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The Peoplelink Online Newsletter

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PEOPLELINK STAFFING 25 years

Action Tips for

VALUES-BASED LEADERS

Stephen Paskoff, Workforce.com

How do you build an enduring business or enterprise when the world is changing so fast?

For years, I've heard leaders from various industries ask their leadership teams that very question. Many answer the question by focusing on products and services that are or will soon be needed. They're vital. But making them the keystone for longevity is as elusive as relying on floppy disks, BlackBerrys and neckties for future business success.

Ultimately, the most talented leaders I've worked with look beyond what they will produce or deliver over the next quarter or year. Instead, their vision begins with the organization's overall mission and the values that will drive how team members work, treat one another and serve their markets or consumers year after year.

Determining a mission, a reason for being in business or delivering other services, will vary from enterprise to enterprise. Developing and implementing values, which last past the most sweeping trends of technology and globalization and beyond the next quarter, are more consistent practices.
Here are some action-based suggestions senior leaders can use to help launch, communicate, and sustain the process throughout their organizations:

1. How should values work?

Values are the glue that bind people together in terms of how they interact and work. Every organization has them; they are either purposefully developed or have evolved from unstated practices. When leaders talk about the importance of values, they mean values of their choosing. Implemented purposefully and in a sustainable way, the right values will enhance quality and productivity,

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From the President's Desk »

Jay Wilkinson, President and CEO

HIRE SLOW FIRE FAST

A lot of companies hire fast and fire slow. A bias for speed combined with the pressure for high growth drives many leaders to be quick to hire ("We need to fill this role now!") but slow to remove underperforming employees because they're busy and would rather put off the awkward, hard conversations. It can lead to what Guy Kawasaki, when he was still at Apple, called "the bozo explosion."

In a time of massive youth unemployment around the world, the principle of "hire slow, fire fast" may seem insensitive. However, for three reasons I would argue this approach is more compassionate than the alternatives.

First, it doesn't serve the world to create bloated, bureaucratic companies that will slowly die. We need healthy, growing companies capable of sticking around for the long run.

Second, it isn't compassionate to keep one person — but make their whole team struggle as a result. We need teams in which everyone can trust each other to do a great job. If "hire slow, fire fast" sounds harsh or mercurial, consider how harsh it is to allow a whole team to be held hostage by someone who should not have been hired in the first place.

And while we're on the subject, lacking courage is not the same as having compassion.

Third, trying to force someone to be something they are not is neither sustainable nor humane. It doesn't serve people to keep them in the wrong role, giving them the same negative feedback week after week, month after month, year after year. Of course, if the right role can be found within the company it should be. But when someone is truly a bad fit, reassigning them is not the answer. This just moves the problem to a different part of the building.

To make this approach work, you also have to fire humanely. This may seem like a contradiction in terms, but by "firing" I don't mean the traditional, disgusting practice of marching people to the door in humiliation. It doesn't mean taking people we have worked with and suddenly throwing them out as if they are criminals. We can do this in a humane way.

If we "hire slow, fire fast" we can increase what Reed Hastings, CEO of Netflix, has called the "talent density" of our organizations. It is not easy. It takes having hard conversations. It takes leadership. Still, if we can do it then, ultimately, people, teams and organizations win.

American Payroll Association MONTHLY MEETINGS

The Local American Payroll Association (APA) holds meetings at Peoplelink every month except for January and July. The Michiana Chapter offers networking, education and a Certified Payroll Professional (CPP) Study Group.

For more information, please contact the Chapter President
Sue Pociejewski, at spociejewski@peoplelinkstaffing.com.

VALUES-BASED LEADERS

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surface problems sooner rather than later, and build team, customer, and market trust. And, they will enable individuals in various locations and jobs to take both small and large actions that reflect the organization's common purpose without having to be told what to do when daily challenges arise.

2. Don't believe that everyone will understand values because they seem obvious or are important to senior leaders. Values are not transmitted telepathically or in just a few quick phrases. Rather, they're brought to life through thousands of decisions and acts communicated by credible leaders and team members and are reinforced, tested, and reapplied over time.

3. Start with the top leader. Values, unlike beans, don't grow up from the bottom. They have to start at the top of the stalk.

