



# SESCO Management's Year in Review/2025 Forecasted Trends



We are your human resource.



# Session Overview

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- Overview of SESCO
  - 2024 HR Year in Review
  - Potential 2025 HR Legal Updates
  - Key Insights for Workplace
  - Strategic Initiatives for Culture, Engagement and Retention
  - Technology's Role in HR Moving Forward

# 2024 Year in Review for HR

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- 2024 has been a pivotal year for HR and employment law, with several key developments that have shaped workplace practices and legal requirements.
- DOL FLSA White Collar Exemption
  - Nationwide injunction issued November 2024. TX Judge denoted DOL exceeded their statutory authority
  - January 1, 2025 increase to \$1,128 will not take effect. Revert back to \$684/week under federal standard (\*unless state threshold is higher)
  - Many states set their own salary exempt threshold. For example, Alaska, California, New York, Colorado, Washington, Maine,

# 2024 Year in Review for HR

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- Employee Classification and Independent Contractors:
  - Several U.S. states, including California, updated their guidelines on independent contractors.
  - The rise of gig economy jobs has led to new classifications, and many businesses now need to assess their workforce status more carefully to avoid misclassification risks.
  - DOL and IRS actively pursuing misclassifications
    - Wage and Hour liability i.e. overtime, min. wage
    - Unemployment Tax liability
    - Back tax liability i.e. FICA/FUTA
    - Workers Comp Liability
    - ACA liability (50 or more FTEs)

# 2024 Year in Review for HR

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- Paid family and medical leave (PFML) programs
  - Many states are creating or expanding their paid leave laws, requiring employers to provide paid time off for various family and medical reasons.
  - Always consult on specifics for your state: some requirements vary by size of organization, full/part time status or may be a state-run benefit
  - May require updates to employee handbook, timekeeping system, employee communication, employment posters, training for managers etc.
  - States with Paid Family and Medical Leave programs include but not limited to: California, Colorado, Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, Oregon, Puerto Rico, Rhode Island, Washington, and Washington, DC



# 2024 Year in Review for HR

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- **State-Specific Sick Leave Mandates:** More states and cities have implemented or expanded paid sick leave requirements, obligating employers to provide paid sick days for employees to take care of their health or family members.

# 2024 Year in Review for HR

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- Workplace Equity and Anti-Discrimination Laws
  - Employers will face pressure to comply with new regulations aimed at promoting racial and gender equity in the workplace, including pay equity laws and enhanced protections for individuals based on sexual orientation, gender identity, and other characteristics.
  - EEOC charges and civil litigation for workplace harassment/discrimination based on protected class i.e. Age, Race, Sex, Gender, National Origin, Genetic Information, Disability, etc.
  - Additionally, stricter enforcement of harassment laws and training requirements may continue to be seen in various jurisdictions.
  - States that require annual harassment training include but not limited to: California, Connecticut, Delaware, Illinois, Maine, and New York
  - State employees (not private employers) Kansas, Kentucky, Louisiana, Maryland, Mississippi, Nevada, New Jersey, North Carolina, Pennsylvania, Tennessee, Utah, Virginia and Washington are required to receive sexual harassment prevention training.

# 2024 Year in Review for HR

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- **Non-Compete and Non-Disclosure Agreements (NDAs)**
  - FTC Non-Compete ban was enjoined. They are currently appealing the nationwide injunction issued by Judge Brown
  - **Non-Compete Restrictions:** Several states have taken steps to limit the enforceability of non-compete agreements, especially for lower-wage workers. In 2024, **California, Oregon, and Washington** led efforts to introduce restrictions on non-compete clauses, particularly for employees in non-senior roles.
  - Other states ban non-competes either in totality or restrict based on industry, profession/income level to include: Virginia, Illinois, Iowa, Maryland, New York, Pennsylvania, Rhode Island,
  - **Non-Disclosure Agreements (NDAs) and Sexual Harassment Claims:** Some states passed laws limiting the use of NDAs in cases of sexual harassment, preventing companies from using them to silence employees who want to report misconduct. This is part of an ongoing effort to address the issue of workplace harassment and empower victims.





# 2024 Year in Review for HR

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- Remote Work and Labor Laws
  - Many states are addressing the legal challenges related to telecommuting.
  - Issues such as tax laws, employee monitoring, and workplace safety for remote employees will be critical. New laws could be introduced, requiring employers to set clear expectations for remote work, manage the risks associated with remote work environments, and navigate the complexities of cross-border employment when workers are based in different locations.



# 2024 Year in Review for HR

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- **Artificial Intelligence (AI) and Workplace Surveillance**
  - As AI and automation continue to shape the workforce, the use of AI in hiring, performance monitoring, and even employee surveillance will be closely scrutinized.
  - Increase in regulations aimed at ensuring that AI-based decisions (such as hiring algorithms) comply with anti-discrimination laws.
  - Laws surrounding employee privacy and the use of surveillance tools (such as tracking devices and productivity software) will continue to evolve, especially in the context of remote and hybrid work models.



