

MEET  
THE PANEL**SUJATA  
CHAUDHRY**

Title: CEO

Company:  
Tangible  
Development LLC**GLEN DOHERTY**

Title: Partner

Company:  
Hodgson Russ LLP**DEAN  
IACOVETTI**

Title: President

Company: Vanta  
Partners**DARRIN JAHNEL**

Title: CEO

Company: Jahnel  
Group**LAURA SCHULTZ**Title: Director of  
Fiscal Analysis &  
Senior EconomistCompany:  
Rockefeller Institute

# Industry ROUNDTABLE

# LABOR & EMPLOYMENT

PRESENTED BY:



How will automation reshape the workforce? What is the hardest job to fill? What trends are you watching for 2020 and beyond? Law firm Hodgson Russ and the Albany Business Review hosted a discussion to answer these questions and more. Cindy Applebaum, market president and publisher of the *Albany Business Review*, moderated the discussion.

**?** **Gov. Andrew Cuomo just proposed mandatory statewide paid sick leave in his State of the State address that will require businesses to provide at least five days of sick leave for employees. What impact will this have on employees?**

**GLEN DOHERTY:** If the sick leave does get traction, which does have traction in other states like Massachusetts, it's going to change the way of doing business – certainly for companies that aren't giving paid sick leave. It's either going to result in an increased cost or it's going to cause a reallocation of PTO time. Vacation time can be moved to paid time, which they did in Massachusetts.

Regardless, it is going to be an increased cost, especially for those who aren't giving any time off. And we all know what that means. It can lead to a reduction in hiring. It can also increase costs like minimum wage and things like that. It can cause businesses to close.

**DEAN IACOVETTI:** The companies that I deal with from a recruiting perspective, I don't know of any that don't offer that, so I can't speak to the opposite of it. All of the companies that I recruit for have at least that, and then some.

**DARRIN JAHNEL:** I can see the good intentions in which these laws are made, but I'm

an entrepreneur. I'm, in general, 'anti' any of those types of policies. When you're trying to force good behavior, I don't know if it's necessarily going to work.

The small dry cleaner who wants to do that and can't afford it, you can put as many laws as you want on them. If they can't do it, they can't do it. I run a software firm. Basically, if you're a startup company, you do whatever you want. This rule is irrelevant to companies like ours. I know the intentions are good, but my personal opinion is I think sometimes they're doing more harm than good.

**SUJATA CHAUDHRY:** Our culture is transparency and honesty. If it's mandatory, we'll put it in, but in the culture that we have created, employees take it when they need to. For us, it's frightening to know that we are being told to do this. Employers recognize when you have great employees, and are flexible in the way you handle situations. At the same time, being told to do something versus actually doing it from a culture standpoint is completely different.

**?** **The unemployment rate is at 3.2%. One of the things that I hear over and over again is, "Everybody who wants to work is working." What can employers do to fill their open positions?**

**IACOVETTI:** At least for the tech industry, the days of having a foosball table or all the

soda and coffee you can drink – everybody has that. They have to do a little bit more. The culture has to be very inclusive. They have to do things that are a little bit outside the box to really attract that talent. I don't believe that everybody who wants to work is working. There are still people out there that are looking for opportunities who aren't finding the ideal situation.

**CHAUDHRY:** It's less about how do you fill the positions and more about, how do you look like as a company to attract the positions? Oftentimes we're saying, "We can't fill that position." "Are you looking internally as to why you can't fill that position? And are you asking yourself, "What is the culture of the company?" What are you doing to engage your employees, make them feel like they're a part of the decision making, make them feel like they have a seat at the table, that they are valued? Those are the things that will attract those employees.

**?** **What about trends in telework and how this impacts an employee's decision about where to locate? Is this a way companies in New York could combat population decline, and ultimately, employment issues?**

**LAURA SCHULTZ:** Right now, about 5.3% of all workers nationwide are teleworking. Over half of them are in management, business, science, creative fields. It's the well-educated professionals who are likely trying to be recruited. That's huge growth. It's about a 60% growth over the last 15 years from people who are teleworking. At least from the economic development perspective, there's been so much focus on creating jobs, but now we see a lot of communities creating environments where workers will go because workers are going to bring jobs with them in the future.

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INDUSTRY ROUNDTABLE: LABOR &amp; EMPLOYMENT

PRESENTED BY:  **Hodgson Russ** LLP  
ATTORNEYS

Standing, left, Glen Doherty, Darrin Jahnel, Laura Schultz. Seated, left, Dean Iacovetti, Sujata Chaudhry.