- The first test of whether values will spread and stick is whether the CEO practices them. Making tough but wise choices is what demonstrates that leaders are serious about their organization's guiding principles. When a CEO takes a loss because it's the right decision, admits a mistake and acts to correct it, when she addresses her own team members about improper conduct, when she welcomes questions about her own decisions or her own actions – these are the ways she demonstrates that values, such as respect or openness to criticism or suggestions, are sincere and important.

- One organization issued values speaking of respect and inclusion. But when the organization's CEO took office, he had a private elevator built to take him to his floor every day. When he got off, he'd walk through the office without saying "hello" or even nodding to people he passed. In meetings he'd routinely berate his colleagues if they raised issues at odds with his views. His routine conduct conflicted with his stated commitments to respect and inclusion.

- When leaders announce principles but don't personally follow them, they are, at best, setting disciplinary standards, not values-based principles. These narrowly interpreted compliance rules will be followed because penalties will result otherwise, not because they represent cultural principles. The latter stand a much better chance of being willingly applied.

4. Values must be supported by the whole C suite.
A CEO cannot implement values alone no matter how charismatic she is. Her team won't sincerely say the things that need to be said and resaid or take actions to prove they matter. Top leaders need to take special care that those around them are sincerely supporting organizational values. If they don't, it will likely undermine teamwork. If values are really critical in terms of organizational direction and success, this is a form of strategic subversion. That's a sharp term, but the impact can be severe and must be addressed sooner rather than later.

5. Words are not enough.
Many current value statements include the words: "we put customers first;" "we work with integrity;" or, "we respect one another." And that's all they say. The problem is those words can have different meanings in different parts of an organization and even to individuals within the same teams. To build habitual practices, they need to be defined with a set of simple behaviors. As an example, respect can mean we listen; we welcome opinions and concerns, we avoid racial, sexual, and other like jokes and comments, and we don't yell or insult our colleagues.

6. Charts and emails don't communicate what values mean.
Many organizations spend years developing value statements, first battling over every phrase and word. Then they announce their final product in annual reports. They publish them on their websites. They design beautiful posters that are on plant and office walls. They give everyone coffee cups with the values all over them. And that's about all they do, which is as effective as matchbook advertising. It's person-to-person connections that make values last, not mass marketing awareness campaigns.

7. Stories, memorable deeds, and legends prove points.
People remember stories more than facts or phrases. A great starting point for talking about the meaning of values is to think of instances where they were applied in a way that will resonate now and into the future. These accounts should be communicated and passed on from workplace generation to generation and updated as new legendary acts arise.

8. Keep the benefits in mind. It's easy to look at numbers and data and to ignore the fact that results are based over time on how work is performed internally and externally. For that reason, values need to be lived, communicated, and protected by senior leaders as one of their key strategic responsibilities as stewards of their organization's culture.

Meet **MIKE PETREE »**

Area Manager
Trade Management (A Peoplelink Company)
Mt. Pleasant & Longview, Texas

» How long have you been in the staffing business?
7 Years

» What was your first job? What do you remember most about it? McDonalds. Learning a work ethic and making money as a high school student.

» Who was the worst boss you ever had and why?
My best friend and roommate in college (because we were able to bend some of the rules while we worked at the local bank).

» What motivates you each day to sell and service your clients? Meeting the needs of both our client and our employees.

» What are some of your long-term goals? To grow the Trade Management East Texas offices into the largest most efficient commercial staffing firms in that region.

» What makes Peoplelink unique, from your perspective? So far my experience with Peoplelink has been excellent. The back-office support and customer service is a much better experience than we ever had with our previous service providers (PEO's).

» What makes you successful as a Area Manager? My situation may be a little unique in that I started both offices up from scratch. My employees were always considered to be an extension of my family and we all took great pride in our success.

» What is the best advice you could give to other Peoplelink staff members?
Start each day off with a plan and be determined to find something to be happy about in spite of the frustrations you may encounter. Respect the fact that the people you work with are there for the same reason as you and help them achieve their goals.

» What is your favorite movie? Book? Drink?
Favorite Movie = Giant, Favorite Author is Clive Cussler and favorite drink is iced tea.

» If you could have any car you want, what would it be?
BMW i8

» What is your home city? What is the greatest feature about your home city?
My home town is Mt. Pleasant, Texas, named for the Indian burial mounds originally found here.

» How do you unwind when you're not at the office?
At the lake where I am building a home.

» What do people like most (least) about you? I think that it would be that I am a giving person on both accounts – sometimes I can go a bit overboard.

