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Compensation Cafe

7 Tips for Talking with Employees about the New Overtime Regs

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*This is Part 2 of a series about new DOL regulations, effective December 1, 2016. Here's **Part 1** which will also help you prepare.*

Did your call center staff find out about the new regulations from the Today Show? And did your distribution center find out from CNN? USA Today? NPR? The news was reported via such a wide range of media and so quickly after the DOL announcement, odds are many of us got blindsided by excited questions from employees who couldn't believe their luck.

Now that we know (from this recent experience) why it's important to get out in front of a change with your communications, it's time to get better at talking about the new regs. If you had employees calling pumped up with excitement, it must have been very difficult to get them to listen to your more everyday facts. Here are some tips that will help you put your best foot forward from now on.

Recognize that the May 18 announcement was "then" and this is "now." It's been a few weeks and you have a better sense of how your company is going to handle the new regs. It's a good time to pivot, as they say in politics. Quit winging it and put together a communication plan by the end of June that will take you step-by-step until December 1.

Don't delay formal communications any longer. It's a mistake to decide you are going to keep mum until you have every detail of your implementation planned. The dead air will worry employees and they will fill it with their own stories -- like you're cutting jobs to cover the cost of the change or the ever-reliable complaint that HR doesn't know what it's doing (again). Instead of holding out for all the answers, recognize that communications can first be

about how you are going to reach decisions. Employees will appreciate being "in" on your process and won't mind quite as much having to wait for answers. Explain the project steps that you are following to resolve implementation issues, be clear about how you will keep employees up-to-date on your progress and explain that the announcement will come during November, to be effective December 1.

Give managers talking points as well as a briefing. Their explanations should match your own.

Include information for exempts who are not affected by the new regs. They will want to know what's going on in the cubicle next door.

Don't over-explain or over-emphasize eligibility for overtime pay if you don't plan to approve overtime. It is crucial to be candid and detailed about this issue since employees will be imagining that their income will automatically rise as a result of the regs.

Face the communication complications you've created if you raise salaries to the cutoff. For example, you'll need to show examples of how the adjusted salaries are equivalent to, or more than, what could have been made through overtime. It's a rare employee who will just take your word for it. Also, you'll need a plan to handle the resentment of exempt colleagues who are ineligible for an adjustment. Remember that your managers are going to bear the brunt of that decision, so open discussions with them will be crucial.

Don't politicize your explanations. Whether or not you agree with the rationale for the regulations, your affected employees probably do. Nothing constructive will be accomplished by sharing your (CEO's/CFO's) resentment.

Everything you do in compensation is communication, so why not do everything better? Prepare yourself for explaining the DOL overtime changes by getting yourself a copy of the popular ebook, Everything You Do (in Compensation) Is Communication @

<https://gumroad.com/l/everythingiscommunication>. Margaret O'Hanlon, CCP collaborated with Ann Bares and Dan Walter to create this DIY guide to compensation leadership. Margaret is founder and Principal of **re:Think Consulting**. She brings deep expertise in compensation, communications and leadership to topics like the CEO Pay Ratio and performance management discussions at the Café. Before founding re:Think Consulting, Margaret was a Principal at **Willis Towers Watson**.

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