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The Adviser

A GPBG Employer Advisers Publication

**ARE YOU IN
COMPLIANCE
WITH NEW
PROPOSED
OVERTIME RULES?**

**PROS and
CONS of
UNLIMITED
VACATION**

**WHY
MILLENNIALS
KEEP
DUMPING
YOU**

**POLICY
MANUAL
UPDATES**

**BACK
TO
BASICS**

Updates and Advice for *your* Business and Personnel

IN THIS ISSUE:

3



THE PRESIDENT'S MESSAGE

Roger takes a look at different ways people label each other, and why, if we're not willing to accept generations other than our own, we're in for a struggle in the future.



BACK TO BASICS: TOOLS FOR SUCCESSFUL CHANGE

A look at what steps organizations can take to ensure the success of change initiatives.

4



NEW OVERTIME RULES: WILL YOU BE IN COMPLIANCE?

If President Obama's Executive Order, modifying the rules on Overtime outlined in the Fair Labor Standards Act, took effect tomorrow: would you be ready? Would you be in compliance?

5



FROM THE BOOKSHELF

At GPBG we believe that the books found on one's bookshelf, or at one's local library, are the greatest source of continued education. Check out an excerpt of what we've been reading lately.

6



WHY MILLENNIALS KEEP DUMPING YOU: AN OPEN LETTER TO MANAGEMENT

This is an article, written by a Millennial, that shares personal insights about what top-performing Millennials want and how leaders can ignite the "energy of a thousand suns."

8



PROS AND CONS OF UNLIMITED VACATION

A small but growing number of American companies are now offering workers the benefit of unlimited vacation days. Under these policies, employees are encouraged to take as much vacation time as they like — within reason.

9

UPDATES TO YOUR EMPLOYEE HANDBOOK

So...when's the last time you updated your Employee Handbook? GPBG Employer Advisers gives you a few updates to add to your Manual, and reminds you, that as a part of your Service Agreement, we'll update yours for FREE!

FROM THE DESK *of the president*

We live in a world more and more defined by labels: Rich/poor; hip/nerd; Republican/Democrat; athlete/geek; straight/LGBT, etc. In the song lyrics of a 1971 semi-hit song, *Signs*, by the Canadian rock group, Five Man Electric Band we were admonished:

Signs, signs, everywhere there's signs.

[Blocking out] the scenery, breakin' my mind.

Do this, don't do that, can't you read the sign?

We seem obsessed with labels, signs, and in this political season: name calling. To a guy

who grew up with the nickname "Little Booger Krueger," my inner child seems relatively immune to the effects of those labels, signs, and names.

Additionally, I have learned that certain "signs" have great value, such as, "The 7 Warning Signs of Cancer;" DETOUR or ROAD CLOSED signs; virus warning signs on my computer, etc.

Whether I like, appreciate, or participate in this signage, labeling, or categorizing exercise or not, it seems to matter little. As a sixty-four year old, balding, white, male,

(Wow! That's four in a row,) I have come to a place in life where the acknowledgment of differences is significant and can create a learning/teachable moment.

Specifically I refer you to the article on page 6, "Why Millennials Keep Dumping You: An Open Letter to Management." Keeping with the musical analogy of the first part of this missive, in the 1964 words of the immortal Bob Dylan, "*The Times They Are a Changin'*"

Viva La Difference! 



TOOLS FOR SUCCESSFUL CHANGE

People dislike change for a variety of reasons: change moves them out of the comfort zone to which they have become accustomed, and they may be fearful of the unknown. The politics of the organization may make change undesirable in one group or another, and employees may perceive that they will lose power or control. Changes fail most often because the people who are expected to implement them aren't prepared to do so. Organizations can take steps to ensure the success of change initiatives, including the following:

Prepare for Change The only constant in the current business environment is change. Organizations must be aware of situations developing in the industry or geographic areas in which they operate so they can be ahead of the curve in developing strategies that will effectively handle changes in the environment.



Business Fundamentals

CONTINUED ON PAGE 5

NEW OVERTIME RULES: WILL YOU BE IN COMPLIANCE?

Over the past decade, HR professionals have scrambled to pull their organizations in line with confusing U.S. Department of Labor (DOL) rules that define which white-collar employees are eligible for overtime pay.

The DOL tried to “simplify” those landmark Fair Labor Standards Act (FLSA) regulations in 2004 to make it easier for employers to decide which employees are exempt (not eligible for overtime pay) and which are nonexempt (eligible for overtime).

But rather than calming the turbulent legal waters, those rules actually churned up more disputes and lawsuits. *BusinessWeek* reports that overtime lawsuits have



“exploded nationwide.” In 2014, U.S. workers filed *three times* more FLSA lawsuits than they did 10 years ago.

