

We Need to Work Smarter, Not Harder

Tony Schwartz believes that employees in the U.S. are being pushed to work so hard that they neglect four core needs in themselves, putting them at constant risk of burnout. In his newest book, *The Way We're Working Isn't Working* (Free Press, May 2010), Schwartz describes those needs, and how managers can help employees get them met.

We need frequent refreshment and renewal in order to work with greater energy and effi-

ciency. When Schwartz first describes our four needs and how to meet them, the answers will sound wasteful and luxurious to most managers. That's because American businesses are so used to running at full tilt, demanding more and more of their workers in less and less time, that it's the only way they know. Managers routinely expect employees to work as though we are computers—at high speeds, continuously, and running multiple

programs at the same time.

Schwartz believes, as many employees can testify, that this pace leads people to be distracted, exhausted, and demoralized. Keep in mind as you read about the ways of fulfilling the four core needs that far from subtracting from full and productive workdays, their fulfillment will fuel more energy and more accomplishment in less time. Here are the four needs:

1. Physical sustain-

(Please see *Work Smarter* on p.4)

Not Enough Entrepreneurs are Saving for Retirement

Two reports released recently by the SBA and spotlighted in *The Entrepreneurial Mind* blog confirm what many small-business owners may already know: Entrepreneurs and their employees aren't saving enough for retirement.

Just 36% of business owners have individual retirement accounts (IRAs). Of those, one-third contributed during the 2005 tax year (latest data available). Only 18% of business owners have a 401(k) plan, and less than 2% have a Keogh plan.

The business owners most likely to have and contribute to retirement accounts are non-minority, older, have higher education levels, own more established and more profitable companies and are more likely to own multiple businesses.

The overall asset ownership of entrepreneurs affects how they save for retirement. Those who own homes and have other retirement accounts are most likely to have IRA, Keogh or 401(k) participation (in other words,

those who have one type of retirement account are likely to have more than one.)

Business owners who own micro-businesses (less than 10 employees) are less likely to own or contribute to retirement accounts.

The second SBA study, *Small Business Retirement Plan Availability and Worker Participation*, assessed participation in retirement plans by employees of small businesses. Among author Kathryn Kobe's findings:

(Please see *Not Enough* on p.6)

Peliton Quarterly Seminar

September 22nd, 2010

Denver University
Gottesfeld Room
8:30am—11:30am
Lunch Served
11:30am—12:30pm

HR Update- Randy Hake

"The Value of Trust"
presented by *Kent McSparran*
Principal of
Business Consulting
EKS&H
Register at www.peliton.net
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The Value of Trust

How important is trust in the workplace? Though it may appear fuzzy and intangible at first glance, trust is much more than something to make us feel good about our work environment.

Its benefits may not be immediately obvious, but trust makes a big impact on productivity, waste and financial performance. Perhaps the best thing about trust is that once awareness is raised, it is one of the easiest workplace issues to improve. In many cases, awareness itself is half the solution.

Trust Counts

In his book, *The Five Dysfunctions of a Team*, Patrick Lencioni describes trust as the foundation for any

team's ability to achieve results. Without it, honest dialogue and debate will not take place. That lack of communication will lead to non-consensus decisions and inhibit true commitment from all team members. Without commitment, accountability sinks, producing poor results.

In a large company it may be called politics. In a small business it may be considered a personality conflict. However it's labeled, an organization with low trust issues will pay a big price.

Stephen M. R. Covey's book, *The Speed of Trust*, introduces the concept of trust taxes—the price companies pay for low trust. It only takes a scratch along the

surface to see how deeply trust can affect an organization. There is certainly a price paid for trust issues that go unresolved. It can be found in the wasted energy of working around a team member or the lack of commitment because of a fear to speak up. Low trust can even hinder innovation when ideas are not openly shared and tested.

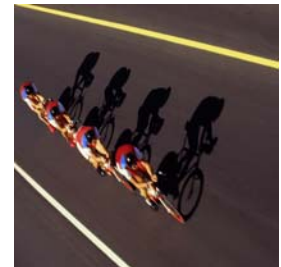
The Components of Trust

Trust is made up of two essential ingredients: trust in *motive* and trust in *competence*.

