



# Monthly Strategies

HR Strategies, LLC

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## ***ACA Forms Due to Employees by March 1 and IRS by Feb 28 or Apr 1***

Employers subject to Affordable Care Act (ACA) reporting under Internal Revenue Code Sections 6055 or 6056 should prepare to comply with reporting deadlines in early 2024. For the 2023 calendar year, covered employers must:

Furnish statements to individuals by March 1, 2024 (an alternative method of furnishing statements to covered individuals is available in certain situations); and file returns with the IRS by February 28, 2024, or April 1, 2024, if filing electronically. Beginning in 2024, employers that file at least 10 returns during the calendar year must file electronically.

## ***Five Critical Issues Organizations Will Face in 2024***

Based on the 2023-24 SHRM State of the Workplace Report it's been determined that business leaders are caught between the talent challenges of the past few years and an AI-powered future. It's important to understand that we will need to adapt our business strategies and change management methods to reach our intended goals. There are five critical issues that organizations are facing in 2024. The first area of focus should be on balancing inflation and talent needs. Seventy-four percent of executives surveyed are concerned about inflation and how it is impacting their business as well as the limited talent pool to fill key positions. Organizations will need to take inflation into account when designing their compensation strategy and their long-term approach to talent. Employees are still struggling with the cumulative effects of two years of pay increases that didn't keep up with high inflation rates or productivity gains. In the long term, if employees can't connect their contributions and their compensation, it could lead to declines in morale and productivity.

We must find ways to make employees continue to feel valued in a shifting work environment, especially since retaining a productive employee is more cost-effective than replacing them. Upskilling employees and giving them clear paths to advancement may help improve retention, reduce skills gaps, and increase productivity while containing costs, offering organizations the best of both worlds.

The second area of focus is training an evolving workforce. Training leaders and managers should be another focus as it offers organizations cost-efficient chance to increase staff retention rates and organizational effectiveness. We are facing two trends that are disrupting our talent landscape. Baby Boomers are leaving the workforce just as AI tools become increasingly capable of automating many basic tasks. The remaining employees will need training to replace departing colleagues and work productively alongside AI. It's critical that business leaders not only fund training and development programs in their organizations but also look to modernize their approach and address long-term challenges. Rather than treating the need for enhanced training as a resource sink, we should treat it as a chance to modernize the workforce and enhance productivity.

The third area to focus on is realizing the full potential of AI. Organizations should not rush into AI use without a coherent strategy and sound policies to govern its use, but they also shouldn't try to avoid the technology. Organizations need to use this time to actively study potential use cases and risks rather than passively waiting to see what approaches become dominant. With careful planning, organizations can ensure strategic alignment between its AI use and talent strategy, particularly regarding training and development. Employees will need to adapt to AI and will need

organizational support to adjust to the new working methods associated with these tools.

The fourth focus areas are around persistent IE&D and mental health challenges. Instead of seeing IE&D and mental health as separate challenges that can be ignored in favor of focusing on engagement and retention, organizations need to recognize that these are parts of the same conversation and require a coordinated approach. Rather than de-emphasizing these critical areas, look for ways to make IE&D and mental health programs more systemic and integrated into all employee experience programs so they're strategically aligned with the organization's broader talent goals.

The fifth area is one that most organizations are challenged with today and that is struggling with is maintaining employee morale and engagement. Traditionally, business leaders would look to HR to address this issue, but the data suggests that HR departments face some notable challenges of their own. Many HR departments will need additional resources, as burnout is a real risk for HR professionals at the executive and nonexecutive levels. Additionally, organizations should consider how they're investing in people management and leadership development to help create a workplace culture that promotes employee engagement.

According to the 2023-24 SHRM State of the Workplace Report, workplaces have endured a lot of transformation in the last four years, but the changes behind are nothing compared with the ones that lie ahead. The coming year will bridge old and new ways of thinking about how organizations source, compensate, train, and engage talent. The companies that will thrive in the world of work to come will be the ones that lay the foundations for those changes now.

