



**IOWA  
ASSOCIATION  
OF BUSINESS  
AND INDUSTRY**

# BUSINESS

MAY 2023

MONTHLY

## Iowa's Construction Industry Sees Opportunities and Challenges



STORY ON PAGE 19

After years of planning, Russell Construction was selected by the University of Iowa to construct the new 86,200-square-foot, three-story Stanley Museum of Art in July 2019. Working in collaboration with BNIM Architects, the University of Iowa, and museum staff, construction began in August 2019 on the new \$38.5 MM facility, which opened in 2022 and won a Master Builders of Iowa – Masters Award in the \$25 MM+ category, at this year's winter conference. CREDIT NICK MERRICK

### CALENDAR OF EVENTS - 2023

#### MAY 11-12

Leadership Iowa:  
Manufacturing & Transportation  
BURLINGTON

#### JUNE 13-15

Taking Care of  
Business Conference  
CEDAR RAPIDS

#### JUNE 13-15

Leadership Iowa:  
ABI Conference & Graduation  
CEDAR RAPIDS

#### JULY 16-20

Business Horizons  
DES MOINES

#### AUGUST 3-4

Executive Forum  
OKOBOJI

#### AUGUST 6-10

Leadership Iowa University  
DES MOINES

#### AUGUST 28

Executive Open  
WEST DES MOINES

#### OCTOBER 4

Iowa Manufacturing  
Conference and Legends  
in Manufacturing Awards  
ANKENY

### INSIDE

<b>FROM THE CHAIR</b> Kim Augspurger .....	18
<b>WORKERS' COMP COSTS</b> Erin Stober.....	18
<b>WHERE WE ARE AND WHERE WE ARE GOING</b> Brad Hartkopf.....	18
<b>Q&amp;A: HR EXPERT PROVIDES ANSWERS</b> Tracy Winn.....	22
<b>REGISTER FOR BUSINESS HORIZONS 2023</b> Kendall Antle .....	23
<b>WORKER RETENTION AND THE SKILLS GAP</b> Jack Carra.....	24

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Complete Machine LLC | West Des Moines | [www.completemachinellc.com](http://www.completemachinellc.com)

Rayser Holdings, Inc | Cedar Rapids | [www.rayserholdings.com](http://www.rayserholdings.com)

West Des Moines Chamber | West Des Moines | [www.wdmchamber.org](http://www.wdmchamber.org)

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## FROM THE CHAIR:

# ABI Conference in Cedar Rapids: Three Years in the Making

It was three years ago this month that ABI's Chair, Cindy Dietz - Collins Aerospace, published a column that must have been difficult to pen. In it, Cindy shared her disappointment that the global pandemic known as COVID-19 had led to cancellation of ABI's annual Taking Care of Business Conference. Cindy also noted that the ABI Board of Directors had not made that decision lightly, but that it was clearly the decision that best-served ABI members. We all know Cindy to be a terrific leader, and this decision was typical of her strong leadership. She focused on what was best for ABI members and hoped that

ABI would be back in Cedar Rapids in the near future.

It is with great excitement that I share that this hope is coming to fruition. As you know, hundreds of ABI members from across the state and beyond will indeed converge on Cedar Rapids for the association's 120th annual convention. The 2023 ABI Taking Care of Business Conference will be held June 13-15 and an exceptional program awaits you.

At the conference you will find not one, but several nationally-known speakers. You will see fabulous, first-class meeting and event venues. You will dine at terrific restaurants, play

golf at one of the state's finest public courses, and experience terrific Cedar Rapids hospitality. Best of all, you will interact and network with Iowa's top business people. You do not want to miss this conference.

There is no better investment you can make in your business than to attend this event. Register now at [www.iowaabi.org](http://www.iowaabi.org) and I look forward to seeing you in June.

In the meantime, I hope you enjoy this edition of ABI's Business Monthly. The feature story this month is about construction season in Iowa and I believe you will find it of interest. Thank you for your support of ABI. **ABI**



**Kim Augspurger**

ABI Chair  
Pigott, Des Moines

## Workers' Comp Costs: 3 Ways a Designated Medical Provider Can Help

Providing the best possible medical care to your injured employees while keeping a handle on your workers' compensation claims costs is ideal for any organization, but particularly for those in the construction space. A primary way to succeed in this is by designating a preferred medical provider to provide treatment related to your construction company's workers' comp claims. Read on to learn how a preferred medical provider can help.