» Anything else you can think of?
I am proud of my offices and the team that helped me build it. Looking forward to the future and more and greater success.

TREND REPORT

Overall spending on training jumps 15% in effort to stem skills gap, says study

Source: HRBLR.com

Investment in employee development is rising, as employers strive to close a growing skills gap, a new survey found. On average, overall spending on training was $1,169 per learner in 2013—a 15 percent jump from the previous year, according to "The Corporate Learning Factbook 2014: Benchmarks, Trends, and Analysis of the U.S. Training Market," a study by Bersin by Deloitte, Deloitte Consulting, LLP.

"The problem many organizations face today is not a shortage of people; it is a shortage of key skills, especially those in engineering, scientific, and technical fields," said Karen O'Leonard, vice president, benchmarking and analytics research, Bersin by Deloitte. "Businesses are responding by investing more. And in mature organizations, this investment is not just short-term training—it involves building a 'supply chain' of skills to fill these gaps for the long-term."

On average, organizations that have mature, effective learning and development functions spent $1,353 per learner, according to the study.

That figure is 37 percent more than the least mature groups.

In addition, Bersin by Deloitte found that many of the organizations with mature learning and development functions "have also adopted a 'continuous capability development' approach that makes them more innovative, responsive, and agile as their markets change. Learning in this model includes development planning, formal interventions, rotational assignments, coaching, mentoring, and much sharing and collaborative learning."

At $1,847 per learner on average, technology companies had one of the highest per-learner expenditures among the various industry sectors, the survey found.

Another key finding of the study was that the largest percentage of training budgets went to leadership development. Bersin by Deloitte reported that an average of 35 cents of every training dollar was spent on developing leaders at all levels. "Leadership has become an even bigger issue as the economy recovers and many firms look to expand globally."

Winning
as a Self-Fulfilling Prophecy

by William Barnett

The maid-of-honor was consoling the bride, desperately trying to keep her makeup from liquefying. The yacht was perfect, of course, and most of the bridesmaids were there as planned. So what was the problem? No pictures. The photographer was a no-show. Well, the bride would make sure that he never got another high-profile job. And to think, all the best families had raved about his genius.

Two hours later, as they lay desolate on the yacht's sun deck in the warm tropical air, they heard the roar of twin diesels. Looking up, there in the bowsprit chair of a racing boat was the photographer, Paul Barnett, snapping photos from a long telescopic lens. James Bond with a camera.

But of course! You don't photograph the wedding party on the yacht itself; too close quarters. You shoot from a separate boat! What a genius. Everything turned out OK – spectacularly, really — in the end.

But let me tell you the story from the point-of-view of my brother Paul, the tardy but brilliant photographer: A desperate realization that he had been told the wrong time; a frantic cab ride to the marina, only to see the yacht heading out to sea; a search for a fast boat; a payoff to a nefarious bad guy; the last-second idea to shoot from the bow-sprit chair strapped in like a marlin fisherman. And then, of course, the usual self-assured act later on, as if to say, "All part of the plan."

Some people have a way of making things go right, no matter how badly they seem to be going wrong. Why do winners seem to just keep winning?

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Social scientists tell us that winners keep winning for several reasons. First off, they may just be better. Quality aside, we know that those with a reputation for past success tend to get disproportionate credit for future wins – the "Matthew effect" described by the sociologist Robert K. Merton. And of course the winners from the past tend to be in the right place to make things happen in the future, and have the connections and resources to make good on those opportunities.

But there may be another reason that winners keep winning, a reason that is particularly useful to understand business leadership: Some people tend to be unrealistically optimistic, a view that sometimes makes itself come true.

The downside of such unrealistic optimism is that it can lead you to be out of touch. But the upside is that an unrealistically optimistic outlook might trigger what's known as a self-fulfilling prophecy (another idea pioneered by Robert K. Merton).

Social psychologists have been talking about these "positive illusions" for years in terms of mental health outcomes (see the work by Shelley Taylor and her colleagues). But when such views trigger the self-fulfilling prophecy, these illusions have the potential to increase chances of success. As my colleague Andy Rachleff argues, winning helps a leader feel confident in future contests, thereby increasing their chances of winning. Many, many people have commented on Steve Jobs's "reality distortion field"; Jobs believed in possibilities even when others saw them as unthinkable. Of course, once he believed, then others would too, making his vision more likely to come true.

