Friedman: ‘Average Is Officially Over’

BY DANA WILKIE

Because technology and globalization are dramatically redefining the economy and education, making once-coveted jobs obsolete and squeezing out high-wage, middle-skilled workers, the future workplace will be one where “average is officially over,” author Thomas Friedman said Monday during a keynote speech at the 2014 SHRM Annual Conference & Exposition.

“It’s really, really going to be difficult to be a worker in this world … because the single most important socio-economic fact of this hyper-connected world—the new thing it created—is that average is officially over,” said Friedman.

“It’s not enough anymore even to say ‘I’m not routine.’ You have to be creative nonroutine. You have to be incredibly adaptable nonroutine. You’ve got to find your extra—your unique value contribution that justifies why you should be hired, why you should be promoted and why you should be advanced every year.”

Admittedly, Friedman said, this is “creating huge anxiety out there in every one of your labor forces.”

Even law, medicine and teaching—once considered the sort of “top tier” professions that parents hoped their children would enter—are being replaced by software, robots and online programs. And because nearly every imaginable piece of information is now available on the Internet, Friedman said, the company of the future will be less interested in where job applicants studied or even what they learned, but instead what they can do with the information they have.

For instance, he said, as much as 14 percent of some of Google’s technology teams never went to college.

HR Must Exercise Expertise and Influence, Francis Says

BY DORI MEINERT

To meet the challenges of an ever-changing society, HR professionals must step up and use their expertise in human capital to help guide their organizations, SHRM Board Chair Bette J. Francis, SPHR, told the 13,000 attendees at the 2014 SHRM Annual Conference & Exposition on Monday.

“This is the time to increase our influence in our organizations,” Francis said.

Too often, she said, she hears HR professionals talk about how they are excluded from decision-making. But the biggest barrier that HR faces is not the executives or the colleagues who don’t understand the value of HR. “That barrier is ourselves,” she said.

She recalled the excuses she’s heard some HR professionals give when she has asked them what they could do in certain situations to gain influence within their organizations. They responded, “No, you can’t do that” or “That’s a compliance issue.”

HR professionals have long been frustrated for not being given a seat at the table, she said.

“Maybe it’s time to stop thinking about changing the way the world sees us and our profession, and to start transforming ourselves inside the profession,” said Francis, who is vice president of HR at Wilmington Trust in Delaware.

She noted how Andrea Hendricks, (

TODAY’S KEYNOTER

David Novak

The Daily Top 5

1. Relax and recharge—your phone—in the Connection Zone. Bring your phone charger.

2. Make a new friend on the blue couches in the convention center. Conversation starters are available.

3. Head to the Expo Hall at 1 p.m. to see if you’ve won the Grand Prize. You must enter to win.

4. Looking for a dinner reservation? Check out the Meet to Eat booth.

5. Last chance! Assemble a hygiene kit at the Clean the World booth in the Connection Zone, 8 a.m. to 5:15 p.m.

Tomorrow:

Pick up your Wednesday, June 25, edition of the SHRM Conference Daily at the convention center.
Ditch the ‘Bore-ientation’ for New Employees

Develop Rock Star Employees in Record Time

BY THERESA MINTON EVSEDO

T he onboarding process traditionally takes a back seat to many companies’ other staffing functions, which is concerning considering the unmitigated business impact and the amount of money left on the table when these programs are ignored.

But that wasn’t lost on Louisville, Ky.-based home health care provider Hosparus. Until recently the company, which has 525 employees working from four locations in two states, held orientations every two weeks for anywhere from two to 10 employees at a cost of $22,000 per employee, said Erika Tedesco, Hosparus’ manager of education and training, during her Monday session, “28 Days and Done: Creating an Inclusive Orientation Experience,” at the SHRM Annual Conference & Exposition.

The orientation included two days of general training, three days of professional orientation, and six weeks of on-the-job training and job shadowing—pretty typical components for many organizations’ programs, she said. Boring? But the bigger issue was that this process was costing a lot of money and yielding inconsistent results. “We were taking 10 weeks to orient a new employee and didn’t really know what they were taking away from the process,” she said. “This was inefficient, costly and left our [subject matter experts] to carry the majority of the burden for employees’ training,” even though they had been no wonderland set for them to follow to ensure consistent learning outcomes.

So Hosparus set out to redesign its orientation program, with the goal of ensuring that new employees were capable of working independently within 28 days. “Don’t matter how long your 28 days is,” she said. “The idea is to [hustle the process that] takes your new employees from Day 1 to Day Ready.”

The company began by assessing the status of its current orientation program. Tedesco said it’s important to determine who and what should be assessed, and how “How much does it cost to orient your new hires?” she asked. “Do you know, you have a problem.” from the start, she said.

Tedesco said the company also learned, by surveying the education department and other key stakeholders, that it was hiring people who weren’t particularly computer-savvy, which was keeping them from being as effective as they could be on the job.