# 2024 Year in Review for HR

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- **Workplace Flexibility and Remote Work Laws**
  - **State-Specific Remote Work Policies:** Several states passed new laws addressing remote work, setting forth guidelines for employers on managing remote employees. Some states are requiring employers to reimburse remote workers for work-related expenses like internet and phone bills.
  - **Hybrid Work Regulations:** As hybrid work models continue to grow, laws have emerged in some states requiring employers to set clear expectations around remote and in-office work, including safety standards for home offices and ensuring workers' compensation coverage for remote employees.
  - **Employee Privacy in Remote Work:** Some states passed laws protecting employees' privacy while working from home. For example, laws now limit employers' ability to monitor employees working remotely, particularly with respect to surveillance of employees' personal devices.



# 2025 HR Upcoming Compliance Areas

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- **Paid Leave Expansion:** Expected expansions in paid leave and how businesses can prepare for these changes.
- **Right to Disconnect Legislation:** The trend of “right to disconnect” policies, where employees will have the legal right not to engage in work-related communications outside of working hours.
- **Workplace Health and Safety Regulations:** New or upcoming regulations focusing on mental health and workplace safety, including stress management and ergonomic standards.
- **Pay Transparency Laws:** Anticipated regulations around pay transparency and salary history bans, with practical advice on how to prepare.



# Key Insights

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- **Increased Flexibility:**
  - Hybrid work will likely become the norm, offering employees a balance between in-office collaboration and remote work, allowing for better work-life balance and accommodating diverse needs like childcare or health concerns.
- **Intentional Inclusion Strategies:**
  - Companies will need to develop proactive strategies to ensure all employees feel included in a hybrid environment, including virtual team building activities, accessible communication tools, and clear guidelines for remote participation.
- **Technology-Driven Collaboration:**
  - Advanced collaboration tools and platforms will be crucial for seamless communication and information sharing between remote and in-office employees, minimizing the "out of sight, out of mind" mentality.



# Key Insights

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- **Personalized Well-being Support:**
  - Companies will likely offer customized wellness programs that cater to individual needs, including mental health resources, flexible scheduling options, and ergonomic support for home workstations.
- **Focus on Equity:**
  - Organizations will need to address potential disparities in career progression and access to opportunities between remote and in-office employees, ensuring equitable treatment regardless of location.
- **Leadership Training:**
  - Leaders will need to develop skills in managing hybrid teams, fostering virtual connections, and providing effective feedback in a remote setting.
- **Data-Driven Decision Making:**
  - Companies will use data analytics to monitor employee engagement, identify potential issues related to hybrid work, and make informed adjustments to policies and practices.



# Key Insights

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- Consider the following potential challenges in 2025:
- Managing "Zoom/Teams fatigue":
  - Balancing virtual meetings with in-person interactions to prevent burnout from excessive screen time.
- Maintaining company culture remotely:
  - Actively cultivating a sense of belonging and connection among geographically dispersed teams.
- Addressing bias in virtual interactions:
  - Ensuring fair evaluation and recognition of employees regardless of their location or visibility in online meetings.



# Fostering a Positive Work Culture

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- A strong workplace culture can predict higher work engagement and lower levels of stress and depression, according to a study from the International Journal of Environmental Research and Public Health. To create an environment where employees feel valued and motivated, try:
  - Organizing regular team-building activities that align with company values
  - Establishing open communication channels, such as town hall meetings or anonymous feedback systems
  - Implementing recognition programs that celebrate both big wins and everyday efforts





# Performance Management and Recognition

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- Gone are the days when performance reviews were a big source of anxiety and stress for anyone involved. Modern performance management is continuous and incremental, making it easy for employees to track their progress and adjust on the go. Some of the best practices include:
  - Develop a template for weekly or bi-weekly one-on-one meetings between managers and employees, focusing on progress, challenges, and goals.
  - Implement a 360 reviews that allows employees to give and receive feedback from peers, subordinates, and supervisors annually.



# Employee Growth and Development

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- In 2025, if you're not growing, then that means you're wilting like lettuce left out of the fridge. In fact, about nine out of 10 employees consider professional development to be important to them, according to a BetterBuys survey of 2,000 workers. Continuous learning should be ingrained in your company culture to support employees' professional development. Here's how:
  - Set up a learning management system with curated courses for different roles and career paths within the organization.
  - Establish a mentorship program, matching junior employees with senior staff based on career goals and skills.
  - Allocate a specific budget for each employee's professional development, allowing them to choose relevant conferences, workshops, or courses.



