



Vanishing Expectations

Economists are examining why, despite strong corporate profits and low unemployment, wage increases have not kept pace with economic growth. Their insights may help to explain for HR professionals why some key trends in employment and in benefit offerings have failed to materialize.

Experts on generational values and on work/life balance have said, for example, that workplaces would grow more flexible, reflecting the preferences of younger employees and the increased negotiating power of women as they overtake men in educational qualifications.

But over the past five years, according to the annual benefits surveys conducted by the Society for Human Resource Management (SHRM), there have been no significant increases in flexible working options offered by employers. In fact, there have been declines in some types of options, such as job-sharing.

Other benefits that have failed to take off include some that were thought to be priorities for baby boomers. Elder care, for example, was forecast to be a popular offering for employees in the “sandwich

generation”—those who are the primary caregivers for both their elderly parents and their school-age children at the same time. But the number of employers offering subsidized elder care benefits has not increased over the past few years, and the percentage of employers overall offering such benefits is no more than 5 percent.

Phased retirement is another example. Many HR professionals responding to surveys such as the SHRM *Workplace Forecast* say one of their key concerns is how to deal with the large-scale retirement of baby boomers. But when asked how their organizations are responding to such concerns, very few say that they are offering phased retirement.

Just as economists are finding it more difficult to forecast how wages will respond to broader macro-economic trends, HR professionals may find it increasingly difficult to forecast how employee demands will actually translate in practice into changes in benefit offerings.

(*HR Magazine-April 2007*)

Workplace Disabilities Are on the Rise: Employers Devise Strategies to Accommodate Growing Ranks of Employees Impaired by Age, Obesity and Disease

Disabilities among American workers are growing at an accelerating pace, prompting employers to accommodate more maladies in the workplace, according to new government and industry studies.

The problem is increasingly related to unhealthy lifestyles, including poor eating habits and lack of exercise, insurers and researchers say. Also, an aging work force and rising rates of obesity lead to ailments such as back pain, knee and hip injuries and diabetes. And improved treatments for diseases such as cancer and heart disease have meant that some patients who otherwise would have died survive, but with disabilities.

The Council for Disability Awareness, an insurance industry group, found in a

soon-to-be-released survey that more than 500,000 individuals received long-term disability payments from the council's member firms in 2006, up 4.4% from a year earlier. In 2005, the first year of the survey, the number of claims rose 1.4%. Insurers paid \$7.5 billion in claims last year, up 7.5% from 2005. The data don't necessarily include workplace-related injuries, which are covered by workers' compensation insurance.

Federal government figures show even steeper increases. Recipients of Social Security Disability Income or SSDI, grew 4.4% to 6.8 million last year, and that was up 51% over the past decade, with women filing claims at nearly twice the rate as men, according to an analysis of federal



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This newsletter is published quarterly by B.J. Abrams & Associates Inc. Our goal is to help professionals keep up-to-date on the changing issues in human resources and recruiting, as well as the general business environment.

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data by the insurance industry group.

Rising disability claims are expected to pose a growing challenge to employers because of labor shortages that are developing as the population ages. Studies show that more baby boomers expect to continue working past the age of 65 or 70, but given current health trends many will develop impairments that will require special workplace accommodations if they are to continue to be productive.

(*Wall Street Journal-May 2007*)

RECRUITING

Attention to Hiring Details Pays Off

Paying attention to the details of the hiring and orientation process pays off, says Ilene Gochman, an organization effectiveness expert for Watson Wyatt Worldwide.

In a review of human resources practices at 50 large U.S. companies, Watson Wyatt found that 65 percent of companies with a highly engaged workforce provide interview training for managers, vs. 33 percent of companies with a less-engaged workforce. Those with highly engaged workers also spend more time in preparing workers for their new jobs—they take an average of 35 weeks to bring a new hire up to speed, vs. 15 weeks for those with low engagement.

"Few things are more important to a company's long-term performance than choosing the right employees and ensuring that they have the proper outlook from day one," says Gochman. "As a result, employers should view the recruitment

and orientation process as an opportunity, not as a burden. Preparing employees for their new roles and communicating how they can help the firm meet its goals can go a long way toward determining whether new employees ultimately succeed."

"Implementing effective recruiting and orientation programs is generally very cost-effective," Gochman says. "In addition, it is not terribly difficult to make changes in this area. The main requirement is to focus on improving communication, both to managers who do the hiring and to new employees themselves."

A simple but key technique for driving worker engagement is to explain to new employees why they were hired. Fifty-two percent of high financial performers said they provided such an explanation, vs. 29 percent of low financial performers.

(Staff Management-June 2007)

B.J. Abrams & Associates Inc.,

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INTERVIEWING

Yes, You Can Interview A Job Candidate Too Much

Subjecting job candidates to interviews with multiple employees might do more harm than good.

Inc.'s Leigh Buchanan says she understands the motivation behind stadium interviewing. The more interviewers, the more a job candidate's strengths or flaws are likely to be revealed. In addition, involving staff in the process allows bosses to demonstrate respect for their subordinates.

But in practice, most interviewers end up asking the same questions and getting the same answers. Potential peers or underlings of the interviewee are tempted to impress the person with a barrage of astute questions, barely listening to the answers while coming up with the next zinger. To avoid wasting time, managers need to make clear to the interviewers what their role is—gauging if the candidate would be a good personality fit, for example, or evaluating specific skills.

(Wall Street Journal-June 2007)

WORKPLACE ISSUES

Wake up and listen as boomers exit workforce

If you employ a large number of baby boomers or even have a handful of older workers who hold critical jobs within your organization, this is your wake-up call.

The demographics of this generation born from 1946 to 1964 are compelling. Within five years 20 percent of all U.S. workers will be 55 and over and the median age of the workforce will be 41, a class of workers protected by the Age Discrimination in Employment Act.

At the same time the numbers of workers ages 25-44 are expected to decline by 3 percent leaving a shrinking pool of younger workers to replace retiring baby boomers.

"To think you can replace a retiree with a new worker, well, the numbers won't be there even if the skills would be," said Mary Beth Marshall, executive director of the DuPage Work Force Board, one of

more than 600 state and local boards nationwide that provide workforce development, education and leadership in their communities.

"We can train all the people we want, but if you're losing them out the back door it's not going to make any difference."

Experts in academia who have monitored the trends agree.

"It's affecting different organizations in different ways because of the industry they are in and the occupations that are important to that organization," said Marcie Pitt-Catsouphes, director of The Center on Aging & Work at Boston College, and co-author of The National Study of Business Strategy and Workforce Development.

Critical shortages of experienced workers are forecast in many industries, including health care, education, transportation and logistics, utilities and technology.

(The Business News-May 2007)