When surveying staff, target two to three different groups to get different perspectives on what’s working and what’s not,” she advised, adding that this also helps gain buy-in. “The entire organization was really jazzed about this because everyone could see how they were adding value to the process,” she noted.

The resulting orientation program includes an integrated learning approach that merges corporate, departmental and role-specific orientation to prepare new employees for their jobs. Curriculum is designed to be a “real experience, with the first week being general company training that all staff receive. This is followed by a week of professional training and two weeks of job-specific training. Sessions are conducted in corporate facilities that include computer and skills labs, in addition to a simulation lab that looks like a typical home-based setting that most employees would work in. Though Hosparus spent $100,000 building these facilities, Tedesco said, “You don’t have to spend a lot of money to support this kind of training. You can get very creative with your resources.”

“Don’t you have to spend a lot of money to support this kind of training?”

Erika Tedesco

Measuring Success

To date, the returns on investment include:

• Reduced time in formal orientation.
• Reduced personnel expenses.
• Increased quality of work product.
• Increased efficiency.
• Overall employee satisfaction increased, too, which has reduced turnover. People are really excited to get a complete-package orientation that helps them understand the company’s goals and their role in helping to achieve them,” Tedesco said. “The best part of this process is that I get to see the positive results that our on- orientation has on employees’ performance and get immediate feedback on what’s working and what’s not.”

“Google doesn’t care what you know,” said Friedman, “Google doesn’t care what you know, Friedman’s friend extra fruit with his pancakes, Friedman and his colleague gave the server a 50 percent tip. “She didn’t control much, but she controlled the fruit talks,” he said.

“People talk about innovation, and its importance to start a business. To constantly upgrade your training. To access foreign markets and the best workers in the world,” he said.

Friedman said some of the job-market principles he’s drilled into his own daughters include:

• Think like a new immigrant; stay hungry. “New immigrants are paranoid optimists. They’re optimists because they came from somewhere to land at someplace they thought was better. But they are paranoid because they think it can be taken away from them.”

• Think like an artist; take pride. “Do your job every day as if you brought so much extra to it you want to carve your initials in it.”

• Think like a star-up in Silicon Valley; always be in innovation mode. “You don’t have to spend a lot of money to support this kind of training.”

The three ways in which education must prepare tomorrow’s workers, he said, is by making young people not college-ready but “innovation-ready”; by fostering creativity, communication, collaboration and critical thinking; and by instilling in students that this is what they need to do with what you know.

America needs impact and the amount of money left on the table when these programs are ignored. This fact wasn’t lost on Louisville, Ky.-based home health care provider Hosparus. Until recently the company, which has 525 employees working from four locations in two states, held orientations every two weeks for anywhere from two to 10 employees at a cost of $22,000 per employee, said...
Shift to Variable Pay Motivates Success
New Rewards Structure is Growing Global Trend

BY STEPHEN MILLER, CEBS

Evolving to a rewards structure that emphasizes performance-based variable pay is a massive cultural change in many organizations. But the transition could be vital to keeping an engaged and motivated workforce, said John A. Rubino, president of Rubino Consulting Services, during his Monday session on the nuts and bolts of “Comprehensive Variable Rewards.”

Lump-sum variable pay rewards are a growing global trend. “If you’re not doing it now, you need to be ready” for the changeover, Rubino advised. “The days of setting on the job and just showing up are over. Everyone must produce value” for organizations to remain competitive.

Begin with Performance Management
Rubino is a firm believer that if an organization adopts variable pay, then “every single employee should be in the variable plan.” This first requires a fully functioning, rational performance management system that establishes objectives for everyone within the organization, “from the delivery person to the CEO.”

If there aren’t performance measures—qualitative and quantitative, as appropriate—for every job, “ask yourself why that job exists,” Rubino said. “Every job has an acceptable level of performance, and a performance level over and above the average” that is measurable, or should be.

Performance criteria must be discernible, valid and understandable. Focus on three or four true milestone objectives, but don’t overwhelm employees, “maintain a clear line of sight between job performance and rewards,” with regular formal and informal performance feedback, Rubino recommended.

Variable reward opportunities must be perceived as substantial enough to motivate performance, with a marked distinction between those who go “above and beyond” and those who do not. “A $5,000 award for an executive making $2.5 million won’t mean much, but $5,000 for a worker earning $25,000 is a meaningful payout.”

Rethink Base Pay
Shifting to variable pay means base salary will shrink as a percentage of monetary rewards. Start by slowing down the growth in salaries as lump-sum rewards are introduced, Rubino said. The difference between the base salary “merit” budget and the market adjustment factor can be used to partially fund the variable reward program.

“In truth, base pay increases have been a poor motivator,” because merit base pay increases are largely a myth, Rubino said. “You can’t motivate top performers with a 2.5 percent salary increase,” he noted.

“Remove performance entirely from base pay; make market adjustments only.” Rubino advised. Place all performance rewards (company and individual) in the variable plan.