What’s new? The DOL is proposing to change the lower-end salary limit at which employees are guaranteed overtime pay. Experts say more change will mean more confusion ... and more employee lawsuits. Contact the GPBG offices for details about the DOL’s new overtime proposal.

Advice: It’s cheaper to review compliance *on your own* before the DOL or a plaintiff’s attorney forces you to. The biggest FLSA

mistake employers make is classifying nonexempt employees as exempt.

Here’s a reminder of the current rules:

✓ **Salary threshold.** Under current law, employees earning less than \$23,660 annually (or \$455 a week) automatically qualify for overtime pay. The DOL proposal to dramatically increase that salary floor could be finalized soon.

Current rules also create an exemption category for “highly compensated” employees. It says that almost all employees earning more than \$100,000 a year are precluded from earning overtime.

✓ **Duties test.** Employees who meet the revised salary test must also meet the “duties test” to be considered exempt.

The FLSA provides an exemption from overtime pay for people employed as bona fide executive, administrative, professional and outside sales employees. Certain computer positions are also exempt. Contact the GPBG office for a detailed explanation of each of the five exemption categories.

Audit your compliance

1. Evaluate each job. Regularly evaluate each white-collar job to determine if it meets the new definition of “exempt employee.” If an employee’s status changes, reclassify that person as soon as



possible.

2. Check your state's law.

Several states, including California and Illinois, have their own employee classification rules that may contradict federal law.

3. Draft a "safe harbor" policy.

The current rules create a defense for employers that make improper deductions from an exempt employee's salary. To take advantage of this defense, adopt a policy that bans improper deductions. Find a model policy at www.dol.gov/whd/regs/compliance/fairpay/modelPolicy_PF.html



At GPBG we agree with the statement that “the best education lies within the books on your bookshelf” and therefore, from time to time, we love to share with you some of the books we are currently reading.

The following is an excerpt from Arthur Brooks’ 2015 book published by Broadside Books called *The Conservative Heart: How to*

TOOLS FOR CHANGE CONTINUED...

Communicate To enhance the likelihood of a successful implementation, leaders must communicate effectively and repeatedly with employees well in advance of any planned implementation. Soliciting ideas from those who are closest to operations may provide insight into better solutions and increase buy-in when it’s time to implement the change. Communication at every stage of the process will enable employees to get used to the idea of the change gradually, increase the level of acceptance, and build commitment for the process.

Develop a Plan A comprehensive plan that clearly defines the goals of the change, addresses all of its implications, and includes tools for evaluating its success is essential.

Scheduling training for employees who may need to upgrade skills, integrating processes from different areas of the organization, upgrading equipment, and developing a plan to address resistance to the change and reduce stress will increase the chances for successful implementation.

Have an Executive Sponsor The CEO or another senior executive who is committed to and enthusiastic about the change must be able to inspire employees to commit to the implementation.

Motivate Direct Supervisors Employees want to know how their supervisors feel about changes and will be influenced by what the supervisors say about the change. When direct supervisors and managers are motivated to implement a change, employees will be more likely to accept it.

Recruit Unofficial Leaders Every organization has unofficial leaders who are able to influence co-workers; obtaining their commitment to the change will influence others.

Implement Put the change into action. Ensure that employees have the tools needed to successfully implement the change, whether that is new equipment, facilities, training, or support.

Evaluate Compare results to the evaluation criteria developed during the planning stage to determine whether the change was successfully implemented.

build a fairer, happier, and more prosperous America.

Two of GPBG’s core values are Integrity and Objectivity, therefore, please keep in mind that although we are sharing with you a book entitled *The Conservative Heart*, that we by no means are motivated or endorse either the Republican or Democratic agenda.

We agree with the philosophy of Duke Ellington (legendary 20th-Century jazz pianist and composer) when asked by a critic, “What type of music is the best music?” Ellington replied, “There is no ‘best type’ of music; if it sounds good, it is good.”

With that said, here is an excerpt from the end of his chapter entitled, “America’s Pursuit of Happiness”:

So there you have it, a few simple lessons for happy warriors with a conservative heart, dedicated to the pursuit of happiness-their own, and that of others.

First, we should concentrate each day on the

‘happiness portfolio’: faith, family, community, and earned success through work. Teach it to those around you, and fight against the barriers to these things.

Second, resist the worldly formula of misery, which is to use people and love things. Instead, remember your core values and live by the true formula: Love people and use things.

