct link between it and two key financial performance levers: cost reductions resulting from sustainable business practices (for example, lower energy and water costs because of reduced use, and lower packaging costs because of design improvements), and investment opportunities from lower capital costs and higher credit ratings.[2] At the same time, companies with high ESG scores from rating agencies generally have "lower costs of capital compared to companies with poor

Be Recession-Proof?

ESG scores in both developed and emerging markets during a four-year study period."[3] Thinking about how to raise capital is one thing that keeps executives awake at night. With ESG-oriented investment experiencing a meteoric rise over the past decade, tying projects to ESG goals opens up more options for capital and financing.

ESG affects top-line growth and customer preference

Consumers are paying attention to the broader societal impact of the products they buy and the companies they do business with. For example, they are increasingly more willing to spend more for products that are considered sustainable in both their materials and their manufacturing processes. ESG initiatives can help organizations meet the environmental, social, and governance criteria that consumers desire.

ESG affects a company's ability to attract and retain talent

Organizations that cut ESG programming risk losing their competitive hiring edge. As job applicants become increasingly interested in social and environmental issues and prefer to work for organizations that are making a positive contribution to society, ESG is routinely listed as a priority for top talent. Because those who are satisfied with their employers' societal and environmental impacts are more likely to want to stay with them for more than five years, continued focus on ESG can ultimately lead to higher retention rates and lower recruitment costs.[4]

The Future of ESG

The issues and circumstances that drove the movement for ESG 20 years ago persist today. Climate change; supply chain management; diversity, equity, inclusion, and belonging; transparency; and myriad other issues will continue to pose challenges for companies in strong economies as well as in weak ones. Therefore, ESG is likely to retain a significant presence in the business world for many years to come.

Bekah Heath is the ESG operations manager for UKG, where she collaborates with internal and external stakeholders to put often-complex ESG requirements into daily practice. She focuses on finding and recommending strategic opportunities that maximize the positive impact of the company's dedicated ESG programming.

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HOW TO INTERVIEW JOB REFERENCES

BY ALEX OLIVER

Recruitment professionals can gain invaluable information by speaking with an applicant's job references. These conversations supply insights that no resume or candidate interview will ever reveal. They can shed light on the influence a candidate had over their teammates, for example, why they missed out on a big promotion. They can give a prospective employer a head's up on that individual's strengths—and their blind spots.

To elicit this kind of information, recruiters should conduct their conversations with job references both thoughtfully and intentionally. At each step of the process, a recruiter not only gathers important information about an applicant but also builds rapport that will make it easier to get answers to bigger, more revealing questions later.

Step #1: Get comfortable

When speaking with job references, recruiters can't just cut to the chase. They need to use the early part of their conversations to confirm a few details, set the tone, and establish trust. The best way for recruiters to do this is to remember their manners: they should start by asking how the reference's week is going and thanking them for taking the time to have this conversation. These talking points aren't simple formalities but lay the groundwork for asking more significant questions later on.

Questions to ask:

- How are you? How's your week going?
- When did you work with this candidate?
- Are the job title and job description I have accurate?
- What can you tell me about your relationship with the candidate?

These conversations supply insights that no resume or candidate interview will ever reveal

Step #2: Assess strengths

Moving on from the basics, the recruiter's goal is to glean as much information as they can about what it's like to work with the candidate in question. They should start with the good stuff and ask the reference to talk about areas in which the candidate excels. If the answer isn't illuminating, the recruiter can try a different angle (for example, asking the reference to recall specific projects they worked on with the candidate).

Behavioral questions help recruiters dig deeper into candidates' skills. Although such questions will vary according to the job, they all work toward the same goal: revealing how the candidate works. To find out if a candidate gets along well with their teammates, ask the reference how that candidate collaborated with their peers. To gauge a candidate's level-headedness, ask about how they handled angry customers or frustrating co-workers.

Questions to ask:

- What is this candidate good at?
- What kind of work environment motivates this candidate?
- What are some wins from your time together?

Step #3: Prod at potential problems

Next, ask about a candidate's weaknesses. Recruiters who fail to do this not only risk making a bad hire but also shortchange the candidate: an organization that understands a candidate's shortcomings can anticipate and address them during onboarding and beyond.

A job reference may struggle to discuss the candidate's weak points. In this case, asking them to talk about an applicant's soft skills (such as professionalism and interpersonal relatability) can yield insights on whether the candidate is a good fit for the role, the team, and the organization.

Questions to ask:

- Were there any problem areas you were working on with the candidate?
- Where did the candidate need support?

Step #4: Open it up

After establishing key details, talking over a candidate's strengths, and asking about their weaknesses, it's time to give the reins to the job reference. Ask them for their opinion: would they rehire this applicant? In all honesty, what do they think about the candidate?