## ***Time to Update Your AAPs***

Many Affirmative Action Plans (AAPs) expired on December 31, 2023. Under federal law, government contractors and subcontractors with 50 or more employees who have entered into at least one contract of \$50,000 or more with the

federal government must prepare and maintain a written affirmative action program. AAPs must be developed within 120 days from the commencement of the contract, updated annually, and submitted to DOL during the first quarter each year.

## ***Best Practices for Firing an Employee for Poor Performance***

### **Document the Poor Performance**

It's crucial to formally document poor performance when it occurs. Make sure you keep records of poor performance and set clear key performance indicators. Documenting performance and communicating about it is part of ensuring fairness and providing chances for improvement while preparing for any eventualities.

### **Hold Regular, Frequent Performance Discussions**

Some companies make the mistake of only having annual performance reviews. If they want to make employees aware of performance issues and foster dialogue and transparency, they'll need to communicate more often than that.

Saving up feedback for the annual review will not provide ongoing dialogue about performance. Conversations should be held throughout the year which inform the employee what the issues are, together with co-creating action plans to help the employee move in a positive direction.

### **Give Specific Examples**

When going over a performance review, managers and HR need to make sure that they provide clear examples of the work that wasn't up to par, as well as what "good" would look like.

Following this practice, managers and HR leaders who decide to fire an employee are able to clearly frame the decision in context of performance and the individual has been given opportunities to grow and increase their quality of work.

### **Ask Your Attorney or Consultant for Guidance**

Before firing an employee, it's crucial to consult with counsel or HR Consultant. This is especially

important if the employee has been getting good reviews, advancing and has been compensated commensurate with better-performing workers, since they won't be anticipating termination. Those employees may be more likely to sue for wrongful termination.

Because we live in a highly litigious society, employers may have to provide warnings, etcetera, all of which would be documented, before terminating. Involving counsel or a consultant is especially important if the employee has a contract that outlines what does/does not constitute cause and therefore, getting it wrong could come with a hefty price tag. It is also important to follow internal policy, which must be enforced consistently.

**Figure Out a Path Forward**

In many cases, managers and HR might not have to resort to firing. Instead, they can give underperforming employees guidelines for how to improve. A performance improvement plan (PIP) can be a step-by-step guide to show employees the specific criteria they must meet to stay on the job. Communication and feedback are critical to this process.

The goal of a performance improvement program is that you want to invest in that employee and see if you can get them to meet the expectations of the role they signed on and were hired for.

**Terminating an Employee**

If feedback and a PIP don't work, and performance and feedback have been well documented, then it may be time to terminate employment. Employers should be transparent about the termination, practice empathy and answer the employee's questions so there is no confusion. Doing so could lessen the risk of the employee taking legal action, as well as secretly recording the firing and posting it to social media.

The trend of recording terminations for social media is concerning. Transparency, dignity, and support during the termination process are key.

Some organizations offer resources like career coaching to support transitioning employees.

It's essential to balance firmness with empathy and ensuring the process is as positive as possible can alleviate the stress for both parties.

**Delaware Anti-Sexual Harassment Law Training Requirements**

The Delaware law that specifically addresses prohibition against sexual harassment under the Delaware Discrimination in Employment Act (DDEA), requires anti-sexual harassment training requirements for employers, with 50 or more employees in the state, every two years. Training must be provided on the following schedule:

Who Must Be Trained	When Must They Be Trained
New Employees	Within 1 year of commencement of employment and then every 2 years thereafter; training is not required until employee is employed for 6 months.
Existing Employees	Every 2 years
New Supervisors	Within 1 year of commencement of employment as a supervisor and then every 2 years thereafter.

Contact HR Strategies to schedule your organization's required training or schedule individual employees for a live upcoming online interactive class.

**Contact HR Strategies at 302.376.8595 or [info@hrstrategies.org](mailto:info@hrstrategies.org) if you would like support or would like to learn more about the items in this newsletter. Please contact us if you would like to be removed from our Monthly Strategies mailing list or if you would like for us to add someone to our mailing list.**