### 1. Receive Expert Care

Having a relationship with providers who have experience treating workplace injuries helps ensure your team members receive effective, quality treatment—and possibly a faster return to work. Providers are often trained in occupational medicine and are familiar with the workers' comp system.

### 2. Streamline Processes

Establishing a relationship with one provider who understands workers' comp allows you to set up clear procedures and better communication between your company, the injured employee and the healthcare provider. This makes the entire treatment and claim process more efficient—reducing administrative headaches that take you away from your business and make employees unhappy.

Some insurance companies also partner with national PPO networks that negotiate medical care rates, which helps control the cost of the claim.

### 3. Can Improve Your Loss History

Your experience modification rate—a



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number that reflects your company's loss history as compared to similar companies in your industry—can affect your bottom line in a variety of ways. If your experience mod is below average, you may not be able to bid on the best jobs and you may also be paying more than you would like in insurance premiums.

You can improve your experience mod by controlling medical claim costs with the help of a designated provider and by getting injured employees back to work as soon as they are medically able.

If you want to designate a provider for your company, make sure to contact your workers' comp insurance provider (bonus points if they have expertise in the construction industry, like EMC). They'll do the heavy lifting—including identifying qualified health care providers in your area and creating communication materials for your team members. **ABI**

## Where We Are and Where We Are Going

As of this writing, the Iowa Legislature is nearing adjournment and we expect the 2023 session to have adjourned by the time this article goes to print. Discussions are ongoing on the budget, property tax and other outstanding policy items. ABI, on behalf of its members has accomplished a number of key things related to our priorities.

### Workforce

We expect to be approved after appropriations and before for Future Ready Iowa and key programs within that initiative including the Employer Innovation Fund, the Last Dollar Scholarship Program and the Childcare Challenge Fund. Legislation has also been approved to set up an office of apprenticeships within Iowa Workforce Development that will help develop a talent pipeline and make it easier for Iowans to get enrolled in apprenticeship programs.

### Tort Reform

Governor Reynolds signed HF 161 earlier in the year. It imposes hard caps on noneconomic damages in cases of medical malpractice. This is an issue the business community has worked on for decades. The Legislature also approved SF 228, which is commercial motor vehicle tort reform. Like HF 161, SF 228 imposes hard caps on noneconomic damages for incidents involving those types of vehicles.

### Property Tax Reduction and Reform

Both chambers came into the 2023 legislative session with property tax reduction and reform in mind. Both the House and Senate have passed competing versions of reform with overwhelming bipartisan support. The ABI public



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policy team has received assurances that any bill advanced will include commercial and industrial taxpayers.

### Regulatory Reform

Governor Reynolds signed SF 514 into law, which reorganizes state government for the first time in 40 years. The changes will streamline operations of state government, make it easier for Iowans and businesses to interact with agencies and save tax dollars.

Following the conclusion of the 2023 legislative session, ABI staff leadership will travel statewide to present the results of the session to our members. This is the beginning of ABI's grassroots member driven policy process for 2024. Times and dates for meetings in Council Bluffs, Sioux Center, Des Moines and Cedar Rapids have been set. You can register for the meetings online at [www.iowaabi.org/events](http://www.iowaabi.org/events).

The regional meetings provide an excellent opportunity for you to make your voice heard. Be sure to join us for these high-value meetings. **ABI**



COVER STORY FROM PAGE 17

# Iowa's Construction Industry Sees Opportunities and Challenges

By Emery Styron

news@coridorbusiness.com

Iowa's construction industry, which accounted for \$6.29 billion of the state's total \$179.7 billion Gross Domestic Product in 2021 and employs more than 85,000 people, is healthy but facing challenges — especially in the area of workforce — according to leaders of three of the state's major players in the commercial construction market.

"We are feeling like we have a good backlog of work," said Katy Susong, President and CEO of Waterloo-based Cardinal Construction. "There are projects out there. In the past, ahead of COVID, we saw more personal and private investment in projects. We're now seeing more public investment."

One such project for Cardinal is Hudson High School, where school district voters in September backed an \$11.65 million bond issue to update the high school's building systems and infrastructure, convert underused space into classrooms, create a safer main entrance,

rebuild the career and technical education labs and add gym space, according to the Waterloo-Cedar Falls Courier.

"From a private development standpoint, we are seeing investment but at a smaller level," she said. The pandemic changed how employees and employers view and use the workspace, she noted. "We are renovating existing spaces to accommodate those people that still want to be in an office on a regular basis."