First, motive plays a significant role in any trust relationship. If I

(Please see Value of Trust on p.6)

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Need an Umbrella?

Umbrella policies aren't just for the wealthy - they're for anyone who has assets that might be at risk if they are responsible for a serious accident. If you don't have enough liability coverage to resolve a claim or a lawsuit, the person bringing the action might go after your home or other assets to pay for damages.

That's where personal liability umbrella policies can help. For a very small premium, they cover damage claims that you, your dependents, or even your pets may cause. Umbrella policies supplement the liability coverage you already have through your home and auto insurance and provide an extra layer of protection.

How Umbrella Policies work

Umbrella policies kick in after payments have been made up to the limits of liability coverage under your home or auto policy. Most of the liability risk is assumed first under the primary auto or home policy,

which is why a personal liability umbrella is so expensive. If you're ever on the hook for a multimillion-dollar lawsuit, an umbrella policy premium would be a small price to pay for added coverage.

You need to analyze your risk of being sued and the assets you have that pose a danger to others.

Do you have a swimming pool, trampoline or playground equipment?

Do you have frequent visitors who could fall or be injured on your property?

Do you play golf and narrowly miss hitting someone during a round?

Do you have a dog or other animal that might cause injury to another person?

On the other hand, your personal situation may make lawsuits extremely unlikely. Weigh the risks of your personal situation.

Before making your decision, compare the umbrella premium with the cost of raising the liability limits under your home and auto policies. Most insurance companies require your underlying limits on your auto and home policies to be at least \$500,000 before you may purchase an umbrella policy.

Talk to our Peliton Insurance agent, Tracy Vadney, about your situation to determine if you should purchase an umbrella policy. Call 303-388-5821 ext. 105 or email tvadney@peliton.net



Did You Know?

All of China is on one time zone
In the US, Americans eat about 18 acres of pizza per day
The US holds the record for the highest divorce rate
There are 293 ways to make change for a dollar
The human brain is 80% water
In 2009 one of eight married couples met online
You burn more calories sleeping than you do watching TV
Soccer players run as many as 6 miles during a game
A pound of potato chips costs 200 times more than a pound of potatoes



The Spokes of Peliton: Megan Bulow

Meet Megan Bulow, Account Manager for Peliton Corporate Accounting Services (PCAS). Her duties include all aspects of the accounting cycle for nine Peliton clients. The scope of Megan's work spans from daily transactions to month-end closings for these clients. While attending Colorado State University, Megan began working part-time in 2006 for a small accounting company that PCAS purchased in 2009. Upon graduation in December 2009 with a Bachelors of Business Administration with concentration in accounting, Megan began working full-time for PCAS.

Megan was born and raised in a Chicago suburb. Her family moved to Longmont, Colorado when she was 14. Megan loves "Chi-town" and tries to catch a Cubs game when she visits her extended family who have remained in the Chicago area. She has a younger sister who is attending CSU and a 13 year old brother.

Growing up, Megan describes herself as a tomboy. "You would usually find me playing hockey on the pond or catching bull-frogs with the boys." Megan enjoyed playing softball throughout high school and is still a huge sports fan. She watches SportsCenter daily and tries to make it to as many sporting events in Denver as possible.

Megan admits to having a shoe addiction. Nike sneakers are her favorite and she owns 40-50 pairs of them. She sports her latest treasure on casual Friday's.

Surprisingly, when not at work she enjoys shoe shopping and attending basketball and baseball games. Megan also enjoys snowboarding in Breckenridge and taking advantage of the beautiful Colorado mountains year-round.

Megan is passionate about traveling and exploring. Europe and Asia are on her immediate horizon. She would also like to pursue her CPA designation and continue to grow in her field of accounting. She strives to lead a full and happy life.

When asked "What do you like about Peliton?" Megan replied "I love the people I get to work with every day. My co-workers here are great and although we all work very hard, I laugh with them every single day and it makes coming to work so much fun. I also really enjoy our clients; I have met so many truly interesting and remarkable people in my short time here. And, it's really unique to be able to work within so many industries at one time."