To end the call, ask the reference if there's anything they want to discuss that they weren't specifically asked about. This question blows the conversation wide open, inviting the reference to mention an important tidbit the recruiter might not have discovered otherwise. If the reference has nothing new to mention, they may circle back to the point they found the most important (that they heartily recommend the candidate, for example—or that they're just not sure the candidate would be the right fit).

Questions to ask:

- Would you rehire this candidate?
- Who else should I speak to?
- Is there anything else you want to say?

Final thoughts

The conversations that ensue from following these four steps will yield insights that can save an organization from nightmare hires. Whether they pick up the phone and make these essential calls or turn to skills verification software that automates reference checking, hiring teams in today's job market need to be sure to gather this critical information.

As a content creator at iCIMS, Alex Oliver is well versed in content and digital marketing from B2B and B2C organizations big and small.

Lockdown Lessons for Organizations

BY KEVIN EIKENBERRY

Three years ago, a virus changed the world. COVID-19 was spreading, and many companies sent their people home. The lockdown changed work forever for many, even for those organizations in which most (or all) employees remained in the workplace. Over the course of the pandemic, many have yearned for a "return to normal," whereas others have heralded the arrival of "the new normal."

The past three years have introduced many new (and unanticipated) changes, forced a widespread readjustment of expectations about work, and given rise to entirely new questions and challenges. Through all of this, the world has learned some valuable lessons.

People want and need to be connected to their colleagues, even if they aren't working in physical proximity with them. When leaders and organizations realize that proximity and connection aren't the same thing, they will make different decisions. Those who want higher productivity, improved mental health, and increased retention will prioritize creating cohesion.

Companies that provide clarity and purpose win big. When people feel a sense of safety, their anxiety decreases. It's important for leaders to help people see how what they do matters—a realization that can be harder to achieve when they are working away from their teammates.

Organizations can play an important role in mental health. The virus and its effects demonstrated that work has an incredibly significant impact on mental health—and that organizations and leaders can help in this area, if they choose to do so. Two of the good things to emerge from the pandemic are people's willingness to talk about mental health and fitness more and organizations' increased efforts to help their team members.

Top-down approaches to work environments will lead to unintended consequences. This is a major reason why many "return to the office plans" have failed. Perhaps the biggest lesson to take from the pandemic is that everyone has learned things that apply to the future, and relying solely on what leaders have learned will only lead to problems.

Great results are possible without everyone being together every day. Some people were surprised

to discover this during the pandemic, whereas those who believed it all along felt vindicated. The fact that people can work together at a distance and still be successful doesn't mean that all physical offices must or should go away. Rather, this lesson is a call for organizations and leaders to create work environments with the flexibility to accommodate individual needs and situations.

The world of work keeps changing. This isn't new, but over the past few years, the pace picked up, and now the stakes are higher than ever before. This shift begs organizations not to try to create a new steady-state solution but to continue flexing, adjusting, trying, and learning. (Think "pilot program to test," not "policy carved in stone.")

Even when things are changing fast, foundational principles matter. When everything around them seems to be changing, organizations often try to reinvent themselves instead of staying on their firm foundations. Contexts and many other factors might be evolving, but human nature, motivation, and group dynamics rarely change in the same ways. Thinking about principles first makes possible better decisions about how to adjust to what is changing.