With variable compensation paid through lump sums only when performance warrants, pay is “at risk.” Employees are quick to realize when “base pay is based on the market, lump sums are based on me.” If designed and administered properly, payouts to employees will yield “slices from an expanding financial pie,” said Rubino. “Employees now understand their place in the organization, the roles they play, and exactly what they need to do to add value to the company and to make more money. Most importantly, the best and brightest are engaged.”

Senior vice president for diversity and inclusion at UMB Financial Corp., connected with her new colleagues even though she couldn’t join their golf outings. “Audra got out of her comfort zone, and she met with each of the team members one-on-one, building relationships that continue to this day,” Francis said.

‘You can share ideas just as easily as you can process paperwork.’
Bette Francis

Another way HR professionals can increase their influence is to use the tactical parts of the job as a jumping-off point for making suggestions on how to improve the business.

“You can share ideas just as easily as you can process paperwork,” she said. When you show interest in helping your organization achieve, “you’re another step closer to gaining influence.”

SHRM’s HR Competency Model is another tool that can be used to increase an HR professional’s influence, she said.

“We must have a voice in the future of our businesses,” Francis said, “because if we don’t speak for the human capital that powers our organizations, who will?”

Before Francis took the stage, the audience watched a video showing how Greg Burns, vice president of HR for MicroSeismic Inc., an oil field services company based in Houston, has influenced his company in a big way.

Burns was inspired at last year’s Annual Conference when he listened to Blake Mycoskie, founder of TOMS, speak about his shoe company’s pro-

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Employers Adjust Benefits, Emphasizing Health Care

The opposing forces—a strong demand for employer benefits by job seekers and employees alike, and the ongoing rise in the cost of benefits, particularly health insurance—were a backdrop to many of the trends uncovered in this year’s SHRM Employee Benefits research report, released at the 2014 SHRM Annual Conference & Exposition and sponsored by Colonial Life.

In February 2014, SHRM conducted its annual survey to gather information on the types of benefits employers offer to their employees. The results showed that the need to maintain key benefits in areas where costs are rising rapidly may mean fewer resources to invest in benefits that are in less demand.

“This need to counterbalance may be the main reason the latest findings demonstrated an increase in the percentages of organizations offering several types of health care and wellness benefits yet a decrease in many other categories of employee benefits,” commented Evren Esen, SHRM’s director of survey research.

The survey revealed the following developments:

Health and welfare. Five-year trends show an increase in the percentage of organizations offering mental health care coverage, contrabution coverage, vision insurance, and coverage for baric and laser vision surgery.

The shifting of health care costs to employees is most likely behind the 12 percentage point increase from 2010 to 2014 in organizations offering health savings accounts (HSAs) and the 17 percentage point increase in organizations contributing to employee HSAs.

Meanwhile, there were notable declines in the percentage of organizations offering employer health insurance discounts for not using tobacco products.

Preventive health and wellness. The past five years saw increases in the percentage of organizations offering employee fitness programs, health and lifestyle coaching, preventive programs specifically targeting employees with chronic health conditions, rewards or bonuses for completing certain health and wellness programs, health care premium discounts for getting an annual health risk assessment, health care premium discounts for not using tobacco products, and health care premium discounts for participating in a wellness program.

Retirement savings and planning. The shift to 401(k)-style defined contribution plans and Roth savings accounts (HSAs) and the 17 percentage point increase from 2010 to 2014 in organizations offering health savings accounts (HSAs) and the 17 percentage point increase in organizations contributing to employee HSAs.

Financial benefits. Between 2010 and 2014, fewer organizations offered dependent care flexible spending accounts, undergraduate educational assistance, incentive bonus plans for executives and 529 college savings plans. Between 2013 and 2014, there was a decline in the percentage of organizations offering graduate educational assistance. The only financial benefit that increased was the use of spot bonuses/awards.

“Th decline in educational assistance benefits comes just when many organizations are reporting increased difficulty in finding job seekers with the educational qualifications needed for many high-skill jobs,” Esen said. “While many organizations are apprehensive about future skills shortages, this concern has not yet translated into greater investment in benefits related to employee professional and career development.”

Gauging Value

Benefits programs may be regularly assessed to make sure that employers understand the value of their benefits packages and that the organization is remaining competitive in the marketplace, according to SHRM’s researchers. “There is some evidence that benchmarking tools, benefits needs assessments and employee surveys may become even more widespread as technology helps make them more accessible and cost-effective,” Esen noted.

SHRM’s 2014 Employee Benefits research report is available online at www.shrm.org/research.
New Overtime Rules ‘Big Deal’ for HR

BY JOANNE DESCHENAUX

The Department of Labor (DOL) is currently holding “listening sessions,” where industry representatives can speak with Perez and David Weil, the current WHD administrator, and provide input as to how proposed changes would impact their businesses. The DOL has twice met with SHRM representatives, including on Sunday at the Annual Conference.

McCutchen predicted that proposed regulations would likely come out in November 2014.

Changes to Minimum Salary, Duties Test

McCutchen said that when she and Lotto attended one of the listening sessions, Perez seemed to have three areas of focus: 1) increasing the minimum salary level for white-collar exempt employees, 2) reining in the duties requirement for the executive exemptions, and 3) streamlining the regulations to make them easier to apply.