We are proud and delighted to have Megan Bulow on our Peliton accounting team.

Peliton Corporate Accounting Services completes all of the accounting tasks that an in-house accountant or bookkeeper is assigned. From posting sales and receipts, planning cash and cutting checks on a weekly basis, to the preparation of accurate and timely financials.... Remotely at our offices....utilizing our team and systems... Give Megan a call at 303-771-1800 to discover how PCAS can help you run your company more efficiently.

Did You Know?

Talking on a cell phone while driving can make a young driver's reaction time as slow as that of a 70-year-old.

Almost 50% of all drivers between the ages of 18 and 24 are texting while driving



Nine Reasons You Should Keep No Secrets from Employees

Do your employees really know what's going on with your company? "Don't be worried that they can't handle the truth," The economy may be improving, but employees are still worried: *Are layoffs imminent? Will I have a job next week? In fact, will the company even survive the year?*

If you're like most executive-level leaders, you have a pretty clear picture of the state of your industry, the context you operate in, and the financial health of your company. And you've likely wondered: How much should I tell employees about what's really going on? The answer is simple: The more the better. Here's why:

- **People assume the worst when they don't hear from their leaders.** Silence from the executive suite causes fear and resentment. Maybe the news is bad, but maybe it's not as bad as they are imagining. And even if it is, once they know the truth, they can plan and act accordingly. • **Transparency helps employees connect to the why.** When employees are working in a vacuum, top-level decisions may seem ill-advised or unfair, or simply inexplicable. Transparency connects them to the "why" of those decisions. • **Employees may not understand how the external environment affects the company.** Senior leaders are aware of new laws affecting their industry,

- innovations reshaping the marketplace, financial pressures facing their customers, and so forth. It's their *job* to know. But mid-level managers don't necessarily see the same picture—and frontline employees almost certainly don't. • **Transparency allows for consistent messaging across the organization.** People don't have to get their speculative or distorted news through the company grapevine. They hear what's really going on, in a controlled and consistent way, from their managers. (It's a good idea to train managers in "key words" they can use to answer tough questions.) • **Transparency creates organizational consistency.** When everyone is hearing the same messages, everyone is motivated to respond in similar ways. And this consistency trickles down to the customers, who get the same basic experience regardless of who they're dealing with. • **Transparency leads to faster, more efficient execution.** When times are tough, execution is *everything*. And the ticket to good execution is good alignment: All sectors of an organization must understand exactly what's required so they act in a coordinated and collaborative fashion. Transparency facilitates that kind of alignment. It's all about a shared sense of urgency. • **Transparency heals "we/they" divisiveness.** We/they might manifest as staff vs. management, this branch vs. that branch, or corporate vs. everyone else.

- Managers without answers will foster we/they by saying, "Sorry, that's orders from the top." • **Transparency keeps good people from leaving.** High performers don't thrive in an atmosphere of secrecy and uncertainty. They want to work for a company that treats them with respect and values their input. Hold information too close to the vest and they may assume the company isn't healthy. And even in the worst economy, high performers have options. • **Transparency facilitates the best possible solutions.** In transparent cultures, leaders encourage employees to solve problems themselves. And because those employees are



- the people closest to a problem, and because they must live with the outcome, they almost always design the most effective, efficient solution. And, of course, they'll also have instant buy-in.

- One more thing: Don't think of transparency as a "crisis control" program. It's a long-term commitment. When the good times roll around again, the strategy will serve you just as well. By Quint Studer Steve

Bruce Hr.blr.com

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Peliton
 4600 South Ulster Street
 Suite 1400
 Denver, Colorado
 80237
 Hours: 8:00 am—5:00 pm
 Monday—Friday

Phone: 303 771-1800
 Fax: 303 771-4975
 E-mail: info@peliton.net
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Work Smarter . . .

ment: We need more sleep every night than most high performers ever get—an average of 8 ½ hours, compared with the 6 ½ most of us try to get by with. We also need to eat a small amount of food every 3 hours, but not coffee or sweets. Caffeine and sugar burn away too fast; instead, we need small doses of protein and/or complex carbohydrates, which give us more slow-burning, sustainable energy. Some nuts, a bagel, a piece of multigrain bread, or peanut butter gives us the boost we need. Finally, we need to be as fit as possible, exercising several times a week.

