

2010 Annual
Sponsor



Business Benefits Group

www.bbgbroker.com



President's Message

It's June, and my thoughts are turning to an upcoming early summer vacation. The warm weather has seemed to be slow in coming this year, after experiencing the snowiest on record for the region. Like many of you, our office was closed for several days due to the weather conditions. We encouraged the management staff to stay connected and check email, and continue to "work from home." During the day my husband I and shoveled what seemed like endless mounds of snow. Then later in the evening, I would log on to the laptop and check my email. Each evening I would listen to the news reports to see if the government would be closed the next day, so I could communicate with our CEO and CFO to determine if the office would be open the next day (since we typically don't follow the Feds lead). So during that time, even though the office was closed, I was part of the team that was "on the clock." As vacation time approaches I will choose to take my Blackberry and check my email during vacation, just to avoid the inevitable backlog of messages that would have to be answered when I return. So it seems like – or feels like – we are always on call, as part of the job.

So please join me at our next chapter meeting on **Wednesday, June 16**. Maureen Knight, an attorney for Constangy, Brooks & Smith, will speak on "**Compensable Time: When Is an Employee Considered 'On the Clock' ?**" I am sure she will provide some legal insight into this issue. I look forward to seeing you there!

Linda Caporaletti-Hoyt

Wisdom from the Goddess...

To Wuss, or not to Wuss

Anyone who has been in HR for any period of time (like 2 minutes) will come across what I lovingly call the wussy manager. You know – the one who doesn't have the bal... err, the guts to counsel, let alone fire, an employee.

My first experience with a wussy manager was when I was fairly new to HR – oh, so young and innocent, so full of the vision of every manager coaching and inspiring his/her employees to great heights. One of the employees in the housekeeping department, how can I put this delicately, smelled *really, really* bad.

Continued on Page 3

Dulles SHRM Second Annual Spring Seminar 2010

A Success!

Over 100 participants gathered at the Dulles Holiday Inn on Friday, May 7, 2010 for the second annual Dulles SHRM Spring Seminar. The one day event was coordinated by Dulles SHRM Board members, with President-Elect Keli Winter in charge of programming. "Keli did an excellent job of pulling together a wide variety of speakers on strategic topics," said Linda Caporaletti-Hoyt, Dulles SHRM President.

The morning started with sessions on pivotal decision making and succession planning from the highly energetic Francie Dalton of Dalton Alliances. Former Dulles SHRM president Lynn Lorenz, and current HR Goddess, spoke about the HR emphasis on business strategy. Matt Neiman, Dulles SHRM Legislative Liaison and attorney at Jackson Lewis gave an legislative update as part of the lunch session. After lunch, Michael Beckman from Freddie Mac kept the crowd engaged with his introduction to EVA based training metric. Opportunities for networking were provided throughout the day, and Professor Erika James from the Darden Graduate School of Business from the University of Virginia ended the day with her presentation on how to lead under pressure.

Evaluations from the seminar included overall positive comments that "engaging speakers," "relevant content," and "excellent value for strategic credits" made the second annual one day seminar a huge success. The Dulles SHRM board appreciates the support and looks forward to planning a similar event next spring.

"We were pleased to be able to offer this one-day seminar full of timely HR information and best practices at a low cost to attendees. We are excited to make next year even better!" said Keli Winter, President-Elect.



Wisdom from the Goddess...

Continued from page 1

I mean bad to the point that his co-workers were complaining that they didn't want to work with him. Someone had to *have a very delicate* conversation with this young man about his body odor. The manager came to me – and most likely assumed that since I was new to HR I wouldn't know any better, and she could pass this conversation off to me. She outlined the situation and nicely explained to me that it was HR's role to handle matters such as this. Well, I may have been new in my role but my Mama didn't have any dumb kids – and I knew this wuss was just trying to ditch a job she was too chicken to do herself. I politely informed her that I worked in the HR department, not the Personal Hygiene Counseling department – and if her employee didn't smell good it was her job to tell him he stank. She was *not* a satisfied HR customer that day. (But she did have the conversation with the employee and introduced him to a handy, dandy product called deodorant. Problem solved.)

Now I would never admit this to anyone but my closest friends, and if you breathe a word of this to anyone the goddess shall smite you, but I was once a wussy manager. GASP! I know what you are thinking! THE GODDESS! A wuss!! Unbelievable! Yes, once in my path to goddessness, I was too cowardly to have a conversation with a problem employee. I was not in HR at the time, I was managing a restaurant and I had an employee who was constantly coming in late or was absent. I was thoroughly irritated. So what did I do? Did I decide to talk to her to find out why there was a problem and help her understand my expectations and why attendance was important to the operation? I did not! I decided to fire her. (I can't be accused of not being decisive and action oriented.) The next day she came into work it took me the entire day to muster up enough nerve to have the "don't go away mad, just go away" conversation with her. I sat her down just before she was due to leave for the day. And when I apprehensively started talking to her and somehow listening to what she had to say (so I do get some credit for having a two-way conversation), I found out that she had some issues that could be addressed if I slightly modified her schedule, and she didn't think her attendance was a big deal cause I never mentioned it to her before. Being a fast learner I vowed never to wuss again, and developed my skills of sitting down with people and effectively having the tough conversations – an invaluable skill in the business world, not just HR.