Paul Barnett could not accept that he would fail. So in a situation where others would throw up their hands and admit defeat, he kept scrambling. Not letting the facts get in the way, the unrealistic optimist expends effort as if victory was within reach, which of course makes that victory more likely. And with every victory, the optimist's unrealistic view gets confirmed yet again.

The lesson for leadership is clear. We know that a well-informed decision is one that sees reality for what it is. But leadership is so much more than correct calculation.

Especially in uncertain times, what the leader believes to be true may end up so through the self-fulfilling prophecy.

2014 Temporary Worker Survey:

How happy are temporary workers with their staffing agencies?

Key Findings:

- We asked over 7,000 temporary workers a set of questions intended to measure positive and negative attitudes/feelings about their staffing firms.
- The overall Net Promoter Score (NPS) was a very respectable 42% (comparable to the NPS of a company like BMW or Johnson and Johnson). Forty-nine percent of respondents reported they were "extremely likely" to recommend their agency as an employer to a friend or colleague.
- When comparing firms of different sizes, and comparing specialized firms to generalist firms, we found no significant differences –with the sole exception of large, specialized firms, which showed an NPS lower than average, mostly reflecting preferences of healthcare workers.
- Staffing firms tend to get the most positive feedback when it comes to quality of relationship and productivity measures such as: "this agency is trustworthy and honest," "people at this agency are responsive and polite," and "my relationship with my recruiter is productive."
- Staffing firms should continue to focus on factors related to trust and relationships as they were the most correlated with temporary worker satisfaction.

Source: Staffing Industry Analystrs

This insight report is based on a survey of temporary workers, implemented in conjunction with the 2013 Staffing Industry Analysts "Best Staffing Companies to Work For" competition. Over 7,000 temporary workers from over 109 staffing firms were surveyed; no single firm accounted for more than 26% of the total temporary worker respondents.

***Note:** Higher skilled temporary workers were disproportionately represented in our survey sample. Conclusions drawn are therefore more reflective of temporary workers in professional staffing than commercial staffing.*

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"Most folks are as happy as they make up their minds to be."

–*Abraham Lincoln*

2014 Temporary Worker Survey

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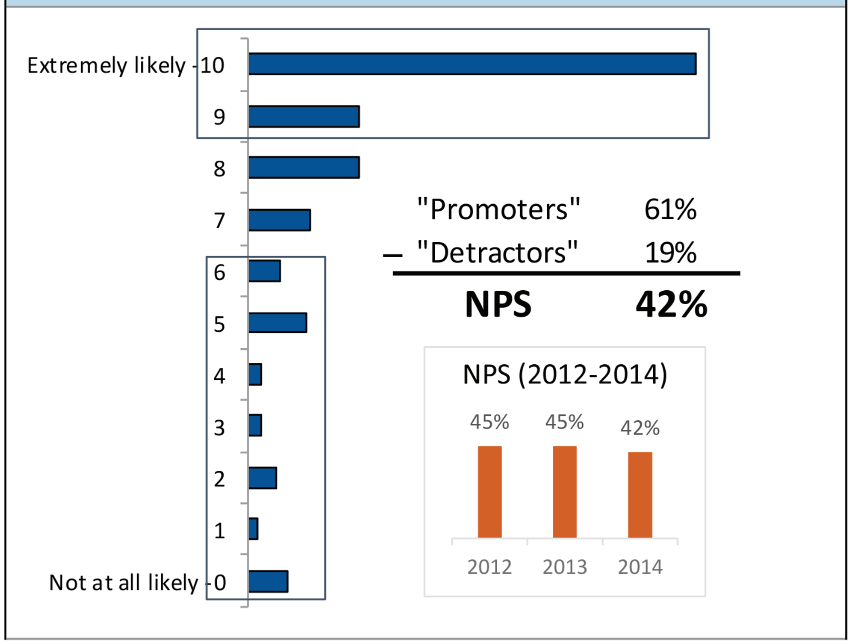
A large majority of temporary workers responded positively when asked: "How likely would you be to recommend this employer to a friend or colleague?"

- In our survey sample, over 7,000 temporary workers answered the question: "How likely would you be to recommend this employer to a friend or colleague?" Response options ranged from 0 (not at all likely) to 10 (extremely likely).
- Forty-nine percent of respondents reported they were "extremely likely" (10) to recommend their staffing agency to a friend or colleague.
- Sixty-one percent of respondents fell into the "promoter"category while 19% fell into the "detractor" category,resulting in an overall NPS of 42% (calculated in the diagram to the right).[1]
- Forty-two percent is a very good score, on par with scores of companies like BMW, Sony, and Johnson and Johnson.
- This is a very clear indicator that temporary workers who have been working through a staffing firm are typically pleased with their experience, and would likely recommend the firm to a colleague or friend.