"We're seeing more opportunities this year than we've expected," said Caitlin Russell, president of Russell Construction, a Quad Cities based firm with offices in St. Louis and Kansas City. Opportunities are strong in all markets and coming from hospitality, healthcare and manufacturing, said. "We are also seeing a lot of activity in the affordable housing market," she added.

In the past three years, Russell has seen about 70% of its work come from local markets, but that has changed. "We're working in multiple states right now. Not every contractor likes to travel.

CONSTRUCTION PAGE 21



The 15,000-square-foot Cedar Valley Hospice Center was built by Cardinal Construction on land the company donated for the project. Working with Cedar Falls architect Dan Levi and the hospice center staff, Cardinal's team was able to design a highly functional building for the organization that provides palliative care, grief counseling and other important services to the community. "Being able to help an organization like that was meaningful for us," said Cardinal President & CEO Katy Susong. CREDIT CARDINAL CONSTRUCTION

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# COMPANY SNAPSHOTS AND PROJECTS

## Cardinal Construction: Culture Focuses on Educating Clients

120-year-old Cardinal Construction, located in Waterloo, is a commercial general contractor and construction manager. The company's projects cover a broad scope including education, health care, senior citizen and commercial. All its commercial projects are in northeast Iowa.

A major emphasis in the company's culture is client education, says President & CEO Katy Susong. "We want to work with partners who want someone to come alongside them and be a trusted partner. A lot of people we work with, it's the first project they've done. We are intentional in explaining why we do things, how we do things and providing training to our team members so they are equipped to do that to provide the best experience for our clients."

Cardinal prioritizes community involvement, encouraging all team members to engage by joining organizations like Junior Achievement and serving on city councils and commissions. The entire team voted recently to partner with the veterans support organization, Americans for Independent Living. "We are where we are because of the community we live in," explains Ms. Susong.

A spotlight project for Cardinal is the Cedar Valley Hospice administration building in its home community. Cardinal's donation of the land for the building helped make the project possible.

The 15,000 square foot wood-frame building houses offices for hospice administrators, counseling space, open office space for clinical staff that travel and work with patients, a training area, break room, conference room and other amenities.

"They aren't regularly building buildings. We had a really great process up front with regular communication with the owner. Having the owner team so involved resulted in a really cool space. Being able to help an organization like that was meaningful for our team," Ms. Susong said.

## Russell Construction: Client-centric Mentality, Will Travel

Russell Construction was founded in 1983 in Davenport by Jim Russell, who leads the company along with his spouse Michelle Solis Russell and daughter



Story Construction is building a 34,000-square-foot facility for Pivot Bio in the Iowa State University Research Park. This building includes 18,475 square feet of two-story office space with open office areas, individual offices, training rooms and conference rooms. The other 15,547 square feet of the building is high-bay space for testing and storage. The company, which has locations across the United States, develops microbial replacements for synthetic fertilizers. CREDIT STORY CONSTRUCTION

Caitlin, who serves as president. The company expanded with acquisitions to St. Louis and Kansas City in recent years.

A major focus for Russell is development for the federal government in various states and industrial development.

"We definitely have a client-centric mentality. We endeavor to be more of an extension to the client than a vendor to the client. We have a lot of pride in our culture. It's a differentiator for us," said Caitlin Russell.

Among recent projects Russell likes to showcase are the Mulberry Clinic for Unity Point in Muscatine, bringing state-of-the-art healthcare facilities to a nearby community; the University of Iowa's new Stanley Museum of Art in Iowa City, recognized by this year's Master Builders of Iowa Award; and Russell Industrial Park at Interstate 80 and Northwest Boulevard in Davenport. Russell is both developer and contractor for the industrial park, which Ms. Russell characterizes as "one of the first true industrial parks built in the Quad Cities in 20 years."

"You see these big boxes in other cities?" Ms. Russell asked. "We don't have them in the Quad Cities."

Well not until recently. In the park, which will eventually include more than 1 million square feet of "advanced space and innovative buildings," two buildings of 250,000 and 300,000 square feet have already been built and a third structure is in the works.

The facilities, built with precast concrete panels, meet today's industry demands for higher clear heights, wider column spacing and better daylighting that make them efficient and cost-effective. "This is something we're very proud of," Ms. Russell said.