So back to the HR universe. I am always amazed by the number of people who get promoted into a management role when they don't have strong people skills, let alone the ability to engage in difficult conversations. They don't understand that not everyone needs to love them and be their BFF. And when they are placed in a situation where one of their folks is not performing up to par they either ignore it and hope it goes away (hint: it never, ever does) or if it is bad enough they finally drag themselves into HR and hope that you will come to their rescue and do the dirty deed for them. The pain of their situation never seems to completely overcome their wussiness. All I can say is that they are truly delusional – I am not about to sit down with an employee and tell him that his manager thinks he sucks. And I am especially not going to fire an employee on behalf of the "wuss of the year." (By the way, I don't do windows either.) But, knowing that counseling or termination conversations handled badly can cause HR (i.e., moi) and the company headaches later, I realized I did need to do something helpful (no Catbert here – well, at least not this time).

I've found through the years that many wusses have never been in a position to have conversations that take them out of their comfort zones. Or, if they have, they really didn't know what they were doing and it went badly – really badly. Like screaming, shouting, and OMG what do I do or say now, badly. No wonder they want to avoid a repeat of the pain.

What I found helps is role playing the situation and possible scenarios with the manager. (And I use the term "manager" loosely – I've found Senior Vice Presidents who need the same coaching. We won't even go into how they got to their level without these skills – sheesh.) This includes the basics like: "No, you don't say hi to the employee and shove the counseling report in her hands and tell her to read it. You keep it upside down on the table and you TALK to her about the issues and actions needed. You let her talk too – and you listen.

Continued on Page 6

June 2010
GOLD Sponsor



Business owners have a lot to worry about. With a Pre-Paid Legal Employee Benefits Plan and Identity Theft Shield you give your employees the ability to access professional legal services at a fraction of the usual cost. We also take away the worry and frustration of locating an attorney who can help. And your business production remains steady, since your employees won't be missing valuable time away from work.

To find out more about our service call: Tanya Y. White-Deyo, Independent Associate, at 703-870-1299

Click [here](#) for more information

June Chapter Meeting

Compensable Time: When is an Employee Considered "On The Clock?"

Wednesday, June 16, 2010 (**Dinner** Meeting, 5:15 pm to 8:10 pm.)

Presented by *Maureen R. Knight*

For employees who are not exempt from minimum wage and overtime requirements, employers must pay them for all hours worked. But in the age of constant connectivity, telecommuting, and virtual offices, how does an employer know what are considered "hours worked"? And with more and more emphasis on ensuring that you have only classified employees as exempt who truly meet the requirements, companies are finding themselves with larger non-exempt workforces that no longer sit behind a desk from 9 to 5 and who must be paid overtime for all hours worked over 40.

This program will summarize the rules for what time is considered compensable under the Fair Labor Standards Act -- with particular emphasis on trouble areas such as travel time, meal breaks, meetings and lectures, on-call time, and volunteer activities -- and discuss strategies for ensuring that your employees are accurately recording all of their compensable time, and only working when you want them to work.



This program has been submitted for 1.0 recertification credit hour towards PHR, SPHR and GPHR. The use of this seal is not an endorsement by the HR Certification Institute of the quality of the program. It means that this program has met the HR Certification Institute's criteria to be pre-approved for recertification credit.. For more information, visit www.hrci.org.

About: Maureen R. Knight

Maureen R. Knight is an attorney with the law firm of Constangy, Brooks & Smith, LLP, which represents and advises employers with regard to all aspects of the employment relationship. Constangy has offices throughout the Southeast, as well as in Boston, Chicago, Milwaukee, Austin, and Los Angeles. Maureen works in the Fairfax, Virginia office of Constangy.

Maureen has been twice named as a Virginia Rising Star in employment law by the annual publication Virginia Super Lawyers; was awarded the Betty Southard Murphy Award in Labor Law; and was the honored recipient of an award, generally reserved for company employees, by a national client's legal department for her responsiveness and legal expertise. Maureen's clients praise her for her ability to effectively communicate legal issues to non-legal audiences and provide legal advice that always focuses on practical business solutions.

June Chapter Discussion Group

Keeping the Human in Human Resources

Thursday, June 3, 2010

As Human Resource professionals, how do we juggle all the necessary responsibilities of our roles – compliance, metrics, budgets, processes, etc. – and still maintain the human engagement within our organizations? Let's examine this from the recruitment process, through on-boarding, through retention strategies....and even to the point where we may have lost an employee(s) because they felt disconnected from the organization.