Distribution of temporary workers' reported likelihood of recommending their staffing firm as an employer (Score of 0 to 10)



Source: Staffing Industry Analysts

1 *This method of question and scoring, developed by Harvard professor Fred Reichheld, has been shown to accurately reflect employees' or customers' general assessment and attitude toward the organization with which they have a relationship.*

Net promoter scores by occupation

- Net promoter scores by occupational group ranged from 62% down to 33%, with a median among occupations of 52%.
- Business and financial (62%), Office and administrative (54%) and Educator/trainer/librarian (54%) had the highest average net promoter scores. These results are consistent with results from our 2012 survey, when 'Office and administrative' and 'Business and financial occupations' took the top two spots.
- The two occupational categories with the lowest NPS scores were Industrial (42%), and Healthcare practitioner/workers (33%).

Net promoter scores (NPS) for reported occupations

Occupation	NPS	N
Business, financial or management related	62%	325
Office & administrative support worker	54%	532
Educator/trainer/librarian	54%	70
IT programmer/engineer/project manager	52%	1136
Architect/engineer	49%	57
Industrial	42%	106
Healthcare practitioner/worker	33%	2102

Source: Staffing Industry Analysts

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2014 Temporary Worker Survey

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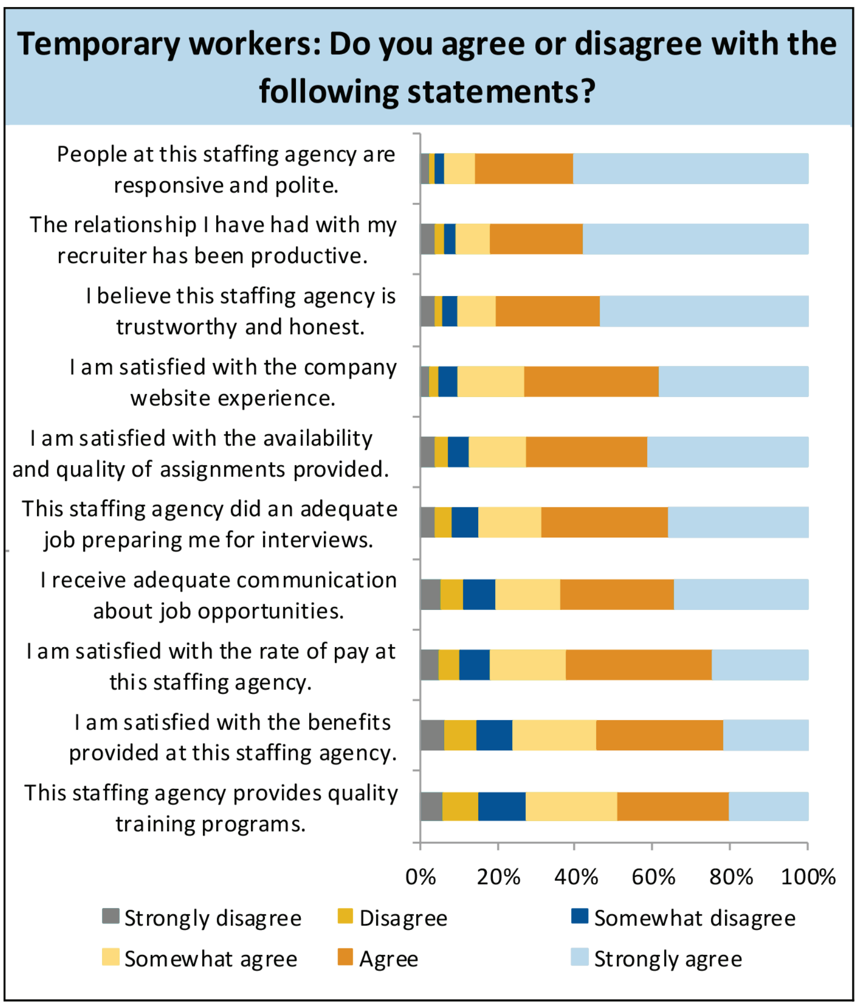
When asked how they felt about various aspects of their staffing agencies, temporary workers were generally positive