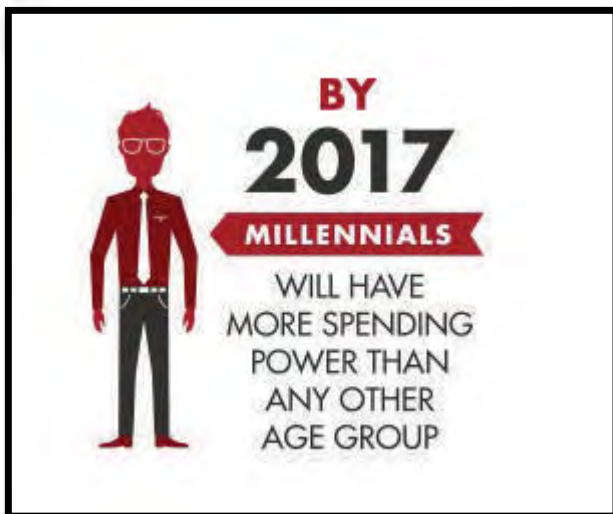
Third, celebrate the free enterprise system, which creates abundance for the most people-especially the poor. But always remember that the love of money is the root of all evil, and that the ideal life requires abundance without attachment.

Why Millennials Keep Dumping You: An Open Letter to Management

This was cowritten with Elizabeth McLeod, a millennial and cum laude graduate of Boston University, and daughter of Lisa Earle McLeod.

Attracting and keeping top millennial talent is a burning issue for leaders. Millennials are 35% of the workforce. By 2020 they'll be 46% of the working population.

Some of our most successful clients — organizations like G Adventures, Google, and Hootsuite — are **filled with millennials who are on fire for their jobs**. Yet many organizations struggle to attract, and retain, top millennial talent.



One of us, Elizabeth, wrote this letter, to share insights about what top-performing millennials want and how leaders can ignite the **“energy of a thousand suns.”**

An Open Letter to Management:

You hired us thinking this one might be different; this one might be in it for the long haul. We're six months in, giving everything we have, then suddenly, we drop a bomb on you. **We're quitting.**

We know the stereotypes. Millennials never settle down. We're drowning in debt for useless degrees. We refuse to put our phone away. We are addicted to lattes even at the expense of our water bill. Our bosses are not wrong about these perceptions. But, **pointing to our sometimes irresponsible spending and fear of interpersonal commitment isn't going to solve your problem.** You still need us. We're the ones who've mastered social media, who have the energy of a thousand suns, and who will knock back 5-dollar macchiatos until the job is

done perfectly.

I've worked in corporate America, administrative offices, advertising agencies, and restaurants. I've had bosses ranging from 24 to 64. I've had bosses I loved, and bosses I didn't. I've seen my peers quit, and I've quit a few times myself. Here's what's really behind your millennials' resignation letter:

1. You tolerate low-performance

It's downright debilitating to a high achiever. I'm working my heart out and every time I look up Donna-Do-Nothing is contemplating how long is too long to take for lunch. I start wondering why leadership tolerates this.

Is that the standard here? No thanks.

Fact: Poor performers have

a chilling effect on everyone.

2. ROI is not enough for me.

I spent Sunday thinking about how I can make a difference to our customers. Now it's Monday morning, what do I hear? Stock price. Billing. ROI. Suddenly, my Monday power playlist seems useless. I'm sitting in a conference room listening to you drag on about cash flow.

I was making more money bartending in college than I am at this entry-level job. You say I'll get a raise in a year if the company hits a certain number? So what? I need something to care about today. **Talk to me about how we make a difference**, not your ROI report.

Fact: Organizations with a purpose bigger than money have a growth rate triple that of their competitors.

3. Culture is more than free Panera.

Don't confuse culture with collateral. Yes, I am a cash-strapped millennial who really appreciates free lunch. **But I don't wake up at 6AM every day to play foosball in the break room.** I'm not inspired to be more innovative over a Bacon Turkey Bravo.

I need to be surrounded by people who are on fire for what we're doing. I need a manager who is motivated to push boundaries and **think differently.** Working in a cool office is really awesome. So is free lunch. But a purposeful culture is more important.

