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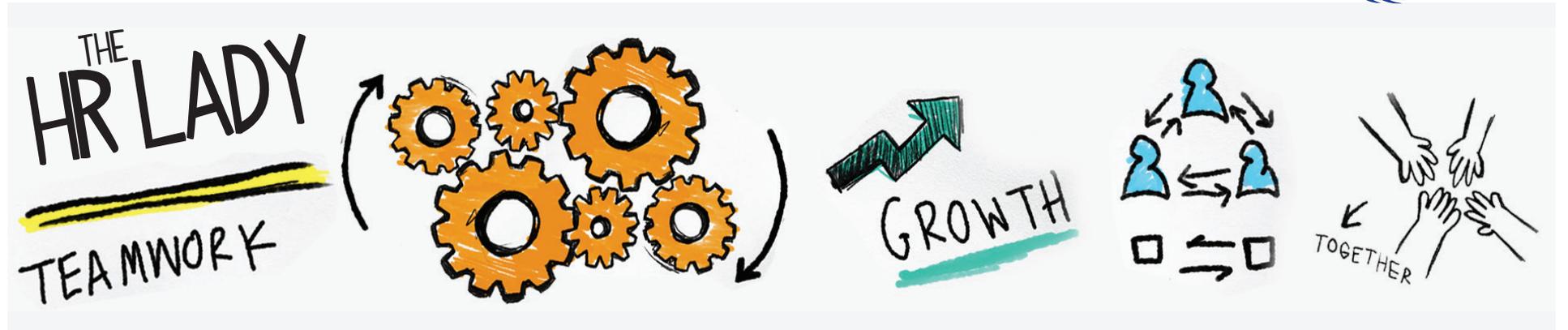
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THE HR LADY

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Q: Can I pay all of my employees on a salary basis versus an hourly basis?

The answer actually is yes. Most people think that “salary” is only for exempt status employees however there is also a non-exempt salary status. In plain English this means yes you can pay them salary, but you still have to pay them overtime pay. If your staff does not qualify to be exempt (meaning that they are exempt from overtime pay even if they work over 40 hours in a work week) then that leaves them with the non-exempt status, therefore you must pay them any hours they work over 40 hours in a fixed 7 day work week period. Another requirement for non-exempt employees is that their employers must track all hours worked, therefore most employers simply pay them hourly since they cannot avoid the time-consuming task of tracking hours. With non-exempt hourly employees, if they work 35 hours, you pay them for 35 hour, yet if they work 42 hours, you pay them 40 hours of regular pay and 2 hours at 1.5 times their regular pay rate. If you change them to non-exempt salary, you will pay them the weekly pay (typically based off of 40 hours) even if they work less than 40 hours, yet you still have to pay them overtime pay at 1.5 times their regular pay rate for any hours worked over 40 hours in a work week. Clear as mud? The easiest option for employers is actually to just stick to an hourly pay

basis for non-exempt employees. To learn more about exempt status, review to the Department of Labor’s *Handy Reference Guide to the Fair Labor Standards Act*

Q: The buzz on the street is that many companies are doing away with annual performance reviews. Why is this?

Thankfully, millennials are driving this long overdue change. They grew up with instant feedback through video games and social media. If there was not feedback, interaction or even a “like”, they got worried. Worry causes anxiety and a drop in performance as well as a foot out the door! Let’s face it, our outdated annual performance review system is dreaded by managers, employees and even HR. It is a year too late in providing feedback, the appraisal rating systems are often confusing and downright insulting and when a rare company actually connects the ratings to rewards, often the managers hands are tied in what those rewards even are. The reviews often end up pushing employees to start looking for a new job. So, what should we be doing instead? Managers should be having regular performance conversations. By regular, I mean at least weekly. Grab a piece of paper (or just use an index card), draw a “P” on it and mark the 4 areas as SWOT. Then grab a coffee with your employee and discuss their SWOT: Strengths, Weaknesses, Opportunities and Threats, followed by “What can I help you with this week?” While the first conversation may take longer (45-90 minutes), you can often boil these down to 10-minute weekly

chats. The employee feels valued, you are in the loop on their needs and goals and kumbaya— employee engagement has increased by 100%, which means the employee is less likely to leave and more likely to work harder to achieve the company goals. (And you also have documentation that HR and lawyers suggest.)

If you have to have a difficult performance conversation, try my “sandwich approach”. Start with the good (you are a valued, talented employee), then get straight to the meat (what happened yesterday – insert specific details – violates our customer service policy and cannot ever happen again, this is your only warning), then end with the good (people make mistakes and I know you will come out of this a stronger member of our office).

Q: What is your key piece of advice for my small business?

Communication, Communication, Communication!

Relators say location is key while HR says communication is key. Clear, professional communication is vital to maintaining an engaged, high performing workforce. Why? In humans, osmosis just doesn’t work. Unfortunately, a lack of human interaction is what today’s workforce has become. Email, text messages, social media and technology sources were meant to improve our results, reduce time spent in meetings, increase efficiency and positively affect the bottom line—and while they have, they have also replaced human conversations which has resulted in miscommunication, lack of clarity and a heck of a lot of mistakes. When mistakes

are not handled effectively by management, employees feel resentful and fear retribution. This makes them want to find another job while hiding their mistakes from you. Eventually the customer/ patient will find the mistakes and you will wish you knew about them sooner. How to you avoid this mess? Make time every single day to talk to your direct reports for just 10 minutes each. Yes, every-single-day! And consider that your communication may be part of the problem.



“The HR Lady,” Wendy Sellers is a leadership coach, author, speaker and COO of BlackRain Partners, a business consulting company focused on coaching, training, development and HR. She has a master’s in healthcare administration, a master’s in human resources, SHRM-SCP and SPHR certifications. Wendy’s leadership book, “Suck It Up, Buttercup” will be released for sale on Amazon.com in June 2018. Visit www.blackrainpartners.com