DONNA ABBOTT-VLAHOS

**HODGSON'S TAKE**

*“Once viewed as a novelty or trend, telecommuting is now a global industry ... But there is more to it for employers – a lot more. Employers need to be concerned about protecting their confidential information, data security, overtime claims, work-related injuries and discrimination implications. These issues can be mitigated under a comprehensive telecommuter policy, coupled with smart management oversight over the whole telecommuting process.”*

**GLEN DOHERTY**, partner at Hodgson Russ LLP. Doherty represents employers and management in all aspects of labor and employment law.

**JAHNEL:** Our company is 85 people. The majority of our people work in our main office in Schenectady. Even though they come to our main office, they're basically remotely working for our clients, which are primarily in New York City, Boston, D.C. We also have small New York City and Dallas offices, and then probably another dozen people who work truly remotely every single day from their home. I think it's something great for the Capital Region, in particular. We go down to these bigger cities and say, “We've got better talent than you've got here, and we can do it at a cheaper rate and out-hustle the big city firms.” That's how we built our business.

**DOHERTY:** For years, the practice of law was face-to-face, handshakes. It's changed dramatically. It's more client-driven than it is firm-driven. Firms large and small have encouraged telecommuting. Attorneys are in the office less, but still working hard. The tech side is what started it, and we've copied it successfully.

### How will automation reshape the workforce?

**SCHULTZ:** It's already reshaping the workforce. When you're talking about really low unemployment and having a hard time filling positions, especially in the low-end service sector, companies have to automate. They can't afford to hire anyone. They can't find people who want to sign up for the long term. At CES 2020, they had the pizza machine that could generate 250 pizzas automatically in an hour. We're going to start seeing a lot of that come through. In the short term, we're already seeing automation that can dramatically change the workforce in 20 years.

**CHAUDHRY:** Bing just put out a study that

said in the next 10 to 20 years, automation will displace 10-20% of our workforce. They're saying that the people that are going to be most impacted are those with low wages – women, people of color, people who have little to no education. It's going to affect the workforce that has less access to those things that we're looking for. What are we, as organizations, companies, regions, going to do to maintain our population so that we don't displace them, so that we have economic growth here and wealth here? And then how do we train them?

### Laura, the Rockefeller Institute's study on automation said that, despite some of the challenges, New York is positioned to be a leader in automation. Can you talk about why and where those opportunities are in New York?

**SCHULTZ:** The study found that about 53% of workers in New York currently are doing occupations or tasks that will be automated in the next 20 years. That doesn't mean that those jobs are going to disappear. It just means that those jobs have to change. I think New York's really well-positioned. We have a very well-educated workforce, and we have a lot of people in science and engineering. We have a lot of higher ed. We have the infrastructure prepared to train people for the next generation of work.

I agree with you that we need to rethink how workforce training is done. In companies that I've talked to, they are looking at their employees who will be displaced due to automation, and working to retrain them. It's a lot cheaper to retrain them than attract new talent that you don't know. A lot of these big companies are working to do retraining and giving people sabbaticals. That's the way you need to go. SUNY is everywhere, you have all the community

colleges working with those partnerships. Between industry, university, nonprofit partnerships, we could come up with a really interesting model for retraining.

**DOHERTY:** I agree with the policy. But in practicality, in real life, I spend a lot of time moving businesses out of New York – moving businesses out of existence. It is partly due to automation. Automation is a double-edged sword. Automation no doubt displaces low-skill workers. That's where automation replaces, and as you see, increases the minimum wage or other things that make business a little more expensive. Maybe I've had a bad run of experience, but I'm not seeing a lot of commitment to retraining.

**CHAUDHRY:** The commitment is there. I just don't think they know how to get there. The automation's occurring so much faster than the displacement is occurring. Say you have a tool and you've got 20 to 30 employees working that tool at different shifts. If you're a manufacturing company that's manufacturing 24/7, how do you retrain 30 people when you've got one tool that's just displaced 30 people, and how quickly can you do it? They're at this juncture where they don't understand how to get from point A to point B.

### Many companies use automation for job screening. How does that have the potential to be biased? How can we best deal with the challenges that come with this new technology, and prevent it from being discriminatory?