Fact: A culture of purpose drives exponential sales growth

4. It's ok to get personal

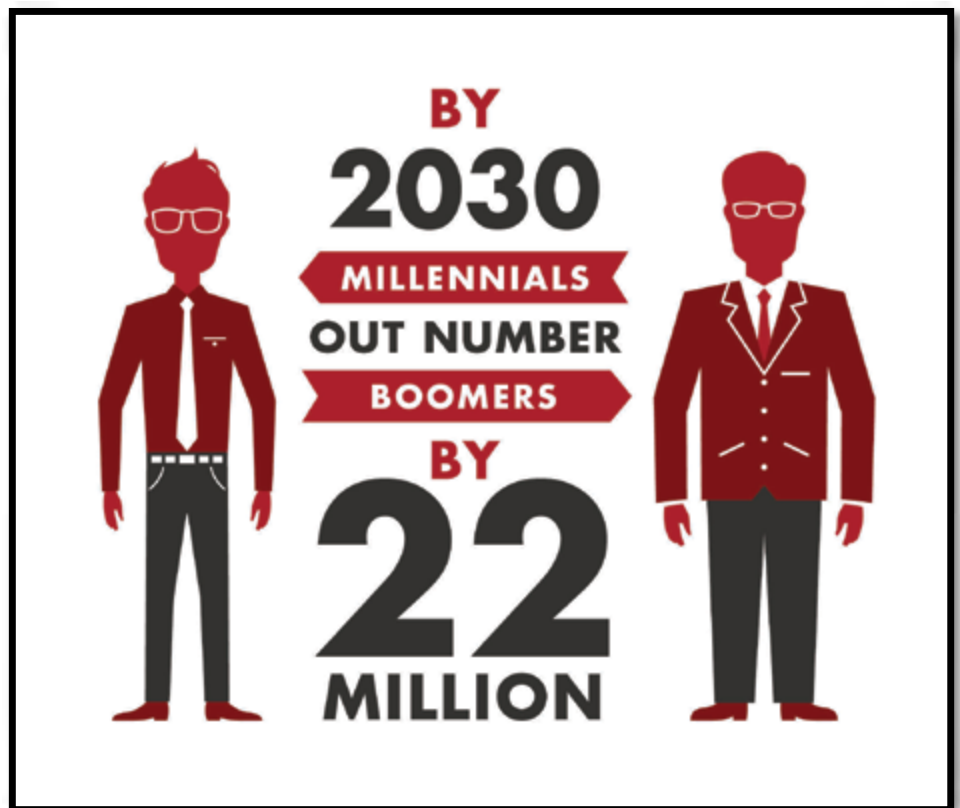
Treat me like a number? I'll return the favor. This job will quickly become nothing more than my rent payment. I'll start living for Friday and counting down the minutes until 5. After a few months of that, I'll probably have a drunken epiphany and realize I want

more out of my life than this.

Then I'll prove your assumptions right. 8 months in, I'll quit and leave. Or worse, I'll quit and stay, just like Donna-Do-Nothing.

That's not good for either of us. Here's what you need to know:

I was raised to believe I could change the world. **I'm desperate for you to show me that the work we do here matters, even just a little bit.** I'll make copies, I'll fetch coffee, I'll do the grunt work. **But I'm not doing it to help you get a new Mercedes.**



I'll give you everything I've got, but I need to know it makes a difference to something bigger than your bottom line.

Signed,

A Millennial

The millennials are telling us what we already know in our hearts to be true. People want to make money, **they also want to make a difference.** Successful leaders put purpose before profit, and they wind up with teams who **drive revenue through the roof.** 🌟

PROS AND CONS OF AN UNLIMITED VACATION POLICY

For employees, an unlimited vacation policy can seem like the ideal benefit. For managers, it can be the ultimate recruiting tool.

A small but growing number of American companies are now offering workers the benefit of unlimited vacation days. Under these policies, employees are encouraged to take as much vacation time as they like — within reason.

That might sound like a recipe for disaster, but human resources experts say it rarely is. Companies that offer unlimited vacation tend to be invested in hiring motivated, responsible employees who will balance taking time off with getting their work done. "There really isn't a lot of abuse in these plans," said Bruce Elliott, manager of compensation and benefits at the Society for Human Resource Management (SHRM). "They work really well in high-performance organizations."

Currently, 1% of companies nationwide offer unlimited vacation, also called unlimited time off, according to data from the SHRM. Another 2% are considering adopting the policy in 2014. The practice is most common among small startups, but has also been implemented by big-name companies like Netflix, Best Buy, and Evernote.

Should your company switch to an unlimited vacation policy? We talked to Elliott and Luis Rodriguez, director of HR and people at career site TheLadders (which offers unlimited vacation to its employees), to get their

UNLIMITED VACATION



thoughts on the pros and cons of the policy:

PROS

1. Employees can recharge. Unlimited vacation policies allow employees to schedule in week or two-week-long trips that might not be possible under traditional policies. Letting workers unplug for extended stretches is crucial for both workers and employers, since research shows that the more you work, the less productive you become.