## Story Construction: A Company With a Strategic Plan

Story Construction, founded as James Thompson & Sons in Ames more than 85 years ago, has "always been a company that has a strategic plan," said President Mike Espeset. With no direct family lineage after the second generation, the company adopted an Employee Stock Ownership Plan last year.

"Looking into the future of the industry, we could see demographics and skill sets changing and needed to have a way to make sanity out of the chaos we could clearly see coming," Mr. Espeset said.

He heard best-selling author and speaker Gino Wickman at an ABI conference about a decade ago and bought into his Entrepreneurial Operating System (EOS) with its focus on helping leaders run better businesses with more control and life balance, harnessing entire organizations to advancing together as cohesive teams.

Along with EOS, Story Construction uses Construction Production 2.0 to achieve speed, reliability and predictability on projects, many of which present new challenges.

"We never do the same thing twice, everything is a prototype," Mr. Espeset said.

The process relies on Post-it notes, Sharpies and a series of rituals to execute planning and is very effective, he said. "It's super simple and we're one of the few companies in the world that do it."

Story Construction's spotlight project is a 34,000-square-foot building under construction in Iowa State University's Research Park to house Iowa operations of Pivot Bio. Pivot has developed proprietary microbial technology to supply the daily nitrogen requirements of crops and reduce the use of synthetic fertilizers.

"It's innovative tech — they need a space to attract talent, do research and grow their business," said Mr. Espeset. "It's a story of how we all work together in Iowa to support companies like this, attract and keep them here, help them grow. Our company has helped design and build the space along with many other companies, including other ABI members that are part of the construction ecosystem in Iowa." **ABI**



Building 2, in Russell Industrial Park in Davenport, was completed in July 2022 and is under lease by Bayer / Ryder Logistics. This 251,000-square-foot design/build turn-key facility was delivered on-time, under budget and within a 10-month construction schedule. Buildings in the park are designed to support industrial/warehousing operations and includes features such as 28-36 foot clear heights, dock doors with levelers, and metal fastened thermoplastic polyolefin (TPO) roofing. CREDIT TRENT FOLTZ PHOTOGRAPHY





This scene inside a Story Construction site trailer shows the use of Post-it notes and Sharpies in the company's lean Construction Production 2.0 planning process. Company President Mike Espeset said the process is simple to use and allows the company to achieve speed, reliability and predictability on projects, many of which are one of a kind. CREDIT STORY CONSTRUCTION

#### CONSTRUCTION FROM PAGE 19

Russell likes to be a provider to our clients wherever they are."

She has also noted changes in the workplace. "We've seen some of our clients desiring to modify their spaces to encourage their team members to come back. The balance between work from home and in office work continues," said Ms. Russell.

"From where I sit, the climate is pretty favorable for business expansion and growth," said Mike Espeset, president of Story Construction, Ames. "We have a population problem. Unless we can attract more people, it will be the limiter of our capacity to grow the economy and the state."

#### Below the Fold: Labor Supply and Scarcity

Supply chain disruption, created by the pandemic, "has been the story 'above the fold' for the last 12-18 months," said Mr. Espeset. "The story just below the fold — labor supply and labor scarcity — drives the business of commercial construction in Iowa."

Construction jobs in Iowa totaled 68,900 in January 2022, well below the record high of 88,400 in August 2016, but well up from the record low of 34,800 in February 1990, per the Trading Economics website, which pulls information from the Federal Reserve.

More recent statistics show the industry inching to a high of 85,900 construction jobs in January 2023, before falling back to 84,300 in February, compared to a total state workforce of 1.712 million, according to the U.S. Bureau of Labor Statistics. In the 12 months ending in November 2022, the U.S. gained 248,000 construction jobs and Iowa saw a 2.7% increase in construction sector employment.

The upward trend in construction jobs comes as Iowa's unemployment rate is trending downward. The state's jobless rate declined from a peak of 6.6% in the summer of 2009 to a low range of 2.5-2.6% from mid-2018 to early spring

2020, before shooting to a pandemic high of 10.9% in April 2020. Post-pandemic, the rate fell to 2.3% in April 2022 and stood at 2.9% in February 2023.

Ms. Susong said Cardinal's workforce of 50 people is smaller than it's been in the past. "We'd like to be bigger. People who retire and the pace at which people are coming into the workforce is not the same. People who are coming into construction are coming without the skill set."

"Workforce is the predominant issue for us," she said. "We're trying to be creative in how we approach that issue." Cardinal partners with local high schools to provide programming and last summer put its own carpentry apprenticeship program in place for non-college-bound students who want to get into a craft. The program includes on-the-job training and facilitated online training.