Let's spend the time talking about the following – please come prepared with examples, problems & solutions to share! What is Protected Health Information (PHI) under HIPAA's Privacy Rules?

Managing the senior management to help keep things human with your staff.

- Educating mid-level managers on employee engagement since most employees leave positions due to their managers.
- How do you respond when folks leave your organization because of the way they feel they were "treated"?
- What challenges have you been up against? How have you solved them?

Join us to share your experiences and challenges in this area. This will be a great opportunity to learn from other professionals. You are welcome to extend an invitation to interested colleagues. No fee is charged for attending. However, registration is required on-line, at least 24 hours in advance, via the Dulles SHRM web site (www.dullesshrm.org): Chapter Discussion Groups. If you have questions, contact Courtney Nicholson at 703.864.5925 or discussion@dullesshrm.org. Participation may be limited to the first 25 people who sign up.

Date: Thursday, June 3, 2010

Time: 7:30 a.m. to 9:30 a.m.

Place: BB&T Insurance Services
3975 Fair Ridge Drive
#110 North Building
Fairfax, VA 22033
703-383-5680

2010 Discussion Group Schedule

- July 1- Recruiting – Current Trends and Web 2.0 Strategies
- August 5 – Global HR
- September 2- Organizational Development – Pushing Your Ideas to the Top
- October 7- Personality Assessments
- November 4- Facilitation
- December 2- Business Acumen and HR

For more information, please visit:
<http://www.dullesshrm.org/discuss.htm>

Out of Work? Don't Give Up Attending Meetings!

By Amy Lourenco, SPHR

Did you know that Dulles SHRM has a special reduced rate for transitioning members? If you are a Dulles member and are currently in transition (AKA out of work), you pay only \$20 for each regular Dulles SHRM meeting. This is a reduction of \$20 from the already affordable \$40 per meeting! We've done this to assist you – our transitioning members – and to keep you involved and active in the Chapter.

HR practitioners seeking a new position must keep current with the field – and what better place to do it than the monthly meetings sponsored by “Your Chapter of Choice”? It also helps to let colleagues know about your availability and skill set. We encourage attendees to discuss HR openings, so you may even hear about your next opportunity at a meeting!

In order to take advantage of the reduced “Transitioning Member” rate, you must be a paid member of the Dulles Chapter. You'll then need to fill out and submit a very brief Transitioning Member Registration Form that can be found at http://www.dullesshrm.org/transition_reg.asp. Then when you login to the Dulles site to register for a meeting, check the box that says “you are an approved Transitioning Member still in transition”. You will need to register and pay on line to take advantage of the \$20 rate.

Wisdom from the Goddess. (Continued from Page 3)

The point is: you and your executive need to be comfortable with engaging your employees in identifying issues and seeking solutions. The answers are out there – and you can help your organizations create programs that tap into the wisdom of your workplace.

Only AFTER you've had a conversation do you tell her that this matter is very important and to insure she understands the seriousness of the issue clearly you've documented everything in this report. THEN you give her the counseling report to read and ask questions. Oh, and you look at her and not at the table while you're talking.”

Now I understand that no matter how great a coach you are there are some managers who are simply hopeless. And you know that if you send them off by themselves to handle a conversation you are going to have the employee in your office in less than 5 minutes, and it will take you FOREVER convince the employee that it's not just the manager who has issues and no, you don't think the employee should sue. In this case I usually sit in on the conversation with the manager and the employee. NOT to take over his role – he still has to do all of the talking – but to make sure both sides are understood and have a productive conversation. (And to be there to bail him out after he sticks his foot in his mouth but before it gets to a possible lawsuit stage.)

Obviously, you can take the wuss out of the goddess, but there are some managers who will always wallow in their wussiness.

Lynn M. Lorenz, SPHR,
President, HR Goddess, Inc.
Phone: 703-430-8642, Email: HRGoddess@aol.com



Legally Speaking



By **Matthew F. Nieman** – Attorney at Law, Jackson Lewis LLP
niemanm@jacksonlewis.com or 703-483-8331 (direct)
 Dulles SHRM – Legislative Liaison

Summer is now clear in our collective sights and a sense of urgency also appears to have gripped our nation's legislators and regulators. Just a few examples of this are finance reform, issuance of final regulations implementing a pro-labor Executive Order and first-stage discussions on Supreme Court nominee Elena Kagan. Also, while noting this movement, it is important not to lose sight of already passed laws that are now taking effect. Without further ado, a few legal items for your consideration.

Bi-Partisan Support for (and Against) Finance Reform

On May 20, 2010, the Senate passed the Restoring American Financial Stability Act (Senate Bill No. 3217). Expected to be signed by the President by the Fourth of July, the soon-to-be law is heralded as the most significant revision to financial regulations since the Great Depression. The focus of the legislation is increased oversight for financial institutions, instruments, and markets. All of this in an effort to avoid the repeat of recent economic events many attribute to risky investments and poor oversight of lending practices.