“If you have exempt employees who are paid $38,000 a year, and the new minimum goes above that, what will you do?” Lotto asked. Let them become nonexempt? Raise all of their salaries? If you raise their salaries, don’t you also have to raise their managers’ salaries?

You should start planning now for employees whose salaries are “on the bubble,” McCutchen said. The current “primary duty” test does not require that an individual spend a specific percentage of time performing exempt work. McCutchen said there may be an attempt to replace the current test, which focuses on the quality of the work performed, “with a quantitative test similar to that in California wage and hour law, which requires an exempt manager to spend more than 50 percent of his or her time supervising employees.”

Lotto noted that the California rule “is a problem in California” and may become an even bigger problem elsewhere in the country.

Changes Expected

On March 13, 2014, President Barack Obama directed U.S. Secretary of Labor Thomas E. Perez to “modernize and streamline” the white-collar regulations, which focuses on the quality of the work performed, “with a quantitative test similar to that in California wage and hour law, which requires an exempt manager to spend more than 50 percent of his or her time supervising employees.”

Perez seemed to have three areas of focus: 1) increasing the minimum salary level for white-collar exempt employees, 2) reining in the duties requirement for the executive exemptions, and 3) streamlining the regulations to make them easier to apply.

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DOL Listening Session

Participants in Sunday’s two listening sessions with the Department of Labor (DOL) on the upcoming proposed rule on overtime exemptions in addition to SHRM.

Government Affairs staff members:

• Thom Barnett, international director of the San Francisco office

• Nicole Berberich, director of human resources, Care Center, Cincinnati and Dayton, Ohio

• Linda Muck, assistant director of human resources

• Brenda Rushforth, vice president & CHRO, Michigan Health & Hospital Association, Michigan

• Nancy McKeague, senior vice president & CHRO, Michigan Health & Hospital Association, Michigan

• Phyllis Hartman, president of human resources, Greystone Resources, Yoke Foods Inc., Dayton, Ohio.

• Christine List, director of human resources, Pomona College, California.

• Debbie Rubens, director of human resources, Stormont-Vail Healthcare, Kansas.

• Deirdre Kukay, director of human resources, Verizon Wireless, South Carolina.

• Elaine Velez, director of human resources, Seattle Children’s Hospital.

• Michelle Mulligan, human resources director, Mental Health Center of Madison County, Alabama.

• Lisa Carbon, director of compensation and benefits, Michigan Health & Hospital Association, Michigan.

• Sandy Flatouc, human resources manager, Portion Solutions, Florida.

• Anne Roberts, human resources specialist, BlueCross BlueShield New York.

• Rich Harris, director of human resources, Greystone, Power, Georgia.

• Julie Flowers, president of PGHR Consulting, Pennsylvania.

• Steve Urrutia, human resources manager, Verizon Wireless, South Carolina.

• Debby Rabe, director of human resources, Shriners Hospital for Children, California.

• Brent刘海, vice president of human resources, Pomona College, California.

• Caroline Wyatt, vice president of human resources, Yoke Foods Inc., Washington.

*Winners will be drawn at random. All entries are due by 12:00 p.m. on Tuesday, June 24, 2014.
### Daily Planner

<table>
<thead>
<tr>
<th>TIME</th>
<th>EVENT</th>
<th>LOCATION</th>
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<tbody>
<tr>
<td>6:30 a.m.-6:50 p.m.</td>
<td>Attendee Registration</td>
<td>OCCC Hall A Level 1</td>
</tr>
<tr>
<td>7 a.m.-7:15 a.m.</td>
<td>Concurrent Sessions</td>
<td>OCCC</td>
</tr>
<tr>
<td>7:15 a.m.-8 a.m.</td>
<td>Information Booth</td>
<td>Connection Zone OCCC Hall B1</td>
</tr>
<tr>
<td>7 a.m.-8:30 a.m.</td>
<td>Luggage Check</td>
<td>OCCC Lobby A Level 1</td>
</tr>
<tr>
<td>7 a.m.-8:30 a.m.</td>
<td>SHRMStore</td>
<td>Connection Zone OCCC Hall B1</td>
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<tr>
<td>8 a.m.-9 a.m.</td>
<td>Exhibitor Registration</td>
<td>OCCC Hall C Lobby</td>
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<tr>
<td>8 a.m.-9 a.m.</td>
<td>Exhibitor Lounge</td>
<td>OCCC Hall C</td>
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<tr>
<td>8 a.m.-9 a.m.</td>
<td>SHRM Certification Lounge</td>
<td>OCCC Hall Level 1</td>
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<tr>
<td>9 a.m.-10:45 a.m.</td>
<td>General Session—David Novak</td>
<td>OCCC Hall A</td>
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<tr>
<td>9:30-10:30 a.m.</td>
<td>Coffee Break</td>
<td>OCCC Halls B2-D</td>
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<tr>
<td>9:30 a.m.-2 p.m.</td>
<td>SHRM Exposition</td>
<td>OCCC Halls B2-D</td>
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<tr>
<td>10 a.m.-noon</td>
<td>Concurrent Sessions</td>
<td>OCCC</td>
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<tr>
<td>noon-1:30 p.m.</td>
<td>Lunch in the SHRM Exposition</td>
<td>OCCC Halls B2-D</td>
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<tr>
<td>1:15-1:30 p.m.</td>
<td>Table Topic Discussions in the Global Lounge</td>
<td>OCCC W206</td>
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<tr>
<td>1:30-2 p.m.</td>
<td>Prize Drawings in the SHRM Exposition</td>
<td>OCCC Halls D</td>
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<tr>
<td>2:30-4:30 p.m.</td>
<td>Concurrent Sessions</td>
<td>OCCC</td>
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<tr>
<td>2:30-3:30 p.m.</td>
<td>Masters Series—Jonah Berger</td>
<td>OCCC W20 Chapin Theater</td>
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<tr>
<td>3:30-4:30 p.m.</td>
<td>SHRM Exposition closing</td>
<td>OCCC Halls B2-D</td>
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<tr>
<td>3:45 p.m.-4:45 p.m.</td>
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<tr>
<td>4:45 p.m.-5:45 p.m.</td>
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<tr>
<td>5:45 p.m.</td>
<td>Concurrent Sessions</td>
<td>OCCC</td>
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<tr>
<td>5:45 p.m.</td>
<td>Tuesday Night Show—Tim McGraw</td>
<td>OCCC Hall A</td>
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</tbody>
</table>

