

# Employment Laws Are Changing. How Tech Can Create a 'Culture of Compliance'

HR Executive | Jill Barth | November 21, 2024



As HR compliance grows increasingly complex, experts say staying informed about regulatory updates is critical for fostering a culture of accountability and transparency. Heading into 2025, technology will prove pivotal for HR leaders striving to comply with shifting laws and regulations.

That's according to Tami Nutt, director of research and insights at strategy firm Aspect 43, who told a virtual audience at *isolved Connect* that "HR tech excels at following rules," making it a powerful tool for supporting a culture of compliance.

## **Compliance is a 'hot topic'**

According to Nutt, compliance not only reduces the potential of legal issues for employers but also enhances brand reputation and employee engagement by building trust through transparency and clear communication. She added that the right technology can also support risk management efforts and improve operational efficiency.

Compliance is a “hot topic” now, considering that the Department of Labor issued more than \$26 million in fines to employers last year, according to Nutt. She says that technology will play an increasingly significant role next year in managing this aspect of the business. Aspect 43’s State of HR Tech 2024 report revealed that 55% of surveyed companies use HR tech for compliance and security—double the percentage reported in 2023—making it a top-three organizational priority.

HR software can automate updates to workplace policies and procedures, ensuring alignment with changing legal requirements. Nutt highlighted that these tools transform “dusty policy manuals into living, breathing practices.”



*Tami Nutt, director of research and insights at strategy firm Aspect 43*

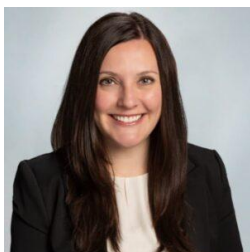
Advanced HR tech solutions also can assist with enforcement and monitoring. These systems track compliance deadlines, monitor employee training completion and maintain visibility into an organization’s overall compliance status, helping HR staff avoid “coming across as the hall monitor,” according to Nutt.

Human resource management systems (HRMS) centralize employee information, enabling accurate maintenance of compliance-critical data such as payroll, benefits and leave management.

Nutt emphasized that HR compliance is also a “smart business move,” as analytics tools can identify potential risks or gaps. By analyzing key metrics, such as employee compensation and training status, HR leaders can proactively address compliance needs to avoid adverse legal problems.

### **Compliance-related HR legislative updates**

In a busy election year across the U.S. and globally, HR professionals must stay informed about changes affecting workplace compliance. Janell Stanton—an HR and employment attorney at Wagner, Falconer & Judd—also spoke at Isolved Connect, stressing the importance of vigilance.



*Janell Stanton, HR attorney*

She advised HR leaders to monitor legislative changes at the state and local levels and ensure organizational policies remain compliant across all jurisdictions.

Some states have been more active legislatively than others. “If you are an Illinois company, or if you have employees working in the state of Illinois, please, please spend some time familiarizing yourself with what the state of Illinois has done this summer,” recommended Stanton. Illinois Gov. Pritzker has enacted numerous significant changes affecting businesses and employees in Illinois. Key areas impacted include labor

agreements, discrimination policies, personnel records management, whistleblower protections and AI usage in HR practices.

According to Stanton, some highlights of other key state-level legislative changes for 2025 include:

### **Pay transparency requirements**

Governors in states like Massachusetts and Vermont have signed laws requiring employers to disclose salary ranges in job postings. These will go into effect in 2025. "Be aware that pay transparency is very, very heavy on the minds of state legislatures," said Stanton.

### **Expanded paid leave laws**

Connecticut is expanding its paid leave laws to require compliance from all employers by 2027. Starting in 2025, Stanton said, the law will gradually extend to include even the smallest employers, eventually applying to businesses with just one or more employee.

### **Non-compete and non-solicit restrictions**

States such as Illinois and Pennsylvania have enacted restrictions on non-compete and non-solicit agreements, particularly in industries like healthcare and construction. HR professionals should review agreements to ensure compliance, according to Stanton.

### **Enhanced timelines for discrimination claims**

Many states are strengthening protections for whistleblowers and extending timeframes for filing discrimination claims in 2025, including Illinois, California and New York. Stanton said HR policies and training programs should be updated accordingly.