The Senate's final vote was 59-39. While the vote fell largely along party lines, four Republicans (Iowa Senator Charles E. Grassley, Maine's Olympia J. Snowe and Susan Collins, and, at the last-minute, Massachusetts' Scott Brown), crossed the aisle to vote with the Democratic majority. Two Democratic Senators (Washington's Maria Cantwell and Wisconsin's Russell Feingold) voted against the measure. Both claimed their opposition came because law did not go far enough.

Continued on Page 10

Volunteer Opportunity- Cultural Sensitivity Trainer Needed

The Embury Rucker Community Shelter (ERCS) is a 70-bed residential shelter located in Reston, VA. ERCS provides healthy, safe, emergency housing for families and single men and women, helping them to overcome barriers and transition to stable housing.

The Shelter supports folks from many different cultures, religions, and backgrounds, and it would be helpful for their staff to understand the differing perspectives and needs of the diverse groups it serves. If you have a background in this area and would like to donate time to this very worthwhile program, please **contact Susan Alger**, Community Resource Coordinator at <mailto:susan.alger@restoninterfaith.org>, or call her at 571.323.1383.

SHRM Foundation Update

2010 SCHOLARSHIP APPLICATIONS NOW AVAILABLE

It is time for the annual SHRM Foundation Scholarship Award program to begin for 2010.

Four \$2,000 scholarships will be awarded in each SHRM region. Professional, general and associate members of SHRM are eligible. (*SHRM student members and local-only chapter members are not eligible for this scholarship.*) Applicants must be pursuing either an undergraduate or graduate college degree in an HR-related field (includes business, psychology, organizational development, etc.) through an accredited institution of higher learning. Full-time, part-time, online and distance learning programs are acceptable. Scholarships are for college degree programs only, and may not be used to attend professional development seminars. This scholarship is a one-time award. Previous applicants and past scholarship recipients are eligible to re-apply.

Selection: Scholarship recipients will be selected primarily on merit. Applicants will be evaluated according to the following criteria:

- 50% Work experience/progression (HR involvement & future career plans)
- 30% Volunteer activity (SHRM experience preferred, but not required)
- 20% Financial need

The recipient must be accepted and ready to begin his or her studies within six months following notification of the award. Scholarship recipients will be required to provide evidence of acceptance or enrollment in an HR-related program of study in order to claim their award. Applicants who have already completed their studies are not eligible for this award and may not apply for a scholarship to cover past expenses. Applications will not be returned and all decisions are final.

Timeline: Applications must be completed and submitted online by July 15, 2010. Applicants will be notified of their standing in the fall and scholarship checks will be distributed by the end of the year.

For more information and to find an application, please visit the SHRM Foundation page at www.shrm.org. Good luck!

Joe Sherrier is the Dulles SHRM Foundation Representative.

Joe is also the Human Resources Director Employment Enterprises, Inc.

*Powered By People --
Driven By Solutions
703-361-2220 x239*

Email him at:
jsherrier@eehr.com



SHRM Foundation 50-50 Raffle

Each month we raise funds for the [SHRM Foundation](http://www.shrm.org) with a 50-50 raffle. Tickets are \$1.00 each or 7 for \$5.00. The winner gets 50% of the total collected and 50% goes to the Foundation.

Donations:

Dulles SHRM continues to support the needs of the [Embry Rucker Shelter](http://www.embryrucker.org) for the homeless in our community. Their highest needs are cash and gift cards to local area stores (like Target) - amounts in \$10, \$15 or \$20.

Dulles SHRM Is Partnering With Drexel University Online

We are pleased to announce that Dulles SHRM is partnering with Drexel University Online. We hope you join us for an evening of networking, hors d'oeuvres, and drinks at Wildfire Restaurant in Tyson's Corner on Thursday, June 10th. This event will be a great opportunity to network with other HR professionals, as well as learn more about the terrific packaged benefit program Dulles SHRM members can bring to their organizations to capitalize on the training and tuition benefits that Drexel University Online offers.

Please join us for...

A Taste of Drexel University Online



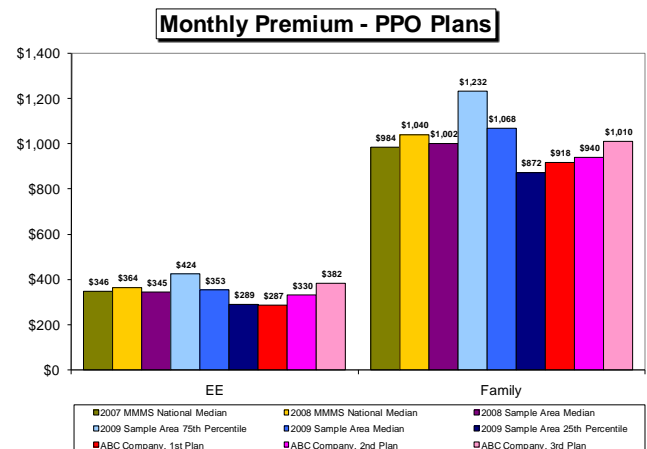
Date: Thursday, June 10th
Time: 5:30 pm - 8:30 pm
Location: Wildfire Restaurant – 1714 International Dr
 McLean, VA
RSVP Online: www.drexel.com/tastedc