### 3 Facts About David Novak

BY STEPHEN MILLER, CEBS

This morning’s keynote speaker is David Novak, a globally acclaimed leadership expert and the chairman and CEO of Yum! Brands, parent of 45,000 KFC, Pizza Hut and Taco Bell restaurants in 125 countries with 1.5 million associates. He has also found time to become a best-selling author with books such as *Taking People with You: The Only Way to Make BIG Things Happen* (Portfolio Trade, 2013).

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**Select shots courtesy of Mars Chocolate, some conference attendees were treated to customized M&Ms as they left their concurrent sessions on Monday.**

**Get ROCK’d**

SHRM staffer Marcela Leon “ROCKs” a conference attendee on Sunday afternoon. “Random opportunities for conference kindness”—including upgrades, water bottles, snacks and coffee—were happening now through Wednesday.
Statistics can be used to confound as well as to convince. The key is to be ready with the right data and to be able to see clearly what the data really mean.}

**New Books Published by SHRM**

- **Employee Surveys That Work: Improving Design, Use, and Organizational Impact**
  - By Alex Levessin
  - Item #: 6110712

- **Get a Solution! HR Approaches to 5 Common and Persistent Business Problems**
  - By Diane J. Dreyer and Sharon A. Cattlin
  - Item #: 6117004

- **Measuring ROI in Employee Relations and Compliance**
  - By Patricia Puckum Phillips and Jack J. Phillips
  - Item #: 6117005

- **57 Frequently Asked Questions About Workplace Safety and Security**
  - Edited by Margaret Fiester
  - Item #: 6116905

- **Perils and Pitfalls of California Employment Law: A Guide for HR Professionals**
  - By Matthew S. effland
  - Item #: 6113002

- **57 Frequently Asked Questions About Compensation**
  - Edited by Margaret Fiester
  - Item #: 6112002

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**Expo Casts Its Spell on Attendees**

**By Christina Folz**

Immediately following Robin Roberts’ inspirational general session on Sunday afternoon at the SHRM Annual Conference & Exhibiton, thousands of HR professionals flocked to the exhibit hall for its grand opening. With elaborate booths built to resemble amusement parks, game shows and movie sets, the exhibitors showed attendees what is coming to excitement and spectacle Disney World has nothing on them.

Philip Klapp, SPHR, a first-time attendee who set out for a free caricature at the Disney Human Capital Management booth, said that he would be taking both conference teachings and a lot of “free stuff” back to his office with him. Klapp is a human resource manager at the South Carolina Pacers Co. in Hatala, Ga.

Tina Domino, another first-time attendee, demonstrated her mastery of HR trivia at Halogen’s booth, a game show setup complete with large light-up buzzers. After correctly identifying HR Magazine as the monthly member publication from SHRM, she earned two chances to be entered into a larger drawing for $1,000.

“I love it here,” said Domino, an office manager at Virus Real Estate Capital in Austin, Texas. “Everyone is so nice and welcoming.” As a conference newbie, Domino was also hoping for some beginner’s luck. “I know I’m going to win something,” she said. “I can just feel it.”

A few aisles away, longtime conference attendees Rhonda West, PHR, and Karen Mayer, PHR, posed behind bars in the Kronos “jail” booth. “This conference re-energizes me,” said Mayer, a practice manager with Community Care Physicians in Latham, N.Y. She also loves the social aspect of the conference—“which is where she met West, director of HR at Arvex American in Alaquippa, Pa. “We met here at a SHRM social and became friends,” she said. This is West’s 14th SHRM Annual Conference and Mayer’s seventh.