- Temporary workers responded to various statements about their staffing firms from a selection of responses: "Strongly Disagree, Disagree, Somewhat Disagree, Somewhat Agree, Agree, Strongly Agree" (a scale of 1-6).
- The sum of all "agreed" responses (Somewhat Agree, Agree, Strongly Agree) ranged from 93% (People at agency are responsive and polite) to a low of 73%(This staffing agency provides quality training programs).
- The most "agreed" with statements were: "People at this agency are responsive and polite," "My relationship with my recruiter is productive," and "This agency is trustworthy and honest" – *all "quality of relationship" factors* – and the same top three statements for three years in a row.
- The most "disagreed" with statements were: "Agency provides quality training programs," "Satisfied with benefits provided," and "I am satisfied with the rate of pay…"– all issues related to factors "*of substantive employment benefit*" for temporary workers. Even here, however, the percent disagreeing with these statements was fairly small.



Source: Staffing Industry Analysts

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It pays to be nice: personal relationship/treatment key driver of temp satisfaction

- The chart at right indicates the strength of the relationship between a temporary worker's "disagreement/agreement" rating (from the previous page) and the worker's score in response to the question, "How likely are you to recommend this employer?" from page 2. To measure the strength of the relationship, we used the correlation coefficient. A coefficient of 0 indicates no correlation; a coefficient of 1 indicates that two variables are perfectly in step.
- The "disagreement/agreement" categories most correlated with the likelihood-to-recommend score are "personal" factors (e.g. trust, politeness) and measures of productivity (productive relationship). Essentially, temporary workers are most pleased when they perceive that their relationship with a staffing agency is productive, and that the staffing agency is a polite and trustworthy partner. Availability and quality of assignments are also important.

Source: Staffing Industry Analysts

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2014 Temporary Worker Survey

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Large, specialized firms get mixed reviews, depending on occupation

- The chart at right compares differences in net promoter scores among different types of staffing agencies. We compared large and small firms, and specialist (specialize in placing a particular type of skill) vs. generalist (place workers in a wide variety of occupations) firms.
- We found that temporary workers' satisfaction with their agencies remained roughly constant, with one exception – workers who work for large, specialist firms gave their agencies an average NPS of 37 percent. While this is by no means a terrible score, it trails the NPS of other types of staffing agencies by a significant margin.
- Not all large, specialized staffing agencies were given low scores – we found surprising discrepancies among different occupations. We found that business/financial workers strongly preferred large, specialized firms (NPS of 68%) as opposed to small, specialized firms (NPS of 47%). IT workers also slightly preferred larger firms. However, healthcare workers had strong preferences in the opposite direction: they preferred small specialized firms (NPS of 59%) to large specialized firms (NPS of only 37%).

Net promoter score by type of firm

	Specialist	Generalist
Large, national, international	37%	55%
Small, local, regional	51%	53%

Net promoter scores by type of firm - detail

	Large specialist	Small specialist
Business/financial	68%	47%
	$N^1 = 100$, $N^2 = 17$	$N^1 = 66$, $N^2 = 16$
IT programmer/engineer	53%	48%
	$N^1 = 522$, $N^2 = 17$	$N^1 = 289$, $N^2 = 19$
Healthcare practitioner/worker	37%	59%
	$N^1 = 417$, $N^2 = 22$	$N^1 = 605$, $N^2 = 22$

Source: Staffing Industry Analysts

N^1 = Number of temporary workers in sample
N^2 = Number of companies in sample

SHINING STAR
MARCH

March's Shining Star pictured on left, Elizabeth May, and on right, Nicole Humphrey (Joplin, Missouri Staffing Specialist).

Peoplelink is pleased to announce that Elizabeth May has been chosen as our March *Shining Star* employee. Elizabeth is a Press Operator Assistant at RX Technology. She reports to the Joplin, Missouri Peoplelink branch.

Elizabeth has worked at RX Technology for nearly four years. She started as a boxer, packaging and palletizing, and moved to a Press Operator Assistant position. Her job knowledge and performance is outstanding. According to Elizabeth's Supervisor, Trent Coe, Elizabeth is by far the most helpful on his team. She steps in to help others when they get behind or need guidance without being asked and still stays on top of her own assigned duties.

While at work, Elizabeth's favorite part of the job is interacting with the RX team. Outside of work, Elizabeth enjoys spending time with her newborn son, Damian.