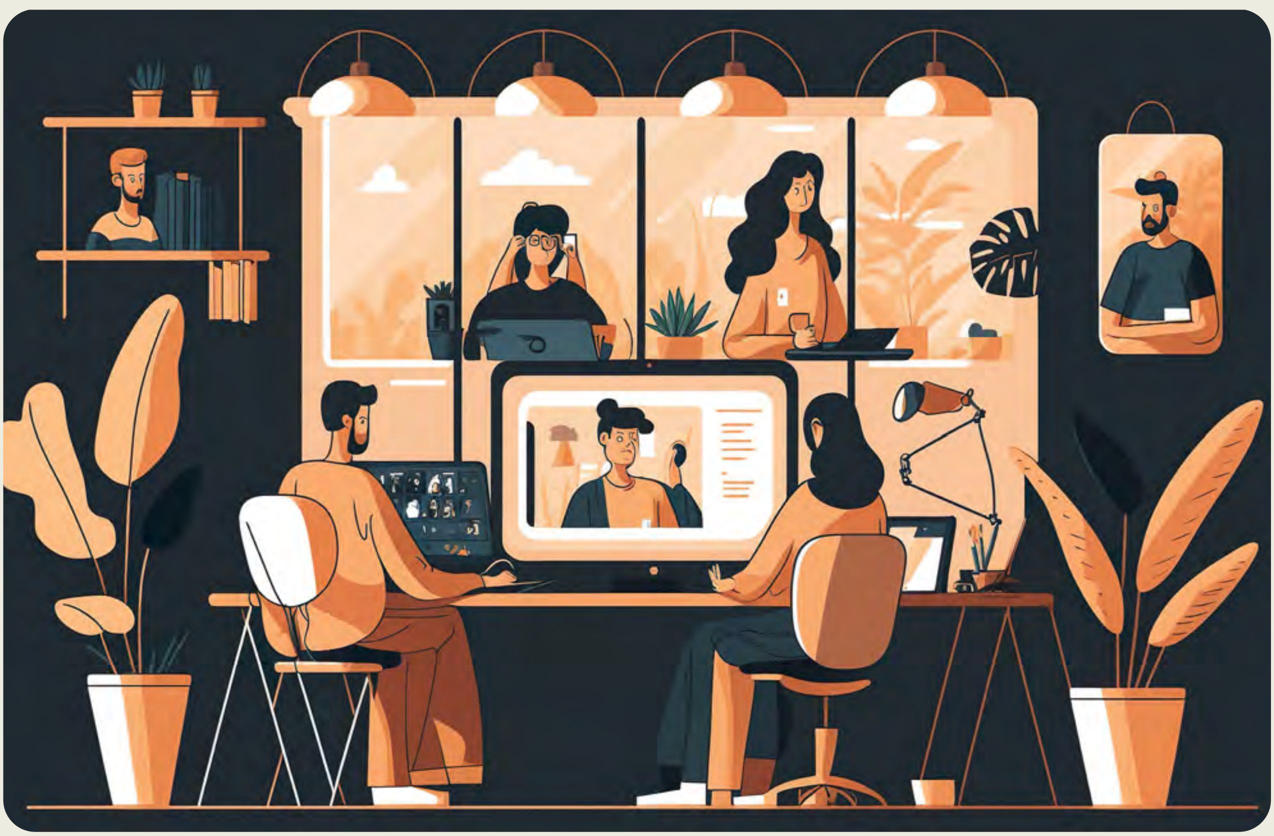
Each organization weathered the pandemic in its own way, and each person (whether leader or employee) had a unique perspective. There was enough shared experience over those three years, though, for these lessons to have widespread applicability throughout most of the business world.

Kevin Eikenberry is the chief potential officer of the Kevin Eikenberry Group, a leadership and learning consulting company that has been helping organizations, teams, and individuals reach their potential since 1993. His specialties include leadership, teams and teamwork, organizational culture, facilitating change, and organizational learning. He can be reached at info@kevineikenberry.com.

Remote Work and Fair Labor Laws

BY ROB DE LUCA

As organizations continue to deal with the aftermath of the Great Resignation and struggle to find the skilled workers they need, they may think they don't have the time and resources to deal with compliance violations. However, ignoring those issues can lead to even bigger problems. Awareness of fair labor practices and compliance with them as defined by federal law are essential to keeping an organization on good legal footing, particularly as the workplace is being redefined with the rise of remote work.



Federal Laws: The FLSA and the NLRA

The Fair Labor Standards Act (FLSA) of 1938 establishes labor laws to protect the interests and well-being of employers and employees via rules about compensation, working conditions, age and gender discrimination, child labor, and other workplace issues. Examples of FLSA violations include misclassifying workers as “exempt” (so they are therefore not bound by federal laws about overtime and minimum wage) and improper tracking of work breaks.

The purpose of the National Labor Relations Act (NLRA), enacted by Congress in 1935, is to protect the rights of employees and employers; to encourage collective bargaining; and to curtail certain labor practices that can harm the general welfare of workers, businesses, and the US economy. Examples of NLRA violations include threatening or punishing employees with loss of jobs or benefits if they join or vote for a union or engage in protected concerted activity, and threatening to close the plant if employees select a union to represent them.

Many state and local governments, however, have their own labor standards to support or enhance federal laws. Depending on where a company’s employees live and work, these state labor standards may include higher wage requirements, more stringent overtime rules, and different child labor regulations. With remote work becoming increasingly common, employers and HR managers need to approach their fair labor practices in ways that accommodate different state and local laws. As a result, a new component of the employee experience is staying up to date on how fair labor affects employees in different states.

Changes and Compliance

The Biden administration’s Build Back Better Act bill of 2021 included heavy new penalties for employer violations of the NLRA. For example, it would have penalized employers up to $50,000 in additional fines for each unfair labor practice violation and added conditions for personal liability (which had never been part of the NLRA before). Although the bill was very narrowly defeated in the Senate, widespread support for its provisions signals the possibility that they could be proposed again in the near future, so companies should be prepared to make adjustments if they pass.