2. Emotional security: The heart of meeting this need is recognition, both from our managers and through knowing how our work helps meet the organization's mission. That's how we come to feel that both we as individuals and our work products are valued.

3. Mental refreshment: We need to get more control over our own attention, so that we can focus, in an absorbed way, on one thing at a

time.

Spiritual renewal: When we fulfill this need, we feel not only that we matter but also that our work expresses the deeply held values that we follow in our nonwork lives.

How do we meet the needs? We've outlined what we need to sustain our physical selves, so let's look at the other three. Schwartz counsels in general that we should not try to work full tilt all the time. Instead, what we need to do instead is "pulse," turning our high-energy production on and off. He stresses that we can only work at our highest level of productivity for about 90 minutes at a time. So he suggests that each of us tackle the most important and absorbing task of the day as early as possible.

And that task is *not* e-mail, he says, advising that we turn off our e-mail systems for at least 90 minutes a day to avoid the distraction. After 90 minutes of hard work, switch to administrative tasks or brainstorming with co-workers. If the organization is lucky enough to have a gym on site, there's a great way for an employee both to take a mental break and give his or her body a gift.

When Schwartz talks about a spiritual break, he warns us to watch for times when we feel negative emotions: We should stop when that happens, take a few slow, deep breaths, plant our feet firmly to feel grounded, and wait until the negativity fades.

Workers need support from the corporate culture. Individual employees can't change the way they work if company management doesn't believe in the change. Schwartz tells the story of a company that created a "renewal room." It was furnished with a couch and a couple of recliners, which Schwartz saw as a good start toward changing the work style. But managers subtly discouraged such "laziness," so no one ever dared to use it.

Here are some better ways of encouraging the change: Top managers and other visible bosses need to personally model healthy living and working styles. HR can sponsor onsite massage, yoga, tai chi, or meditation sessions provided by outsiders. Consider holding periodic health fairs for nearby fitness centers to show off their "wares."

Tony Schwartz, Hr.blr.com



One-Third of Résumés Lie—Reference Check, Anyone?

Everyone agrees that reference checks are important, but actually doing them is difficult. Employers want to get information about candidates, but when other employers want the same information from them, they don't want to give it. That's frustrating, says Employment Screening Resources (ESR).

One-Third of Résumés Contain a Lie

According to industry experts, up to one-third of résumés contain material falsehoods, ESR says. Remember, for employers, the résumé is a factual document, but for applicants, it is a marketing tool. ESR is a Novato California-based provider of pre-employment screening services.

What Can You Achieve with Reference Checks? Achieve better hiring fits. Often, the best indicator of future performance is past performance, says ESR. And the best way to find out about that is the reference check. A general rule: Information often trumps intuition. **Unexplained gaps.** By verifying dates of employment, an employer can make sure that there are no unexplained employment gaps that might signal trouble. **Protect the investment.** Employers make a substantial investment when hiring. Bad decisions create untold administrative, financial, and legal difficulties, not to mention substantial cost, wasted time, and delayed productivity. **Honesty and accuracy.** Verification also confirms the honesty and accuracy of the résumé. Please note that verification means checking factual matters, like start date, title, and salary. Reference checking refers to **qualitative matters** (job performance, strong points, weak points, and so on).

Policy and Legal Considerations As we mentioned above, unfortunately, employers want to get reference information, but they don't like to give it. Employers fear defamation lawsuits if they give any information beyond basics like dates of service and title, says ESR. And if the employee in question has filed any sort of suit or made complaints, there's the added possibility of retaliation lawsuits. Some states provide protections for employer references. For example, in California, an employer giving a reference has protection, provided the information is (a) Job related (b) Based on credible evidence and (c) Made without malice. But even with that protection, ESR says, many legal sources still believe that the risk of a defamation claim outweighs any benefit to an employer from giving reference information. Furthermore, they point out, what constitutes "credible evidence" and "job related" can be open to interpretation.