Unlimited vacation is a good way to incentivize employees to take the break that could bolster their work output. "We ask people to work super hard, and we also give them the ability to take as much vacation time as they

wish," says TheLadders' Rodriguez.

2. Workers receive trust and flexibility. Because unlimited vacation relies on employees to take time off within reason, the policy extends its members a certain degree of trust. That can mean a lot to workers. "The employees appreciate the trust and the flexibility that they're given," says Elliott.

In general, he adds, employees in high-performance

organizations respond to that trust by carefully planning how they'll take time off and still complete their workload. They assess when projects are due and when they have gaps in assignments, and tend to request vacation during those periods.

3. Employers can use it for recruiting. From the company perspective, Rodriguez says unlimited vacation is a "talent acquisition tool." The benefit is extremely attractive to potential hires, he explains, which helps companies like TheLadders land top-notch talent. Companies that don't offer a comparable perk, he adds, are "selling themselves short" on finding the best hires in a competitive area like New York City.



CONS

1. It can be hard to implement fairly. The biggest stumbling point with unlimited vacation, Elliott says, is ensuring that all employees are given equal opportunity to take their time off. That comes down to management. The obvious problem is that everyone can't be out at the same time. Companies with these policies, then, need strong managers who can juggle a vacation schedule that is fair to all and effective for the business.

2. Employees might initially take less vacation. Another main problem with unlimited vacation is that many employees don't take advantage of it. Slate's Matthew Yglesias goes so far as to argue that certain companies offer unlimited vacation precisely because they think their workers won't take much time off.

What is known is that people are easily overwhelmed by seemingly unlimited resources. "They become risk-averse or unable to make a decision, which leads them to either make a low-yielding investment choice — or, worse, not sign up at all," writes former MIT Sloan School of Management professor Lotte Bailyn. With unlimited vacation, she says, "many people decide not to take advantage because it's too hard to figure out the right amount to take."

3. The policy isn't feasible with certain types of jobs. Elliott says that unlimited vacation is most popular in Silicon Valley, and tailored to small companies with results-driven cultures. He thinks employers with large numbers of employees, like manufacturing companies or sales organizations, would have a much tougher time switching to unlimited time off. The same goes for employers with a high percentage of workers who are paid by the hour, and companies that depend on call centers. ●

Source: <http://www.businessinsider.com/pros-and-cons-of-unlimited-vacation-2013-12>

Help us GO GREEN!

To receive this newsletter electronically, please send an email to:

info@employeradvisers.com.

Place "GO GREEN" in the subject line.

UPDATES



We continue to remind our Clients that any Policy Manual which has not been reviewed or up-dated within the last three (3) years may be out dated. **We provide the up-dating service as part of your annual Service Agreement.**

RECOMMENDED POLICY UP-DATES:

1. Take a look at your **DRUG & ALCOHOL** Policy (usually in the 700's of your manual.) If it has not been updated within the last two years, please contact us. We have additions/updates that you need to include in that policy.
2. Check to see that your **SMOKING** policy (usually in the 500's of your manual) includes the words "...and in accordance with the North Dakota Century Code, smoking is prohibited in the workplace and all company owned property."
3. Check out your **VACATION POLICY**. Do you **award** your vacation time or do your employees **accrue** it? (We recommend the **awarding** system.) How many hours are your employees allowed to carryover each year? Do you have a cap on the number of carryover hours?

Please feel free to contact us for this service at:

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Our Mission

To partner with our clients to effectively maximize strategic positions regarding people assets and resource deployment with the opportunities they present for improved commerce.

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BUSINESS ANALYSIS & EVALUATION

SUCCESSION PLANNING

GPBG – Employer Advisers

Great Plains Benefits Group, Inc. is like a family medical practice for businesses and specifically business executives. Most people go to doctors primarily when they have symptoms of illness which defy their own abilities to self diagnose. A rare few go to their doctor to partner in staying well via an annual physical.

Great Plains uses state of the art diagnostic techniques to objectively evaluate companies, their resources, their relative position in their industry and their personnel to enable the decision makers of the company to plan and give vision to the company either with the intent of fixing what ails them or getting on to bigger and better events. Among the diagnostic techniques we employ, are behavior profiles, employee questionnaires, key management surveys and industry searches.

Paramount in our service to the client is the sentiment, "if it ain't broke, we don't fix it!", but if it is broke we don't pull any punches regarding the resolution to the problem. We report exclusively to the senior most decision makers of the client company and only to them. We do not perform either legal or financial advisory activities.

Back to the analogy of a Doctor with a patient, once we diagnose the ailment, we provide a series of remedies to relieve the problem and then, if requested, partner in keeping the patient, company well and growing.

Roger A. Krueger, President

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