John Parham, PHR director for the Washington, D.C., Department of Public Works, making his fourth trip to the conference, tried his hand at a carnival-style shooting game at the CareerBuilder booth—“and then joked that his control didn’t work when he didn’t win.”

“I love the networking and workshops here,” he said. “This year there are a couple of products that I’m interested in checking out so I want to have some one-on-one on them.”

**Masters Series Ends Today**

**By Bill Leonard**

The Masters Series at the 2014 SHRM Annual Conference & Exibition concludes at 2:15-4:15 p.m. today with an in-depth presentation by Jonah Berger, Ph.D, the James C. Campbell associate professor of marketing at the Wharton School of the University of Pennsylvania.

The session will be held in the Chapman Theater (Room W1320) of the Orange County Convention Center.

Berger is author of the best-selling book “Contagious: Why Things Catch On” (Simon & Schuster, 2013), and his presentation will examine the science behind word-of-mouth and the six key factors that push people to share content and ideas.

Immediately following his presentation, Berger will autograph copies of his book at the SHRMStore.

**2 Facts About Berger**

- Berger focuses his research on social influence and social epidemics, or how products, ideas and behaviors catch on and become popular.
- He is a winner of the Wharton School’s Iron Professor Teaching Award, an annual competition based on the format of the reality television series “Iron Chef.” A panel of student voters selects the winner. Berger is also a recipient of the Wharton School MBA Curriculum Innovation Award.

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**What is an example of an inaccurate stereotype cues to deception that aren’t valid.** How liars behave. As a result, they often look for cause they rely on inaccurate stereotypes about good. People are poor at spotting deception be
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telling the truth with a 54 percent accuracy rate.
Given that if you just flipped a coin, you’d expect
detecting lies?
How good are people at
tack the session “Detecting Lies and Deception: Practical Skills
of Justice attorney and CEO of
clear how to get around and how to spot decep-
ting interview or investigative interview, many
truth-tellers do. When people feel fear or guilt,
research has shown that, on average, people can
correctly identify who is lying and who is
telling the truth with a 54 percent accuracy rate.
Given that if you just flipped a coin, you’d expect
to get 50 percent correct, 54 percent isn’t very
good. People are poor at spotting deception be-
cause they rely on inaccurate stereotypes about how liars behave. As a result, they often look for cues to deception that aren’t valid.

What is an example of an inaccurate stereotype

about how people behave when they lie?

Many people believe that liars tend to be very fidgy. But being fidgy is not a sign of deception; it’s simply a sign of nervousness. If you are in-
terviewing a suspect in a workplace investigation, the person may be ner-
vous because he’s guilty of the mis-
conduct. Or, he may be innocent and simply nervous that you are going to in-
corrrctly conclude that he’s guilty.
Research has shown that looking for signs of nervous body language is not an effective way to spot de-
tection. In fact, liars are often able to mask their nervousness. Indeed, in investigatory interviews, liars actually tend to be less fidgy than truth-tellers. Perhaps because they’ve heard the stereotypes that liars are fidgy, liars often make a concerted effort to not move around too much.

Is making eye contact a sign of truthfulness?
No. Research has not supported the widely held
belief that liars don’t look you in the eye while
truth-tellers do. When people feel fear or guilt,
many liars will be able to override their desire to look away and continue to make eye contact.
At the same time, a truth-teller may not look you in the eye for a variety of reasons. For exam-
ple, the person may be shy or from a culture where it’s a sign of disrespect to look you in the
eye.
How have you used methods of spotting lying or
truthfulness in harassment investigations?
The best way to spot deception is to not focus on
body language, as there are very few cues that,
on average, liars exhibit more than truth-
tellers. Instead, the best way to spot deception is
to listen closely to the nuances of how people an-
swer questions. To do this, you must use an in-
terview style where you do very little talking and
primarily prompt the person to tell you their
story with little interruption from you. When this
interviewing technique is used, truth-tellers tend
to provide less details while liars provide more
details.
Your goal should be to get the person to com-
mit to a story by asking for as many details as
possible. In this way, you’re able to then look for evidence to either confirm or contradict the
details they’ve provided.
In a harassment case or other type of “he said/
she said” case, you should always look for cor-
roborating evidence. Always remember to ask the
question “Who have you spoken to about this
matter?” You can then go and speak to those
people and see if they were told a story consistent
with what the person is telling you.

In a completely HR-appropriate manner.
This book will empower HR professionals to be a voice at the table and provide some insight on the high cost of compliance (and, all too often, litigation) associated with doing business in California.

Matt, what will HR professionals get out of the book? Hopefully a little peace of mind! The book is written to highlight the differences one can expect when managing a workforce in California, and its style is hopefully one with which HR folks can identify. One thing I’ve heard from clients over and over is that the operational side of their businesses look at California and see an almost end result. This book will empower HR professionals to be a voice at the table and provide some insight on the high cost of compliance (and, all too often, litigation) associated with doing business in California. It will also serve as a good source of information for anyone already in California who may want a refresher course on just what makes the state a challenge.