If You Can't Say Something Nice ... One alternative for employers is to provide only positive reference information. However, even that policy can lead to legal difficulty, says ESR.

First of all, some courts have found that employers have a duty to provide full and complete recommendations. In one California case, an employer gave a positive recommendation, leaving out important negative information. The court ruled that the employer providing a recommendation owes a duty to protect employers and third parties and could not misrepresent the qualifications and character of a former employee where there was a substantial risk of physical injury.

A similar problem occurs when employers give recommendations only for employees with good records. Employees who are not given recommendations may sue for defamation on the basis that no recommendation is equivalent to a bad recommendation.

No Such Thing as 'Off the Record' There's no such thing as "off the record" when it comes to references, says ESR. Whatever HR says to a reference checker must be revealed during a deposition. There is no privilege involved.

Reading Between the Lines Sometimes you'll get a lot of information when you get "no information," ESR says. Two examples: An HR manager asked for a reference says, "Why don't you ask the applicant to send us a release for his performance appraisal files; they would make interesting reading." In another case, a reference checker said to the applicant's former manager, "Everything says I should hire this lady, but I have a gut feeling that something's wrong." The former manager said, "I always think it's a good idea to go with your gut."

Are Reference Checkers Checking the References You Give? The following suggestions for responding to requests for references:

1. **Have a written policy and procedure for giving references.** Make sure everyone knows what your rules for references are.
2. **Send all information requests through a central source.** This makes corporate responses consistent and reduces the chances that a manager will give out information that is contrary to company policy.
3. **Document each request carefully.** Document who is requesting the information and for what purpose, and note what responses were given. This documentation is particularly important since the reference giver may leave the company.

Remember, says ESR, that former employees often have friends call or hire paid "reference checkers" to contact a previous employer to see what sort of reference the employer is giving.

4. **Ask for a release.** This will provide clear

evidence that the applicant authorized the request.

5. **Be wary of lawsuits.** If a former employee has filed a suit, or has any sort of pending claim such as workers' compensation, do not give out any information beyond the basics without contacting your legal department or company counsel.

When You Decide to Give Out Negative Information

If an employer does decide to give out negative information, consider the following, says ESR: Employees most often seek the advice of an attorney when they are surprised by the negative information. So don't let the former employee hear about the bad reference for the first time from the potential new employer. Handle that at the time the employee leaves. Disclose only factual information that is documented. Avoid conclusions; give facts instead. For example, avoid saying that a former employee had a "bad attitude." Instead, convey facts showing a failure to get along with team members. Let the facts speak for themselves. Include favorable facts about the employee. This shows that you are even-handed, ESR says. Finally, make sure the personnel file is factually correct. This is something that HR may do when an employee leaves. Steve Bruce Hr.blr.com

Peliton can help you with background reference checks. Prior to employment Peliton can provide all of the following:

- State Criminal History
- County Criminal
- National and Federal Criminal History
- Motor Vehicle Report
- Credit History
- Social Security Validation
- Basic Reference
- Education Verification
- Employment Verification
- 10-Panel Drug Test
- MRO Review (for positive drug test results)

Once an employee has been offered a job and has started, Peliton also offers E-Verify. This system takes their I-9 information (SSN) and compares it to the Social Security Administration (SSA) and Department of Homeland Security (DHS) databases to confirm that they are authorized to work in the U.S. E-Verify is automatically done for all PEO clients as part of their co-employment requirement with Peliton.

Not Enough...

Nearly 72% of employees at small businesses did not have a company-sponsored retirement plan available. Nine percent had a company-sponsored plan available, but do not contribute to it. Just 19.5% of small company employees both have and contribute to a company-sponsored retirement plan.

Employees who are older, married and better educated are more likely to participate in company-sponsored plans.

Of the small businesses that have retirement plans for employees, 25 percent offer defined benefit plans and 75% have defined contribution plans.