Women and minorities also represent potential construction talent, Ms. Susong said, noting she is often the only woman in the room at many construction meetings. "We need to do a better job to encourage women to get into the workforce. Conversations need to start earlier. A lot of girls even by the time they're in middle school don't see a place in construction for them."

To encourage people from minority groups to seek construction careers, she advocates efforts to "make our industry feel more inclusive to encourage participation from different people."

Mr. Espeset sees similar workforce challenges. "In the decade before, we knew we were going to retire a lot of seasoned people, and we weren't going to replace them with the same numbers or skill sets."

Along with changing demographics in the workforce, the industry is facing more complexity in technology, building codes, material systems, contracting methodologies, insurances and legal issues. "Things have gotten harder and the industry is less well suited to deliver gracefully than in the last 25 years... It's a lot for owners to consider. I'd love to build more capacity but I'm not confident I can find the labor." ABI

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# Q and A: G&A HR Expert Provides Answers to Common HR-Related Questions from Construction Companies



Tracy Winn is a client success manager with G&A Partners, a professional employer organization with locations across the U.S. Winn, who works with clients in the Construction industry, enjoys teaching clients how to handle employee relations so that they can stay compliant with HR regulations.

Tracy is sharing some of the most common questions our HR experts receive from Construction companies and how to approach these situations.

By Tracy Winn

Client Success Manager | G&A Partners | twinn@gnapartners.com

## For out-of-town jobs, should Construction companies pay their workers for the time they travel?

For hourly (or nonexempt) employees, you must pay them for travel if it is during their normal work hours. For example, if your employee's normal workday is 8 a.m.-5 p.m. and the worker is traveling to another town from 9 a.m.-noon, then you must pay the employee for that time.

However, if the same employee is traveling out of town after 5 p.m., then you typically would not pay the worker for that time.

Weekends vary slightly. If your employee typically works a Monday-Friday schedule and you request that the worker travel on Sunday, you must pay the employee for time traveled during the normal shift hours. Using the same employee in the previous example, since that person works 8 a.m.-5 p.m., you would pay them for any travel between those hours.

## Another common scenario is for workers to meet at a warehouse each morning, then drive together to the jobsite. Do companies have to pay their workers for the travel time in the car? Also, can they pay them a different rate for the time traveling in the car versus on the job?

This happens often within the Construction industry. For example, a team might meet at the warehouse at the start of a shift, travel to a local worksite for the morning, then travel to another worksite after a few hours. Generally, if the travel falls within the workday, that time is compensable.

However, if you have workers who travel from home to a worksite that is within a reasonable distance, then that is regarded as a commute and is not compensable. The caveat is that the worksite must be within a reasonable distance from home. If you're requesting an employee drive to a worksite 2-3 hours away, then you would pay for any time traveled during the normal workday.

Technically, you can pay your employees a different

rate for the time traveled, but this is not considered a best practice. We recommend to our clients that they pay the same rate, especially as it can become difficult to accurately track time traveled between jobsites and gets confusing when calculating the overtime rate for that particular week.

## Do companies have to compensate their workers for time spent waiting to work on a job?

There are two common phrases to consider in this scenario: are your employees engaged to wait or waiting to engage?

Engaged to wait means that your workers are on the job and waiting to begin working. For example, perhaps your team is waiting for scaffolding to be set up at a worksite before they can begin their job. In that scenario, you would pay your workers for that time.

Waiting to engage means that your workers are not required to be at work or onsite but are waiting to be called in to work. They can be engaged in other activities at home, for example, while they wait. In this case, their time is not compensable, so you would not need to pay them for the hours they waited.

It's important to understand state laws that can impact these scenarios. In California, for example, employers must compensate employees for a minimum number of hours if they call them into work. Additionally, some employers choose to provide some compensation for time spent on call to make up for the "hassle."

## Work-related injuries are common within the Construction industry. How can companies prevent an employee from claiming they were hurt on the job when the employer believes they hurt themselves outside of work?

The important point to remember in this situation is that when a worker files a claim, it sets off a process that includes an investigation to determine what happened. The adjuster will work to determine how and when the injury occurred and handle the claim accordingly.

Therefore, I always advise my clients to let the employee file the workers' compensation claim and allow the process to unfold.