FREE Milliman National/Mid-Atlantic Health Benefits Survey for 2010! --- Open Now! ---

Earn a \$10 Starbucks gift card by completing the Milliman no cost customized online confidential employee benefits survey. Details below:



- Last year we had over 4,800 participants in over 39 cities. 8th year free survey has been offered
- Online link:
<https://2010survey.millimanomaha.com/survey/246792/f6c1/?LOID=1&b=DSHRM>
- Customized benchmarking – see how your plans compare to other local and national employers – identifying trends
- 35 questions with over 1,000 data elements collected and analyzed. Takes only 30 to 60 minutes to complete.
- Individual custom reports provided to participants at no cost
- Please address questions to **Becky Fuller** at (301) 545-1569 or e-mail at: Fuller.R@TIE-Inc.com



One of the largest and most respected Fortune 500 global actuarial firms, Milliman, is conducting the confidential survey and the customized analysis.

Brought to you by Dulles SHRM

Legally Speaking

Continued from Page 7

Included in the Bill's scope is the creation of new powers for the federal government to wind down failing financial firms to avoid the "too big to fail" phenomenon exhibited in the government "bailouts" of institutions in the past few years. It also creates a Federal Reserve-based consumer protection watchdog to provide scrutiny and oversight for mortgage, auto and credit card lending as well a council of federal overseers to proactively monitor all aspects of the financial "landscape" ostensibly to ferret out risks to the global economy before a crisis occurs. The bill also adds additional say for shareholders in corporate affairs, imposes new restrictions on credit rating agencies, and replaces oversight on derivatives, the financial instrument many blame for the mortgage crisis.

While there are still some wrinkles to be worked out in committee making the Senate bill match up to a similar measure championed through the House of Representatives by Massachusetts Congressman Barney Frank, the bill is being proclaimed as a second major legislative achievement for President Obama after health care reform as well as a personal triumph for soon-to-be retiring Democratic Senator Christopher Dodd (Connecticut) who pushed the efforts for passage in the Senate.

As final details are worked out, I will pass along any direct impacts on employers and/the workplace.

Executive Order 13496 implemented.

Also on May 20, 2010, the Department of Labor issued final regulations implementing Executive Order 13496. Viewed as a pro-labor measure issued by President Obama very early in his term (January 30, 2009), the Order states that it is the policy of the Federal government to "encourage[e] the practice and procedure of collective bargaining and ... protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing"

To help accomplish these objectives, the Order requires that employers with Federal government contracts valued in excess of \$100,000 post a Notice at worksites where activities "related to" the contract are performed. The Notice sets forth details of the right of employees to unionize and states "[t]he NLRA guarantees the right of employees to organize and bargain collectively with their employers, and to engage in other protected concerted activity." The Notice lists examples of prohibited employer conduct and provides contact information for those wishing to file a complaint. Subcontractors who perform work "necessary to" the primary contract will also be covered as long as their contract exceeds the "de minimum" value of \$10,000.

Covered employers who do not post a Notice may lose individual contracts or be debarred from all Federal contracts. An employer may also be debarred if it violates the terms of the Notice or otherwise interferes with the right of employees to unionize.

Commencing June 19, 2010, covered employers will be required to post the Notice as soon as they sign a covered contract or modify an existing contract.

Also of note on the regulatory front, on May 19, 2010, the Department of Defense issued interim guidance implementing the so-called Franken Amendment. This rule, which does not apply to commercial items, prohibits use of appropriated funds for contracts, task/delivery orders, or bilateral modifications in excess of \$1 million, unless the contractor agrees not to enforce, or enter into, agreements with employees or independent contractors that require arbitration of certain civil rights claims or numerous tort actions arising out of or relating to sexual assault or harassment. If you have further questions, please let me know.

Continued on Page 11

Legally Speaking

(Continued from Page 10)

Supreme Court Confirmation

As summer draws close, the Senate will soon turn its consideration to the nomination of current Solicitor General Elena Kagan to the U.S. Supreme Court. The nomination features many intriguing angles, including Ms. Kagan's lack of previous judicial experience, stances she has taken in previous positions in academia and as Solicitor General, and even that her confirmation would mark the first time for three female members of the Supreme Court at one time. All the makings of a beachside page turner, the first confirmation hearing is set for June 28th ...