The costs of instituting and running the plans are the primary reasons small businesses don't offer them.

In his study, Lichtenstein concluded there is a need to develop ways that help the owners of the smallest businesses, especially home-based businesses and sole proprietorships, increase their retirement savings. Developing ways to help minority, especially Hispanic, business owners increase their retirement savings is also a policy goal suggested by this study's results. In addition, there is a need to better coordinate employer-based retirement accounts with individual-based accounts like IRAs and make plans less complex and burdensome, especially for owners of micro-businesses.

With small businesses employing so many Americans, it's more important than ever that those business owners and their employees have retirement options available.

SBA economist Jules Lichtenstein

Peliton HR offers an inexpensive 401k plan that business owners may adopt and provide for their employees. Please call Dave Suplinski at 303-771-1800 or email him at dsuplinski@peliton.net for more information.



HERE'S SOME INTERESTING FACTS ABOUT SLEEP DEPRIVATION

If someone with sleep deprivation chooses to drive, the results can be fatal. There's over one hundred thousand car accidents a year that are caused by the driver either falling asleep at the wheel or being too tired to react quickly or have full concentration on the road. Tired drivers are more dangerous than drunk drivers. Drunk drivers only account for around 15,000. Since over one fourth of Americans suffer from sleep deprivation, being on the road becomes more dangerous. Sleep deprivation can also kill you through illness. When you're lacking in sleep your immune system is weakened. Your immune system needs sleep so it can catch up while the rest of your body is resting. Illness that is usually overcome easily becomes harder with a weak immune system caused from sleep deprivation. Your body needs sleep to maintain its health. No one has ever died from lack of sleep but you can die from the effects of sleep deprivation.

If you think you are suffering from sleep loss you should talk to your doctor about possible medications. Sleep deprivation is a serious matter and one that should not be ignored.

Value of Trust...

ask, "Do you trust me?" your initial thoughts may revolve around my integrity or motive. If you believe my motives are selfish, the working relationship will be stunted. This will in turn shut down communication and negatively impact performance.

But trust in your teammate's motives is only half of the equation. The other half of the trust equation is competence—the ability to achieve results. We must be able to trust the ability of our teammates to achieve the desired results. If you trust someone's motives but not their ability to get the job done, there is still a significant trust gap to bridge.

Improved Trust, Better Results

The improvement of trust within an organization is an ongoing process, not a once-and-done event. There is no single recipe for improving trust. It will take different forms in different situations. Yet the number one key to improved trust is awareness of its importance. Ironically, it's the organizations with low trust that don't recognize its cost, and those with good trust that constantly look for ways to make it better.

Here are three easy steps to bring awareness to the trust issues within your organization and how you might begin to tackle them.

The first step is evaluation. A survey can be a great way to start and give context to the trust discussion. Find out where trust issues lie and whether they are rooted in motive or competence.

Second, get in the room and talk about it. These types of issues will not resolve themselves when ignored. Engage a facilitator and start by talking about the trust issues in your company and why trust is important. Show its relevance and connect it to results.

When approaching these issues, particularly in sensitive conflict situations, be sure to frame the discussions around behaviors, not personal traits. A skilled facilitator will set the tone for a constructive conversation.

Third and finally, measure progress. Using your initial survey as a baseline, continue to probe for trust issues. Make it a regular part of your team discussions and look for continuous improvement.

Take it Wherever You Go

With improvements internally, you can carry the discussion into external arenas. Trust can be equally as important in relationships with business partners, suppliers and customers. While trust may be good internally, that doesn't mean your sales team is accomplishing the same with your customers - or vice versa.

In all areas of business, wherever relationships exist, trust is a fundamental part of success. While its cost may not be flashing in neon, carefully consider the impact it may be having on your teams. When the impact of trust is weighed against the relative ease of repair, it's a no-brainer to take head-on.

The author: Kent McSparran is a Principal in charge of Business Consulting at EKS&H, in Denver. (kmcsparran@eksh.com). EKS&H is one of the top Accounting and Business Consulting firms in the Western United States.

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