Along the same lines, companies often have workers with restrictions on what they can do, whether from an injury they received at work or at home. Sometimes, though, the employee doesn't adhere to those restrictions. How should the employer approach this situation?

If an employee is injured and has restrictions on what they can do at work, regardless of whether the restrictions are coming from workers' compensation or an independent doctor, it's important you follow those restrictions. For example, perhaps you have an employee who can't lift more than 10 pounds due to an injury. The employee may wave off the restriction and say, "I'm fine. I can do this." But if the employee gets hurt or sues, you can be found liable.

Therefore, it's important to make accommodations for employees with restrictions. By knowing the restrictions, accommodating them, and ensuring the employee follows through, employers are not only protecting themselves in the event of a lawsuit or additional claims but also protecting the employee from further injury.

## For temporary or seasonal layoffs, what is the impact on employees who have benefits with our company? And can they file for unemployment?

Typically, benefits cease for an employee at the end of the month in which their full-time employment comes to an end. However, most plans include a clause that if an employee comes back or is rehired within a certain time, then the employee can be reinstated on the plan immediately. The key for employers is to know the policy outlined in your medical plan and follow it.

Let's say your plan states that employees who are rehired within six months are immediately reinstated on the plan. Seasonal employees who were terminated for four months and are now being called back to work, could receive benefits immediately.

Filing for unemployment can be complicated within the Construction industry. It's understandable that you



# Register High School Students for Business Horizons 2023

Business Horizons, a program of the Iowa Association of Business and Industry (ABI) Foundation, enables Iowa high school students to confidently forge connections between concepts learned in the classroom through real-world application. The program combines hands-on, entrepreneurial experiences with team-oriented challenges to demonstrate how business and leadership skills are applicable to any career interest.

"This program has given me a broader understanding of business and industry," said Nyalib Chambang, a student at Storm Lake High School and 2022 participant. "The program challenged me to always be open to different perspectives." When asked what was one unique component of the program she was grateful for, Chambang commended all the volunteers and sponsors. "One thing everyone should know about Business Horizons is that it is an investment in shaping the future of our state's youth."

Everyone has something to gain from Business Horizons. Along with a new network of friends and mentors, students leave equipped with a renewed sense of confidence in their next steps.

"I started exploring different colleges and career choices around the same time I attended Business Horizons as a student," said Brooke Seeliger, a student



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at Southeast Polk High School, 2021 participant, and 2022 student ambassador - a small group of peer mentors who return to the program a second year. "At first I didn't think there were opportunities for me here in Iowa; however, this program widened my scope and showcased the endless array of possibilities for my future in Iowa." When asked why she returned a second year to serve as an ambassador, Seeliger credited the mentorship and compassion exhibited by her student ambassadors. "I wanted to help future students reach their full potential and gain the same level of understanding about the opportunities that

you won't follow through, they're more likely to test the boundaries or ignore the policy. Additionally, if you only apply the policy to some workers, then you open up the company to potential discrimination claims.

Regardless of whether you choose to develop and implement a travel policy, here are some best practices to follow when sending your workers out of town:

Never require employees to share a hotel room. If you can't afford separate hotel rooms for each employee, you may want to reconsider your travel plans or reprice your job.

You can't dictate what your employees do in their hotel room after hours, as employees have a reasonable expectation of privacy. However, you can set guidelines and expectations for your workers when they are traveling out of town.

Ensure you have established a sexual harassment policy and that you are clear with your workers that you take it seriously.

## About Tracy

Tracy has been helping companies with HR - from benefits administration to payroll to managing employee relations - for more than 25 years. She graduated from the University of Phoenix with a Bachelor's in Business Management and carries SHRM-SCP credentials through the Society of Human Resource Management. **ABI**

## Q&A FROM PAGE 22

want your workers available to return to your company if you'll need them for another job soon. Employees can file for unemployment during seasonal or temporary layoffs, but they must be "job attached." This means that the employee knows you will call them back to work, therefore they may not need to actively seek a new job.

Each state has different time limits on how long a worker can be job attached, but remember that unemployment ultimately is a decision made between the state and the employee. As the employer, you don't make decisions on unemployment and shouldn't make unemployment-related promises. The state makes the final determination.

## Can we have a company travel policy that dictates what employees are permitted to do on work trips?

Many companies have extensive travel and reimbursement policies to outline whether employees are reimbursed for meals, what type of cars they can rent, whether first-class travel is permitted, and more.