GINA considerations

Finally, lest we forget about current laws while swept up in new ones, the Genetic Information Nondiscrimination Act (GINA) became law in May 2008, but is now fully in effect. GINA prohibits discrimination by health insurers and employers based on individuals' genetic information. Genetic information includes the results of genetic tests to determine whether someone is at increased risk of acquiring a condition (such as some forms of breast cancer) in the future, as well as an individual's family medical history. It is family medical history information that presents the biggest challenge for employers.

While the Equal Employment Opportunity Commission (EEOC) has not yet issued final regulations explaining its approach to enforcing the law, GINA specifically prohibits the use of genetic information in making employment decisions, restricts the acquisition of genetic information by employers and others, imposes strict confidentiality requirements, and prohibits retaliation against individuals who oppose actions made unlawful by GINA or who participate in proceedings to vindicate rights under the law or aid others in doing so. It also makes available the same remedies, including compensatory and punitive damages, for GINA claims as are available under Title VII of the Civil Rights Act and the ADA.

If you have not already done so, employers should be reviewing their employment practices and health plans and wellness plans for compliance with GINA as soon as possible. In many respects the impact of GINA is not on how decisions are made, but in recognition of extraneous information that you may have been soliciting based on using un-updated forms and enrollment documents.

Stay wary and stay tuned...

By **Matthew F. Nieman** – Jackson Lewis LLP, 703.483.8331 | E-mail: niemanm@jacksonlewis.com
Dulles SHRM – Legislative Liaison



Contingent Workforce Trends and Challenges

By **Joe Sherrier** – Human Resources Director
Employment Enterprises, Inc.
Email him at: jsherrier@eeihr.com
703-361-2220 x239
(Joe is the Dulles SHRM Foundation Representative).

When the Great Recession ends, more than 50% of new workers will be contingent workers – independent contractors, contract workers, free agents, business consultants, temps. By the end of 2012, more than half of the total US workforce will be contingent. This could be the beginning of the end of the regular full-time employee workforce, according to Garry Mathiason, Vice Chair/Senior Partner of Littler Mendelson. During his keynote address at the 2010 Contingent Workforce Risk Forum in Washington, DC, Mathiason detailed the extent of the workforce changes that are occurring today, and outlined the potential roadblocks to continued expansion of this vital workforce resource.

The demographics of the US workforce have been evolving for years, accelerated by technological advances, generational shifts, and economic necessities. Mathiason explained that the average US worker today is 42 years old, and has held 10.2 jobs in his lifetime. In many ways, this worker has already been contingent, shifting jobs and company loyalties as business requirements changed and work assignments did not suit his strengths and interests. The growing economy made these job transitions easier, and the Internet brought new career opportunities to the worker's attention with the click of a mouse. Turnover went up, but this suited the business needs of many companies. Businesses found that during times of dramatic and accelerated change, the need to maintain a flexible workforce is not just a key competitive advantage, but a requirement for survival. As evidence, look at Microsoft, the company known for its' software, and its historic settlement of a worker misclassification claim to the tune of \$98 million. Its' workforce today breaks down into 96,000 regular employees, and 88,000 contingent workers. Microsoft, with a legitimate reason to fear an aggressive foray into the world of contingent workers, has not only embraced the concept, it has become a leader in the movement.

In place of the traditional, hierarchical business model is a more fluid type of organization, with core personnel and ever-changing pieces to meet fast-changing market demands. The gathering of specific skill sets for the completion of a finite, well-defined task is not new, Mathiason said. Construction projects are accomplished in this manner. Movies are made in this manner. The project is conceived; the experts are sourced; tasks are assigned; accountabilities are established; project is implemented; assignment completed, and the team members go their separate ways in search of the next job. The 21st century workforce will operate in a similar fashion. Hard to imagine? Sound too "futuristic"? Last month, Inc. magazine published the entire monthly edition of the publication without ANY of the contributors (writers, editors, advertising executives, printers, photographers, etc.) ever setting foot in the office together. The workplace of tomorrow is here today at Inc. magazine.

Up until now, two major obstacles have stood in the way of an accelerated transition to a majority workforce of contingent, project based workers. According to Mathiason, these are:

- **Health Insurance:** As long as health insurance remains tied to regular full-time employment, worker mobility will be restricted. With the passage of the recent health care reform package, this dynamic might be changing. Mathiason predicts that for many companies, paying a penalty instead of offering an employer health care benefit will be more cost-effective,

Continued on Page 13

Contingent Workforce Trends and Challenges

(Continued from Page 12)

thereby driving more Americans into the health insurance exchanges, scheduled to be in place in 2014. If this proves to be the case, this could announce the death knell for employer sponsored health insurance programs, thus removing one significant barrier to the expansion of the contingent workforce.

- **Need for Community:** At our core, we are social beings. Employees crave meaningful work, but also a sense of connectedness to others. We make friends at work, share stories around the proverbial water cooler, and participate in brainstorming meetings. Workers need to gather together from time to time not only to get things done, but to satisfy their social needs. The explosion of social media and communication tools appear to have solved this problem. Now, we can tweet, Skype, collaborate and “friend” one another, all while never leaving our virtual home office or the local coffee house. If today’s trends hold, by 2020, 44% of US workers will be distance workers, having no regular face-to-face contact with their co-workers. The itch for community bonding seems to have been scratched by Facebooking.