Congratulations to Elizbeth for being Peoplelink's March *Shining Star* employee!

Find your shining star! Contact Peoplelink at 574.232.5400.

HR News

Proposed Shrinking of White-Collar Exemption

By SHRM, Allen Smith

President Obama has proposed expanding the availability of overtime pay, directing the Labor Department to do its first overhaul of Fair Labor Standards Act (FLSA) regulations in 10 years.

The president signed a memorandum instructing the Labor Department to update regulations about who qualifies for overtime pay. In particular, he wants Labor to raise the threshold level for the salary-basis test from the current $455 per week in order to account for inflation. The threshold has been raised just twice in the past 40 years. He would not specify the exact amount the threshold should be raised.

"Unfortunately, today, millions of Americans aren't getting the extra pay they deserve. That's because an exception that was originally meant for high-paid, white-collar employees now covers workers earning as little as $23,660 a year," Obama said in remarks on overtime pay.

The memorandum also suggests that both the primary duties and pay of some exempted employees do not truly fit in the executive, administrative and professional employees exemptions, referred to as the white-collar exemption.

The executive exemption is ripe for narrowing, according to Mark Neuberger, an attorney at Foley & Lardner in Miami, who noted that a lot of store managers who currently fit within the exemption "work a lot of hours but do not make a lot of money in the big scheme of things."

In a fact sheet on the president's memorandum, the White House said: "Millions of salaried workers have been left without the protections of overtime or sometimes even the minimum wage. For example, a convenience store manager or a fast food shift supervisor or an office worker may be expected to work 50 or 60 hours a week or more, making barely enough to keep a family out of poverty, and not receive a dime of overtime pay."

It also pointed out that "only 12 percent of salaried workers fall below the threshold that would guarantee them overtime and minimum wage protections (compared with 18 percent in 2004 and 65 percent in 1975)." Further, the fact sheet called the FLSA regulations outdated, noting that states such as New York and California have set higher salary thresholds.

In California the threshold is not less than twice the minimum wage for a full-time employee, which is why it's $640 this year and will rise to $800 in 2016, Scott Witlin, an attorney at Barnes & Thornburg in Los Angeles, told SHRM Online.

The Golden State also requires a quantitative test of exempt and nonexempt duties, so if a worker spends 20 hours doing nonexempt activities, the employee can't be exempt, he added. The FLSA doesn't have a quantitative test, but some are speculating it might work its way into the Labor Department's proposed rule.

Small businesses will be hit particularly hard by a change in the FLSA regulations, Witlin predicted.

If the regulations shrank the white-collar exemption, employers would have two main options to hold down costs, according to Keith Gutstein, an attorney at Kaufman, Dolowich & Voluck in Woodbury, N.Y. They would have to either increase workers' salary above the new salary-basis threshold, to avoid paying overtime, or leave employees in the nonexempt category and pay them overtime. Companies could also hire more employees, but the other two options were likelier, Gutstein said, even though this one "sounds good to get people off unemployment and back to work."

EEOC Tackles Social Media

By SHRM, Aliah D. Wright

An employer can look at its employees' posts on social networking sites, but it needs to be careful in how it responds—or does not—to what it sees there.

In testimony before the U.S. Equal Employment Opportunity Commission (EEOC), employment law attorney Jonathan Segal, speaking on behalf of the Society for Human Resource Management (SHRM), said: "To ignore social media today is like ignoring email 20 years ago. Social media is no longer cutting-edge; it is now mainstream."

Segal joined four other attorneys to

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discuss how social media use in the workplace is affecting the enforcement of equal employment opportunity laws.

"Whereas 10 years ago, an individual's online presence was largely limited to a profile-based site she or he curated, today a person's Web presence is spread over any number of individual websites and can include 'likes,' comments on websites and connections on LinkedIn," said Lynne Bernabei, a partner at Bernabei & Wachtel PLLC.

"A conversation between an employee and an employer or between an attorney and a client about the employee or client's social media presence is no longer as simple as inquiring about a person's Facebook profile or their Twitter handle."

Also testifying were Renee Jackson, an associate at Nixon Peabody LLP, and two EEOC attorneys, Carol Miaskoff, acting associate legal counsel in the Office of Legal Counsel, and Rita Kittle, senior trial attorney in the EEOC Denver Field Office.