These policies can be helpful, but keep in mind that you must be willing to consistently enforce the policy to make it effective. If your workers know



**WHO:** Iowa high school students currently in grades 9-12

**WHEN:** July 16-20

**WHERE:** Drake University

**PARTICIPATION FEE:** \$350 until May 29 (\$400 full price)

Applications will be accepted through July 7 or until the program is filled. To learn more, nominate, or register students for the program, visit [www.BusinessHorizonsIowa.org](http://www.BusinessHorizonsIowa.org).

\*Includes all meals, lodging, and activities.

\*Register by May 29th to receive a \$50 discount. Need-based financial assistance is available and can be requested through the online application form.

REGISTER TODAY:



exist in Iowa as I did."

Regardless of career interests, Business Horizons provides future-ready knowledge and transferable skillsets.

"This program taught me lessons I wouldn't have learned in a traditional classroom setting," said Jacob Kurt, 2018 participant, 2019 student ambassador, and now a program volunteer. "Even if students choose not to go into something business-related, they're still

learning skills at Business Horizons that they'll continue using every day in their own careers." When asked why he continues to volunteering each year, Kurt noted the importance of paying it forward. "As a student I didn't immediately notice the benefits, but fast forward to this very day I'll tell you how much I draw back on Business Horizons and use those experiences in my career development." **ABI**

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# Addressing Worker Retention and the Skills Gap

If you conduct an internet search on Labor Shortages, the headlines are alarming. According to the U.S. Chamber of Commerce, there are currently over 10 million job openings in the U.S. There are a lot of jobs, but simply not enough workers to fill them. Some experts predict a global talent shortage of more than 85 million workers by 2030.

Every industry is grappling with this challenge. For manufacturers, a skills gap – the disconnect between the knowledge and skills employers need and employees’ skills – is adding to labor woes. The skills gap is created by factors such as:

- Aging workforce
- Advances in technology
- Slowing population growth
- Manufacturing not being considered a career path

While much attention is often placed on recruiting new employees, retaining employees may be one of the most effective strategies for addressing the worker shortage and the skills gap. In addition to compensation and benefits, many factors play into employee retention:

- Employee involvement and ensuring employees understand how their efforts contribute to the company’s success. Empower workers by giving them a voice in decision-making and encouraging them to work together.
- Formal employee development plans that clearly outline career advancement paths, crossing training, and opportunities to grow through special project involvement. Job training and career development programs help employees expand their knowledge and skills, improving worker

- retention and addressing the skills gap. Partnering with local schools to provide apprenticeships, internships, and other forms of training will help workers acquire the skills they need to succeed.
- Employee recognition and a supportive organizational and community culture. Reward and recognize employees both individually and collectively for their contributions. Social activities, community involvement, and relationships with local schools strengthen connectedness.

Compensation and benefits remain top priorities for today’s workers, creating a competitive environment for organizations to vie for talent. To improve retention rates, it’s essential to understand that higher compensation without benefits that enhance employees’ lives may not be enough to keep workers from leaving. Only when competitive wages and meaningful benefits work together will your retention rate improve.

- Employers have an opportunity to support their workforce through their employee benefits program. Consider:
- Flexible work arrangements that support work-life balance.
  - Health and welfare benefits, including financial wellness and employee assistance programs that promote physical, mental, and financial well-being.
  - A retirement savings plan, such as a 401(k). If a plan is not currently offered, take advantage of the tax credit available for starting a retirement plan or joining a multiple employer plan (MEP) or pooled employer plan (PEP).
  - Offer benefits to part-time work-



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- ers, including health insurance and retirement plan benefits.
- Promote the benefits offered throughout the year to increase awareness.
  - Adopt diversity, equity, and inclusion business practices, including an age-friendly workplace.
  - Assist employees nearing retirement by providing education about retirement income strategies, retirement distribution options, and the need to plan for the unforeseen. Also, provide information about Social Security and Medicare.
  - Create opportunities for workers to phase into retirement, such as allowing employees to transition from full-time to part-time, work in different capacities or locations, or have a more flexible schedule.

Employers can stay one step ahead by understanding today’s labor challenges and monitoring talent trends, which can inform strategies to meet the unique needs of current and prospective employees. **ABI**

# WELCOME

## Michele Farrell

ABI’s New Vice President,  
Member and Investor Relations





MAY 2023 | VOL 13 | #5

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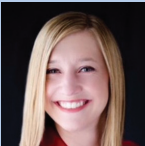
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