While Mathiason made a compelling case for the continued growth of the contingent workforce, he listed Top Ten Legal Challenges to continued growth of the segment:

1. **Health Care Reform and the Contingent Workforce:** It appears as if the current law will begin breaking down the employer based health care system, and that is good news for workers who want the freedom to move from assignment to assignment. The challenge for employers will be in defining whether or not contingent workers should be included in their headcount for the purpose of calculating potential penalties for not providing coverage for those workers. Someone will have to pay as health care becomes more portable, but the question remains who that will be.
2. **Legal Attacks on Independent Contractor Status:** There is a perfect storm in place. Tax revenue is down because of the recession. More benefits are being paid to the unemployed, further reducing state coffers. More workers want their independence. More companies want workforce flexibility. The government needs the money that regular full-time workers provide, in way of payroll taxes. For these reasons, 24 states have already increased their level of enforcement on misclassification of workers, and passed laws to require greater penalties for those who misclassify workers. This will have a significant impact on the growth of this segment. Contingent workers already represent 8% of the total US workforce and the numbers are growing.
3. **Wage and Hour Misclassification Challenges:** Between 2008 and 2009, there was a 40% growth in wage and hour claims. Some of this is to be expected, given the downturn in the economy and a more labor friendly administration in power. Of concern for those involved with contingent staffing, however, is the fact that independent contractor misclassifications were the fastest growing segment. Many employers will tell you that workers prefer the perceived status and security that comes with being classified as exempt (salaried). That is true, unless of course, the job goes away, and the need for income becomes more important than “status”. The position of Recruiter deserves special mention here, since it is a job ideally suited in many ways for the contingent worker world. It can be done remotely, requires little face-to-face interaction, sometimes odd working hours, and tends to have high peaks and low valleys of activity. The courts have delivered conflicting decisions regarding the exemption status of Recruiters as a classification, and Mathiason believes that this will be an area of focus for auditors in the coming years.

Continued on Page 14

Contingent Workforce Trends and Challenges

(Continued from Page 14)

4. Managing Co-Employment Risks: The law continues to evolve in this tricky area. The very nature of the contingent workforce requires some dual control. Many suppliers of contingent workers do not see the client face-to-face, and many never see the contingent worker either! To manage this risk, and to provide security to the buyer of these services, compliance certification will become mandatory. At this time, Mathiason says that the laws are changing to recognize what it calls primary and secondary employers. The hope is that these designations will provide some clarity to these fluid situations.
5. Allocating Legal Risks between Providers and Users of Contingent Workforce Resources: After the legal risks are defined, businesses, suppliers and independent contractors need to determine the best sharing arrangement for those risks. Simply put, who will be responsible for what in the eyes of the law?
6. New Labor Law Landmines: President Obama has appointed former labor leaders to the National Labor Relations Board, and they are sure to take an extremely pro-labor stance on issues, including the growth of contingent workers. Labor tends to take a dim view of independent contractors, as they are more difficult to organize collectively than traditional employee groups. It remains to be seen how the NLRB will handle this new workforce, but it is safe to assume that union leaders will argue that contingent workers and independent contractors should not be excluded from any collective bargaining units.
7. Global Legal Issues and the Global Contingent Workforce: According to Mathiason, many assumed that the global downturn would stall the growth of contingent workers. The opposite, however, has occurred. The recession has accelerated the pace of the transition to independent workers into the labor pool. In fact, the post-recession business environment will require a global use of contingent workforce solutions. In the US, we have already seen the addition of 330,000 temporary jobs (26,200 in April 2010 alone), and experts predict that by 2020, professional skill sets will represent 2/3 of staffing spend by companies. One of the drivers of that trend is the loss of math and science expertise to global competition. 18% of college students are enrolled in math and/or science disciplines. Half of these students are from foreign countries, and most will get their education here, and return to their home countries, taking that expertise with them.
8. Employment Law Challenges of the Virtual Contingent Workforce: Technology is changing faster than employment policies can keep up. New issues seem to appear in the newspaper daily. Students are suing a school system because laptops have webcam installed and active. Employees have been terminated for text messages sent over private networks, but using company equipment. Phones are now cameras, and GPS devices can double as performance management tools. Most of these were not anticipated 5 years ago, and no one can say for sure what challenges (and benefits) technology will provide over the next 5 years. It is safe to assume that potential, as yet unknown employment law fears will paralyze some business owners from moving quickly into the use of contingent workers, however.
9. Protection of Trade Secrets and Non-Compete Issues: Quick question – who owns the LinkedIn network group that you developed during your employment at Acme Computers? You or the company? This is but one of the questions being asked by today's employment attorneys.