Regardless of whether the labor provisions of the Build Back Better Act are eventually enacted, though, labor laws will continue to evolve. In addition to being ready for future changes, though, employers should also be sure that they are following current laws.

To this end every organization should conduct an annual internal FLSA compliance audit to ensure that they are following the law, especially as their workforces and workplaces have changed with the increase in remote employees. The audit should include a review of the organization’s policies, procedures, and documentation and verify that policies in areas such as payroll, employee hours and wages, and exemption statuses are all in good standing. A comprehensive audit should also examine policies for contractors and nonemployees, recordkeeping, and any applicable overtime exemptions.

Looking Ahead

Although fair labor practices help protect employees while keeping employers out of legal trouble, they aren’t the only considerations for supporting employees. For employees to have the kind of experience that entices them to stay with an organization in spite of a competitive talent market and attractive opportunities elsewhere, they need to be treated as their companies’ most valuable resources. ■

Rob de Luca is the copy director at BambooHR and has written extensively on culture and best practices in the HR field, combining original research and input from HR experts with his own perspective as a manager, creative executive, and veteran of diverse industries.

The Role of ChatGPT in Recruitment

BY JAMES MOUL

The use of artificial intelligence in recruitment is nothing new. For example, employers have long used chatbots to guide people through the application process. Many hiring managers rely on virtual assistants to organize their workflow, and data analysis tools make it faster and easier for recruiters to find connections between candidate resumes and the roles a company seeks to fill.

The recent arrival of OpenAI's ChatGPT, though, has spurred new questions about the role of artificial intelligence in the world of staffing and recruitment. More than any other of its predecessors, this new chatbot is extremely capable at mimicking human conversation patterns, a feature that can dramatically increase its ability to interact with candidates during the application process.

For example, ChatGPT could be a useful tool for handling some time-consuming communication tasks, such as writing hire (or fire) letters or even conducting interviews. Also, because ChatGPT can "remember" and keep track of many inputs and prompts during one interaction, it's less likely to get "lost" in conversations and more likely to provide applicants with the information they seek. But is this artificial "human" touch something that organizations should pursue?

Many recruiters pride themselves on bringing their unique personalities and approaches to their work. They often talk about the same topics and may even have similar approaches, but each person still has their own voice. As the use of a tool such as ChatGPT becomes more widespread, though, there is a risk that many of these communications can start to sound "same-y." That can have an adverse effect on an organization's brand identity.

Keep in mind, too, that overuse of ChatGPT can alienate people. One just-published study found that "participants who their partners suspected of responding with smart replies were evaluated more negatively than those who were thought to have typed their own responses." In other words, people much prefer to talk with real people—not with AI.

Just because it's possible to use ChatGPT in a particular situation doesn't mean it should be used. Context and tone matter—and AI isn't always appropriate for all circumstances. (Remember the widespread public outrage that ensued last February when school administrators sent the Vanderbilt University student body a ChatGPT-generated email in the wake of the mass shooting at Michigan State University a few days earlier?)

There are still many other unknowns about ChatGPT. How much will it cost? What if it channels its inner HAL-9000 and goes rogue in unpredictable ways—say, by legally binding the organization to buy a candidate a Porsche and give them 200 PTO days per year?

For now, at least, the limitations of ChatGPT are very real. AI has the potential to be a job creator just as much as a job killer. It remains to be seen exactly how it will affect recruitment and staffing. One thing is certain, though: it will be an industry disruptor. ■

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RECIPE

Tomato and Peach Caprese Salad

Few things can beat a field-ripened, late-summer tomato. Every bite tastes like sunshine! This salad lets the bright flavors of perfect tomatoes shine through while pairing them with another paragon of summer sweetness, peaches. No need to heat up your kitchen by turning on the stove or oven. And no need to do a lot of cleanup afterward, either: everything comes together quickly in one serving dish!

YIELD: 4 servings **TIME:** 10 min.

WHAT YOU'LL NEED:

- 2 large tomatoes
- 2 medium peaches
- 8 oz ball of fresh mozzarella
- 4 Tb fresh basil
- 3 Tb extra-virgin olive oil
- 1 ½ Tb balsamic vinegar
- Salt and pepper to taste

DIRECTIONS:

- Core the tomatoes and peaches, then slice each one into thick wedges.
- Slice the mozzarella into thin wedges.
- Julienne the basil.
- Overlap the tomato, peach, and mozzarella slices in a ring on a serving platter.
- Sprinkle the basil, olive oil, and balsamic vinegar evenly over everything; season to taste. *(But if you're in a rush or prefer a more casual look, just toss everything gently together in a serving bowl!)*

Nutrition Facts

Amount per Serving

Calories:	315 cal
Fat:	23.5 g
Dietary fiber:	2.5 g
Sugars:	10.5 g
Protein:	14.5 g

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