Jathan, tell us about the Ogletree Deakins/SHRM Employment Law series. Ogletree Deakins is excited to partner with SHRM on a book series covering a wide-ranging set of topics of importance to HR professionals. We will also be coming out with books on the Family and Medical Leave Act, the Affordable Care Act, telecommuting, workplace violence, National Labor Relations Board enforcement actions, and several other subjects that will help HR professionals fulfill their compliance and claim-prevention responsibilities.

Matthew S. Effland

When you’re short on time and resources but you just have to complete an HR research project, chances are SHRM can do it for you. SHRM offers a number of HR research products:

- The Customized Benchmarking Service provides reports on a broad range of HR-related metrics drawn from one of the largest databases of its kind in the world.
- SHRM People Insight is a survey service that measures employee job satisfaction and engagement. With a database of responses from more than 10,000 employees in 22 major industries, an organization can compare its results to other U.S. employees overall as well as by industry and organization staff size.
- The survey contains of more than 50 questions that zero in on career development, relationships with managers, compensation and benefits, work environment, and employee engagement.
- Customized Research Services provides organizations with custom research on a variety of HR topics.
- The Customized Benchmarking Service includes data on more than 50 metrics from over 10,000 organizations across several industries. The most popular product is the Human Capital Benchmarking report. HR professionals typically call SHRM for help when they are concerned about turn rates and cost-per-hire at their organizations, according to John Dooney, SHRM’s manager of workforce analytics at SHRM.

SHRM provides several other valuable benchmarking resources, including reports on paid leave, employee benefits, health care, retirement and workplace flexibility.

Thousands of HR professionals have used the low-cost service, and Dooney stressed its importance to convey the results of HR policies.

Cy Wakeman, author of The 5 Laws of admired leadership: Be a Helipad at Work (Jossey-Bass, 2013) has a unique perspective on what leads to success in the workplace—including the virtues of playing favorites—which she shared recently in a brief interview with SHRM Conference Daily.

What is the No. 1 thing that stands in the way of employee success?

Their own mindset! Most employees have come to believe that their lack of happiness and/or their lack of results at work are due to issues or challenges in their external circumstances when, in fact, circumstances are not the reason we can’t succeed; they are the reality in which we must succeed. Too many employees spend their precious energy wishing for their circumstances to change rather than focusing on what changes they are being called to make in order to become fluent in the present and ready for what’s next.

One’s happiness and success has very little to do with having perfect circumstances and, in fact, is based almost solely on the amount of accountability they take for their circumstances. This is great news as it means that employers do not have to be dependent upon leadership for either their success or their happiness!

Why is leadership paramount and management secondary?

We use the mantra “In changing times, lead first and manage second.”

Most leaders begin to over-manage and under-lead when times get stressful. The more you over-manage, the more you will have to manage as it robs people of the development at hand, arising from the current reality that if they would lead, they would be called to grow beyond.

Too many times management becomes about perfect circumstances, about binding reality, which is impossible. Over-managing reinforces the faulty belief that one’s success is dependent upon circumstances.

Suppose exes were going to take away every tool managers had to motivate but one, what’s the one tool you’d insist managers keep?

I know this question is meant to be hypothetical, but the tragic reality is that many exes have already taken away the one tool that has the biggest impact: emotional support. That tool is the ability to differentiate.
Looking deeply at the color patterns Business School that the school had to the University of California Berkeley highly sought after when she taught at speaker and executive coach was so 2013). “Like it or not, it can make the of Personal Magnetism author of want them to do,” said Cabane, the skill one might think about as impor she said. While charisma is not the first that you either have it or you don’t,” she said. that it is an innate magical quality— thing that can be learned and harnessed make strong first impressions, is some one: that charisma, the compelling qual sion. Her core message was a welcomehaps not surprising for someone whose Conference & Exposition, which is per the audience during her Monday Mas livia Fox Cabane enthralled the b baskets exclusively for SHRM members at shrm.org/affinity. Learn more about exciting discounts and savings on auto insurance, home insurance, rental cars, flowers and gift shrm.org/hrcompetencies/annual2014. The competency model, and the resources developed based on the model, provide the foundation for talent management throughout the HR life cycle. With this model you will be able to leverage your technical and behavioral knowledge and skill, while you are provided with insight into the key behaviors needed for success and proficiency at all career levels.
SHRM, SHRM Foundation Study Value of Older Workers
Retaining Older Workers Gives Employers Competitive Edge

BY STEPHEN MILLER, CEO

A comprehensive compensation system that supports the organization’s business strategy is externally competitive, legally compliant, and respectful of the values, culture and appropriate for the workplace. Importantly, it’s also perceived as fair, explained Bruce Elliott, manager of compensation and benefits at SHRM, who led the 2014 SHRM Annual Conference & Exposition’s popular seminar on “Compensation Essentials.”