# Flex Work Arrangements

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- The 9-to-5 grind is becoming as obsolete as a flip phone. Flexibility is more in demand in 2025 than ever, as over 90% of workers say they benefit from flexible work arrangements, according to a Deloitte survey. Address the growing demand for flexible work arrangements by:
  - Developing clear guidelines for remote work, including expectations for communication, availability, and productivity measures
  - Creating a flexible hours policy that defines core working hours and allows employees to flex their start and end times around these hours
  - Implementing a time-tracking system for projects rather than hours worked, focusing on outcomes rather than time spent at a desk



# Fair and Competitive Compensation

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- Your compensation package should make any potential hire's eyes pop. This year, it's all about offering salaries that make your employees excited to go to work every morning. Best practices include:
  - Regular market research to confirm that your salaries are still competitive
  - Pay equity audits to make your compensation as fair as possible
  - Clear compensation structures that are transparent enough for everyone to understand



# Comprehensive Benefits

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- In 2025, benefits should be more comprehensive than a dictionary. After all: 88% of employees value their wellbeing at work just as much as their salary. The goal of employee benefits is always to craft a package that supports every employee's wellbeing, no matter their wellness priorities. You can do that by:
  - Offer a cafeteria-style benefits plan where employees can choose from a range of options to suit their individual needs.
  - Implement a wellness program that includes both physical and mental wellbeing components, like gym membership subsidies and access to counseling services.
  - Provide financial wellness resources, such as workshops on retirement planning, debt management, and investing.



# Performance Based Incentives

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- Aligning rewards with performance is a given going forward. The aim is to motivate employees more effectively than a double shot of espresso on a Monday morning. Try some of the following strategies:
  - Implementing clear bonus structures tied to individual and company performance
  - Offering non-monetary rewards like time off or professional development opportunities
  - Developing long-term incentive plans for employees



# Hollistic Wellness Programs

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- Encourage healthy lifestyles through interdisciplinary wellness initiatives. These programs can address various aspects of employee health, from physical fitness to financial wellness:
  - Implement a company-wide fitness challenge where employees track their steps and compete in teams.
  - Offer nutrition workshops led by registered dietitians to promote healthy eating habits.
  - Provide subscriptions to wellness apps like MyFitnessPal or AppleFitness+ for personalized health tracking.



# Mental Wellbeing Support

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- Prioritize mental wellbeing by offering resources and support. Strategies are primed to have an impact in 2025 are:
  - Implementing a policy allowing employees to take mental wellbeing days separate from using sick leave.
  - Providing access to online meditation platforms like Headspace as part of your benefits package.
  - Conducting regular stress management workshops to equip employees with coping strategies.





# Leverage HR Technology

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- Streamline processes and improve efficiency with HR tools. Here's how:
  - Implement an applicant tracking system (ATS) to manage your recruitment process more effectively.
  - Use a learning management system (LMS) to centralize and track employee training and development.
  - Adopt a human resource information system (HRIS) to manage employee data and automate HR processes.



# HR Analytics and Data Driven Decisions

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- Use HR data to inform strategic decisions. Data-driven insights can lead to more effective HR strategies and better business outcomes. Try some of these strategies:
  - Create dashboards visualizing HR metrics like turnover rates, time-to-hire, and employee engagement scores.
  - Conduct predictive analytics to forecast future talent needs based on historical data and business projections.
  - Use sentiment analysis tools to gauge employee satisfaction from surveys and internal communications.



# AI Automation in HR

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- Explore artificial intelligence (AI) and automation to transform HR practices. AI can handle routine tasks, while HR professionals focus on strategic work. Some of the top AI strategies for HR include:
  - Use chatbots to handle common employee questions.
  - Implement AI-powered resume screening to quickly identify top talent.
  - Use AI-driven performance management tools for more objective and frequent employee evaluations.
  - Launching AI upskill programs for your workforce to spread AI acceleration throughout your company.



# Employee Self Service Portal

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- Providing employees with self-service access to HR information and tools can improve efficiency and overall satisfaction. Try following these tips:
  - Develop a user-friendly portal where employees can update their personal information, access pay stubs, and manage their benefits choices.
  - Implement a digital time-off request system within the portal, allowing employees to easily submit and track their time-off requests.

# Diversity, Equity, and Inclusion (DEI) Best Practices

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- **Creating a Culture of Inclusion**
  - Establish employee resource groups (ERGs) for underrepresented communities within your organization.
  - Implement a reverse mentoring program where junior employees from diverse backgrounds mentor senior leaders.
  - Conduct regular inclusion surveys to gauge employee sentiment and identify areas for improvement.
- **Unconscious Bias Training**
  - Conduct interactive workshops using real-world scenarios.
  - Use virtual reality simulations to create immersive learning experiences.
  - Implement a “bias interruption” program where trained employees can call out biased behavior.



# Diversity, Equity, and Inclusion (DEI) Best Practices

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- DEI Initiatives and Programs
  - Launch a diverse hiring initiative with specific targets for underrepresented groups.
  - Create a sponsorship program pairing high-potential diverse employees with senior leaders for career advancement.
  - Implement a supplier diversity program to support businesses owned by minorities.
- Measuring DEI Progress
  - Develop a DEI scorecard that tracks key metrics like diversity in hiring and promotion rates for underrepresented groups.
  - Conduct regular pay equity audits to identify and address any disparities across demographic groups.
  - Implement quarterly DEI pulse surveys to gather feedback.

# Program Conclusion

*“Thank you for your attention and participation”*

Jamie Hasty, Vice President