**IACOVETTI:** I look at automation from a lot of different perspectives. For the recruiting automation tools, I actually love them because they fall short in a lot of ways that recruiting agencies don't. You'll have a company that will contact me, a client will

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INDUSTRY ROUNDTABLE: LABOR & EMPLOYMENT | PRESENTED BY:  **Hodgson Russ** LLP**HODGSON'S TAKE**

*“Upstate employers are not opposed to the concept of paid sick time, but many believe that the governor’s proposal will just add to the list of reasons why businesses and jobs continue to leave NY.”*

**GLEN DOHERTY**, partner at Hodgson Russ LLP.

say, “I put an ad out on Monster, or I’ve been through all these resumes from ZipRecruiter, and I just can’t find the right person.” They have all those algorithms and those things that you talk about that are falling short for the personal communication. A lot of these tools screen for keywords.



**What do you see as the most critical changes we must make to face the future successfully?**

**SCHULTZ:** We need to acknowledge that getting training at the beginning of your career is not enough. You need to continue to train. You need to learn the skillset in college and in higher ed and your workforce development of how to pick up new skills. The job that you have when you retire is going to look completely different than the job that you had at the very beginning. We need to think about policies that encourage constant retraining, constant education. We need to think about sabbaticals in our careers, taking time off to get reskilled, retooled, just like factories get. We need to make that culture shift, that you’re not going to walk out of college or career training at the age of 21 and be done.

**JAHNEL:** I’m a firm believer that our economy over the next 10 to 20 years is going to experience more change than we’ve ever seen, at a faster rate. The gap between the haves and the have-nots is going to get greater. The people who can leverage and

use the technology are the ones who are going to succeed, and the ones who aren’t are going to get left behind. I don’t think we can solve that. When self-driving trucks come around, are you going to make 2 million truck drivers computer programmers? To me, that’s unrealistic, and I don’t think we’ve solved that as a society.



**In the field of recruiting, what are some of the things you’re talking to employers about to address the critical changes they need to make in order to face the future successfully?**

**IACOVETTI:** If the companies of yesterday stay stagnant, they’re going to end up losing a lot of market share and wind up going out of business completely. I’ll give you an example. Nike was traditionally a shoe company. Now, it’s going towards a software company. You’ve got Nike Fuelband, where a chip in your shoe tracks your steps.

If you owned a pool 10 to 15 years ago, to check your pool water you’d take some pool water out, you’d put those droppers in, and you’d figure out the colors of your pH balance and your calcium. Now, you buy the kit, you put the drops in, and it analyzes it for you from a picture on your phone. It actually scans it and says, “You need more pH.” If companies aren’t moving more towards the tech field, I don’t think they’re going to survive.

**DOHERTY:** I approach this a little bit differ-

ently. Employers aren’t stupid. They try. They might not make the right decisions all the time, but they’re trying. They’re trying to survive, they’re trying to grow, they’re trying to make more money, they’re trying to provide for themselves or their shareholders or whoever it is. They’re trying hard.

In New York, we’ve got to take a deep breath and figure out ways to make doing business in New York a little less expensive and a little less burdensome. Let’s face it, there are options, and there are good options. If I have 200 active clients, I can tell you probably everybody but who I call the dirt-pushers, the heavy excavation, the road companies, the bridge companies, they don’t need to be here anymore. I think we’ve got to figure out a way to say, “New York is open for business.”

We’ve got to back off. Minimum wage, I don’t think that rocks a lot of the worlds in this room. Minimum wage goes up a couple of pennies, it is what it is, it’s a living wage. But we start doing vacation, we start doing mandatory training, we start doing everything. These past 18 months, with the exception of my very, very large clients, very sophisticated people, I don’t think many of them have stayed current. It’s too much. They don’t have the in-house capabilities, and they don’t want to pay me a ton of money to do it for them.



**What other regulations should everyone be paying attention to? What’s coming down the line?**

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**DOHERTY:** Marijuana in the workplace. We don't know what to do yet. We as New York, we as the business. It's going to go to the Americans with Disabilities Act, it's going to go to recreational activities under state law, it's going to go to Duties to Accommodate. There are going to be fights between legal prescriptions and recreational marijuana. It's coming in New York. It's going to hit the workplace like we've never seen it, and I don't think we know what to do yet.

**SCHULTZ:** We were doing a lot of work at Rockefeller Institute on the potential policy impacts of marijuana. While we can estimate the economic impacts on the state and the size of the industry, a huge question is the labor relations side of that. When you're funded through the federal government, you have certain drug testing requirements.


I have no idea whether or not it's going to pass. Everyone assumed it was going to pass last year, so we'll see how the battle plays out this year. It might not be this year, but it's inevitable in the near future.