Elliott, whose past positions include senior director of global total rewards at Solaris and director of compensation at Expensify, provided a wide-ranging overview of pay basics—and beyond.

Start with Philosophy

Although any compensation structure involves a multitude of moving parts, everything begins with the pay philosophy—a formal statement that identifies how your organization views and manages pay. Elliott explained. It should be based on an awareness of your organization’s mission, strategy and culture, workforce demographics, and external competitive considerations.

One key point, for example, would be whether the organization intends to pay at, below or above market rates. Generally developed by HR in collaboration with the executive team, start by:

• Stating the goal of the compensation program.
• Defining the competitive market position of the organization.
• Determining how the organization can reward employees based on business conditions, competition, and ability to pay.

Developing a pay structure with goals at the center, range spreads and benchmarks will be part of a challenging process under the best of circumstances, but a sound philosophy provides the foundation on which everything else is built, Elliott noted.

Keeping Compliance

There are a myriad of pay laws at the federal level, and individual states—particularly California—often add their own layers of legislative complexity. To keep compliant with various statutes, Elliott advised periodically auditing plans to reward employees based on performance.

Ways to Communicate

Employees may also feel that they are owed a raise, frequently knocking on HR’s door to ask, “Why isn’t my pay higher?”

The best response is to “show a direct line of sight from the job description back to the market,” Elliott advised.

“I want you to leave employees feeling they’ve been awarded in an equitable way.”

“An employee is ‘red circled’ at the top of their position’s pay range, with limited or no base salary increases available, explain that’s what happened. Incentive bonuses, equity grants (at public companies) and nonfinancial recognition might be appropriate, and employees can be encouraged to strive to move forward by taking part in professional development opportunities.

But Elliott advised against allowing all employees to expect that base pay for a red circled employee but not others at the top of their pay range, as that could set up discriminatory and costly lawsuits.
To Build ‘Identity Loyalty,’ Start with Your Employees

BY THERESA MINTON-EVERSOLE

Identity loyalty. Companies like Nike, Apple and Coca-Cola have it. Does yours? If your answer is “don’t know,” chances are it doesn’t.

But what exactly is “identity loyalty,” and how can organizations build it among their employees?

“Ideology loyalty refers to the situation where people strongly connect emotionally with and internalize the values associated with a brand that the brand becomes part of who they are,” explained Americus Reed II, marketing professor for the Wharton School of Business at the University of Pennsylvania, during his Masters Series session on Monday, “Identity Loyalty: Unlocking the Key to Creating Proactive, Hardworking and Appreciative Employees.”

“They are so committed to [the brand] that they’ll advocate for it and defend it against attacks. This is powerful and is what makes brand equity such a valuable asset.”

What are the HR implications of creating identity loyalty for companies? “Building employees’ ideality loyalty improves the overall performance of the company,” said Reed, co-founder of consultancy Persona Partners LLP. “Many companies experience major disconnects between clearly defining the values associated with their brand and concisely articulating and demonstrating those values to employees. Consequently, they miss opportunities to increase the value of their brand assets and build employees’ potential, commitment, productivity and loyalty.”

Audit Culture
To identify the gaps in employee messaging and the bumps in the road that affect how that messaging travels through the company, Reed said it’s important to conduct a cultural audit, surveying leadership, employees and customers to determine what values they already associate with the organization.

“Why aren’t they internalizing the organization’s values?” he asked. “It’s probably because of the organizational culture. Try to get to the level of intangibles that allows you to connect with employees in order to get everyone on the same page,” he said.

Next, strategically articulate the company’s defined identity to employees. “Appeals to employees’ social values must address the needs of those employees. Values and ideals must be aligned, and the organizational culture must foster employees’ relationships, competency and autonomy—purpose for doing what they do.”

The next step is to identify and benchmark your superperformers—those whose values best match your company values. “To do this, you have to look beyond basic personality testing and to well-validated work constructs such as self-monitoring, moral integrity and work ethic,” he explained.

Learn how these superperformers experience the organization’s brand by examining four factors:

• Leadership emphasis.
• Message availability.
• Peer involvement.
• Employee ownership.

“How are the corporate values characterized and displayed in senior leadership behaviors?” Reed asked. “How authentic is the messaging going out to employees about these values? What initiatives have employees organized to demonstrate their ownership of the organization’s value attributes, and to what extent are employees involved in how these values manifest throughout the organization?”

In closing, Reed shared specific steps all organizations can take to help nurture that relationship with their employees and to build more identity loyalty.

“One is to have a documented organizational identity statement, and share customer testimonials with employees,” particularly ones who might be silenced and have little customer interaction, he said. “Make sure ideals are reflected in senior management behaviors and that the merit system is aligned with the brand’s associated social values.”

Reed also suggested that companies host events that continuously help expose employees to company values. And finally, “incorporate the brand identity into the new-hire orientation process,” he said. “You don’t want someone working for you who doesn’t understand what the company stands for.”

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