Continued on Page 15

Contingent Workforce Trends and Challenges

(Continued from Page 14)

Disgruntled workers have always had the ability to steal customer lists or financial data from their employer, usually by sticking papers in their briefcases. That risk is now greater since that stolen customer list could now be posted on a blog, or put to music and uploaded onto YouTube. With contingent workers who by definition have no specific loyalty ties to the client business, the risk is perceived to be greater. Contracts will need to be written with care, and enforceability cases will end up in the courts. Access to computerized databases from remote locations over secure networks will continue to be viewed with suspicion, as will the storing of confidential information on laptops that sometimes get "stolen".

10. Building a Flexible 21st Century Workforce: Many of the regular full-time jobs that our parents raised us to take are gone. Our children are likely to work in jobs and careers that do not yet exist, participating in groups that form and storm, and then dissolve until the next project. They will work to live, not live to work. They have evolved beyond work-life balance issues, to work-life integration issues. The Information Age has given birth to a nation of free agents and micro-businesses. Large companies will operate with a lean infrastructure, adding expertise and talent only when needed to handle upticks in the economic cycle or projects outside of their core competencies. Businesses will need HR leadership that can understand and manage this new world of work. Who will train these HR professionals?

Mathiason closed his presentation with a final analogy. When speeding down the highway, we race towards our destination, but we do so with a keen awareness of our surroundings and the road conditions. We are ready to tap the breaks whenever conditions dictate, and accelerate when conditions improve. If we floor the gas pedal without regard for the traffic around us, we crash. If we ride the breaks, we may never reach our destination. We don't always know what is around each curve, but if we proceed cautiously, we'll arrive safely. The point of the story is meant to illustrate how easily we could be slowed or stopped by legal paralysis when analyzing contingent workforce risk; however, we cannot be cowed into inaction by these risks. The workforce roadmap is changing, and we need to carefully move forward at a safe and reasonable speed. Just as with driving, it is impossible to eliminate every risk. We can, however, stay vigilant and move confidently ahead towards the future of work.



HR Certification Institute Launches New Web Site



The new web site is up and running. We hope that you had a chance to visit the web site (www.hrci.org) and play with the new features. In this issue, we want to bring to your attention three specific features that you may find greatly useful for certification-related matters.

1. Centralized Login Location

Whether you need to apply for an exam, enter your recertification activities or access your organization's online account, there is only one login area. For your convenience, the login area is located in the right margin of every page. To access your information, simply sign in with your User ID and password. Within the same login area, select "click here" to get to your information.

2. Improved Newly Certified Lists

Just like our previous web site, the new site provides the list of newly certified HR professionals. This list is now housed under the "Newly Certified" tab within the "Certification" section. From this point onward, only the newly certified HR professionals from the most recent testing period will be listed.

For example, listed on the web site now are newly certified HR professionals from the December 2009/January 2010 exam period. After the May/June 2010 newly certified lists are consolidated, the prior lists will be removed and only the most recent lists will be featured. In addition, the newly certified lists have received a new layout and fresh look. Check the lists out at <http://www.hrci.org/HRCertification.aspx?id=2147483769>.

3. Blog for Approved Providers

We are starting a new blog for the approved providers. On this blog, subject matter experts will share their tips for submitting programs for pre-approval and their best practices. This is also the place where you can share your ideas, program submission tips and best practices with other approved providers.

We hope that you will find the new features useful. We love to hear your feedback. Visit our new web site, spend some time on it and send your bright ideas to website@hrci.org.

Dulles SHRM
PO Box 1249
Herndon, VA
20172-1249

Your Chapter of Choice

We're on the Web!

See us at:

www.dullesshrm.org



Welcome to DullesSHRM



~ Proud to be your "Chapter of Choice" since 1987 ~

DullesSHRM is the Dulles Chapter affiliate of the Society for Human Resource Management.

Our members comprise over 250 of the top human resource professionals in the Dulles corridor.

Learn more at www.DullesSHRM.org

About Our Organization

The Dulles Chapter of The Society for Human Resource Management first met on January 21, 1987 and was chartered on June 24, 1987 with 61 charter members. It has grown to more than 250 members.

The Dulles Chapter is a 100 Percent Chapter where all members are required to maintain membership in the national organization. In addition to programs providing information to human resource professionals, the Dulles

Chapter is a Pinnacle Award winner and continues to be a Superior Merit Award Chapter. The Chapter also holds seminars and workshops dealing with a wide variety of current topics and issues including [certification](#).

This is *Dulles SHRM's Navigator*, the official newsletter of Dulles SHRM, the Dulles corridor's human resources professional organization. *Dulles SHRM's Navigator* is published monthly.

Tobin Seven — Media Director
Linda Caporaletti-Hoyt — President

Deadline for the July issue is June 23, 2010.
Email submissions to Seven.T@tie-inc.com.