The attorneys delved into social media privacy concerns and whether employers have the right to ask for passwords (12 states ban the practice).

Experts also addressed discrimination, recruitment, screening, hiring, harassment, records retention, social media policies, accessing employees' private social media postings, discovery and background checks.

"I have heard it said there are only two times when a person is perfect: birth and the job interview," quipped Segal, a partner in the Philadelphia office of Duane Morris LLP. "Social media is but one way to enhance the background check to determine whether a candidate should be hired."

He added, "Contrary to what some may believe, the fact that some employers screen applicants by looking at their social media sites does not mean that the use of social media results in widespread exclusions."

In fact, according to SHRM research from 2013, of the organizations that screen candidates by viewing online search engines or social networking websites, only 15 percent have used information from online search engines, and 30 percent from social networking websites, to disqualify applicants.

There shouldn't be an on-off switch when using social media in the hiring process, Segal said; "rather, key questions that should be considered include when it is done, what is looked at, who is doing the looking, and what is and is not considered in the decision-making process."

In the end, however, it's up to workers to police their own social media use, especially when people can take screenshots and share status updates.

"Things you think are private can very quickly become public," warned attorney Rene Jackson.

Because with social media "… everybody who participates is carrying around a box of their private life," said EEOC Commissioner Constance Barker.

Commissioner Chai Feldblum added, "Every tweet is a choice."

DOL Proposes Enhanced 401(k) Fee Disclosure

By SHRM, Stepheh Miller, CEBS

A proposed rule would require service providers for 401(k) and other defined contribution retirement plans to supply employers with a guide for navigating the providers' sometimes-voluminous fee-disclosure documents under a prior DOL rule.

"The department's recent fee-disclosure rules were a good first step in bringing transparency to the 401(k) industry and disclosing potential conflicts of interest," said Assistant Secretary of Labor for Employee Benefits Security Phyllis C. Borzi during a March 11 teleconference announcing the proposal. "However, some employers, particularly small businesses, may be having a hard time locating the required fee disclosures when they are embedded in lengthy or complex documents. Much like a road map, a guide can help employers locate fee information, which will help them better understand what they are being charged by financial services providers."

New Disclosure to Explain Current Disclosure

In 2012 the DOL published a final rule under Section 408(b)(2) of the Employee Retirement Income Security Act requiring companies that provide certain services to employer-sponsored 401(k)-type plans to release detailed information about their services and the compensation they will receive, including payments from third parties. The rule allows such companies to use existing contracts and other documents to provide this information to plan fiduciaries.

A related final rule requires plan sponsors to communicate fee information to plan participants every quarter. (An overview of the agency's fee-disclosure requirements can be found in the SHRM Online article 401(k) Fee Disclosures: A Top 10 List of Issues.)

According to the new proposed rule, covered service providers would have to release a guide if disclosures were made using multiple or lengthy documents. If a guide were required, the service provider would have to direct employers to the place in the disclosure documents where they could find the following:

- A description of services to be provided.
- A statement concerning services to be provided as a fiduciary and/or as a registered investment adviser.
- A description of all direct and indirect compensation, any compensation that will be paid among related parties, compensation for termination of the contract or arrangement, as well as compensation for record-keeping services.
- The required investment disclosures for fiduciary services and record-keeping and brokerage services, including annual operating expenses and ongoing expenses or, if applicable, total annual operating expenses.

The notice also announced that the DOL will put together focus groups of fiduciaries of retirement plans with fewer than 100 participants to explore current practices and the effects of the 2012 fee-disclosure rules. "The focus groups may provide additional information about the need for today's proposal and what disclosure formats may be most useful to plan fiduciaries," Borzi said.

Complexity Overwhelmed Clarity

"What next, a guide to understanding the guide to understanding the fee disclosure documents?," Rick Meigs, president of 401khelpcenter.com, commented to RIABiz, a news and information website for registered investment advisers and other financial services providers.

Despite such gripes, the DOL asserted its commitment to requiring additional documentation to help clarify disclosure materials produced under its previous rule.

"We actually think that the [2012 service provider's fee disclosure] rule has been successful in its short history in shedding additional light on fee practices, but we also think that this rule can be improved," Borzi said during the DOL's teleconference. "This proposal is designed to address the question that the rule doesn't mandate a particular format for fee disclosures. … We're troubled that some employers or fiduciaries are having a hard time locating the required fee disclosures when they're embedded in these lengthy or complex documents."