**JAHNEL:** In terms of regulation, I am intentionally naive when it comes to that stuff. We keep our head down and keep pushing forward. When there's a law that gets forced on us, these trainings, these new laws about whatever, then we'll move. I try to stay focused on our business and our team and our core culture. And if we do right by that every day, the rest will take care of itself.

 **Let's talk a little about the downturn in the economy coming. In what ways does this change the discussion that employers are having about hiring? What do 2020 and 2021 look like?**

**IACOVETTI:** I don't think it's because of grumblings of a downturn in the economy, but some of my clients have now been looking for individuals that can do multiple roles. Let's say their budget to hire a role is \$150,000. They'd rather hire somebody at \$150,000 than two people at \$80,000. They want that one person who can do multiple things.

**JAHNEL:** Sometimes when you're smaller, global macroeconomic factors are irrelevant. Maybe in a downturn, we're going to out-hustle New York City firms even more because they're too expensive. I do care about what's going on in the world, but in terms of my business and my planning, I'm going to keep hustling and trying to outperform other firms, keep winning work, keep growing, keep having an amazing culture. I think if the economy does go into a downturn, we can leverage that and use that to even catapult us further.

 **What are the hardest jobs to fill?**

**DOHERTY:** Finance and accounting. Technology. Enhanced technology, not simple technology. Nursing.


**CHAUDHRY:** Construction.

**DOHERTY:** Doctors. And skilled construction, and real low-skilled. It's high-skilled, low-skilled, finance, accounting, hardcore




DONNA ABBOTT-VLAHOS

tech, and docs and nurses. That's what I hear. And every once in a while, I hear people looking for HR.

 **How much do the changing federal immigration policies play into this particular type of discussion regarding a search for talent or filling jobs?**

**DOHERTY:** It affects it, and it also affects to the extent you have a commitment to diversity. Generally, a lot of companies always thought of visa hiring and visa retention as something positive. It was part and parcel of their diversity program, their commitment to diversity. As the approval rates go down for visas, so does our ability to rely on that. It's very difficult right now. It takes a lot of time and a lot of money.

 **In order to continue bringing in the right team, organizations have to start thinking outside of the box because everybody's offering the same thing. How do you stand out?**

**IACOVETTI:** The telecommute, the telework. It's 45 minutes for me to get to work, and I don't have a problem with that. Is it possible for me to do a day or two from home? I have a kid who's sick. Can I stay home with them for a day, rather than get a babysitter or daycare? That flexibility is really separating a lot of companies from that old-school mentality where, "I hired you for 40 hours a week, that's the minimum you have to do" to "Listen, as long as your work is done, I don't care if you're there 10 hours a week. Is your work done? Are you getting ahead? If you're behind, come to work, make up for it. Put in the extra hours, put in the extra effort."

**JAHNEL:** To me, it's less about perks and more about true, real, legit culture. It's

about real culture, and a real commitment, and servant leadership, and the team actually liking each other and cutting jerks out of the workplace. You give people a happy workplace where they don't have to work with people that they can't stand, where they can work on work that's stimulating to them. Whether there's beer and a foosball table, that's just a gimmick. It's more about what's actually going on in the relationships of the company.

 **What do you see as the most interesting trends in the labor market in 2020 and 2021?**

**SCHULTZ:** I'm really interested to see the super tight labor market, and full employment, and watching to see how companies respond to not being able to hire and recruit. The fact that you said that people are recruiting two jobs in one, that's probably because they have to. It's going to be much harder to get two jobs. I'm looking at how automation plays into that. If you can't hire someone to do the work, the work still needs to get done. I'm curious to see how startup companies respond to that need, and maybe find ways to create new businesses and automation to respond to the labor market tightness.

**JAHNEL:** One very specific to my business is machine learning. We've partnered with a group, and we're basically placing a bet on starting a machine learning practice. That's going to be something that we're super focused on.

**IACOVETTI:** I see a lot of companies going not only towards telework, but also telemedicine. A lot of these companies are offering telemedicine, where you call a number, get an actual doctor on your Zoom meeting or your FaceTime, over the phone. A lot of companies are offering telemedicine. ▨

**COMING UP**

Industry Roundtable is an ongoing series of discussions with business leaders sponsored by Hodgson Russ. Look for the next Industry Roundtable discussion in the **March 20** edition on media law/first amendment on social media relations.

**March 20**  
Media law/First Amendment on Social Media Relations

**April 17**  
Restrictive Covenants/Land Use

**June 19**  
Construction