

Insights, News & Events

## WEB EXCLUSIVE: MASTER THE MODERN METHOD FOR MANAGING MARCH MADNESS

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If you work for a certain large company, at any of its many operations across the country, you have the opportunity to enter to win \$1 million dollars each year for life when you fill out a March Madness bracket. To hit the jackpot, you would need to select every game in the tournament's first two rounds with perfect accuracy. The odds of winning? About 1 in 1,943,573. But you could still pocket a cool million if you correctly pick all 32 first-round games. **Just last year**, a factory worker in West Virginia was only one game short of collecting the \$1 million "consolation" prize. Don't feel too sorry for him, though—his employer gave him \$100,000 being the closest out of the 96,108 employee brackets entered in the contest.

This company contest started just two years ago, and is scheduled for a third in 2018. It's a great example of the new and more realistic approach employers are taking with March Madness in the workplace: rather than trying to beat 'em, you can decide to join 'em. But you don't have to run a national company in order to follow this example and try a new approach at the workplace when it comes the biggest basketball tournament of the year.

### TRADITIONAL APPROACH: BRACKETS AS DISTRACTING SCOURGE

Not long ago, the average employer treated March Madness with a sense of dread. It was viewed as a costly distraction, sapping away productivity and leading to absenteeism and poor work performance. Every year, outplacement firm Challenger, Gray & Christmas issues a report describing the

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near-catastrophic impact the tournament is expected to have on the American economy. In 2017, in fact, [their headline blared](#) that March Madness would cost employers more than \$2 billion in lost productivity alone. "Everyone panic!" seemed to be subtext.

Beyond lost profits, employers were worried about large amounts of cash floating around the office, causing latent gambling addictions to spring up overnight, and raids by law enforcement officers looking to break up illegal betting rings. To be fair, some of these concerns seemed more rational at the time. After all, before advances in technology, employees would often use actual cash when submitting their paper bracket to the contest coordinator, and then sneak away from the office (or call in "sick") to watch the games at home or at a local watering hole.

Fast-forward to today; your workers are probably participating in electronic betting pools with friends from across the country, most likely transmitting money via an app like PayPal or Venmo, while making their selections and watching the tournament from the comfort of their computer, tablet, or smartphone. It's a brand new day, and it calls for a brand new approach.

## **MODERN APPROACH: BRACKETS AS INEVITABLE ACTIVITY**

In the feverish days between Sunday, March 11 (when the tournament teams are announced) and Thursday, March 15 (when the action tips off in earnest), a significant segment of your workforce will be spending time online reading about the teams, texting predictions to their friends, and filling out brackets using their own unique methodology (which could come down to determining whose uniforms look better). And of course, once the tournament is underway, there will be dozens of exciting games crammed into a short period of time, ready to tempt to your workers who want to catch the action and track their brackets. What should you do?

## ***ADDRESSING PRODUCTIVITY***

First, while it is necessary to create and enforce workplace policies restricting the kinds of activities your employees can perform on company time, especially if it involves using business computers and company-issued smartphones, you already know that most employees can easily skirt these prohibitions by using personal smartphones and tablets to

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keep up with March Madness. So don't focus your attention unnecessarily where it's not needed.

Instead, you should enforce productivity standards in the days leading up to the tournament and during the games themselves, just like you should be doing every other business day. Many companies recognize that their workers will inevitably spend part of their working day on personal business—whether it's running errands, shopping online, making phone calls, texting friends, or chatting with each other. Accepting this fact, most companies ultimately care about whether the assigned work is completed to quality standards, and will not seek to micromanage every moment of the day. You should follow this same approach.

### ***WHAT ABOUT HOURLY WORKERS?***

Of course, certain hourly workers and other employees have a responsibility not to “steal time” from you and will need to continue to work diligently at all times they are on the clock. No matter your situation, make sure to consistently enforce productivity standards and associated policies. Be realistic when addressing these situations, and make sure you don't single out one worker to come down inordinately hard on when they may not be acting much differently than their coworkers. Inconsistent treatment is the gateway to a discrimination claim.

### ***COMPANY-ORGANIZED POOLS***

Recognizing that some segment of your workforce will seek to have a stake in the outcome of the tournament, you may want to consider following the example described above by organizing an optional workplace pool that requires no entrance fee. You can buy prizes with company funds and hand them out to the winners, turning what could be a problematic event into a morale booster. Trust us, the winners will not be (too) upset that you didn't offer a million-dollar prize like that national company, and will be quite happy with a gift card to a local business or a restaurant.

Organizing a company pool will also create a positive team bonding experience that should aid in retention and employee satisfaction. A [2017 survey by Randstad U.S.](#) found that 89 percent of workers reported that participation in workplace bracket contests “helped build better team camaraderie.” Other surprising and eye-opening statistics:

- 84 percent agreed that office pools go a long way to “make their jobs more enjoyable;”
- 79 percent said that participating in office pools greatly improved their levels of engagement at work;
- Half of the respondents meet up with coworkers after work to watch a college basketball game in March, leading to closer relationships; and
- 39 percent became closer with a coworker after participating in an office pool.

Perhaps the most surprising statistic from the survey: a whopping 73 percent of workers said they “look forward to going to work more” when they participate in office pools. In other words, rather than viewing March Madness as a short-term problem, you can view the next few weeks as an opportunity to strengthen your team.

## **ARE THERE ANY RISKS?**

All of that being said, you will want to keep an eye on the situation to make sure your workers don't get carried away by organizing betting pools that involve cash prizes. Several federal laws prohibit wagers on sporting events, and the actions become riskier if your workers place bets across state lines. The odds of federal enforcement action against a low-end office pool is pretty minimal, though, so you should be fine so long as wagers are kept to a reasonable level. Moreover, many state laws permit social gambling on events like March Madness as long as the organizer doesn't skim money off the top of the pool, participation is limited to people you know, and the dollar amounts remain relatively low.

How else can things go wrong? Large amounts of cash around the workplace can cause problems if not handled correctly, and some of your workers might be “sore losers” who react poorly to losing money to a coworker, especially if they feel they were forced into joining the pool despite a lack of discretionary funds.

To address this situation, you should develop a policy on gambling in the workplace and enforce it consistently. If you already have one in place, now would be a good time to send a reminder to your employees of the policy's details. By reinforcing existing rules that are best for your business, you

reduce the likelihood of any violations. And of course, if you organize your own voluntary competition and encourage your workers to participate without any monetary investment or risk of losses, you will reduce related problems while building camaraderie.

## CONCLUSION

The next few weeks will be an exciting time once the action starts on the hardwood, and by following a modern approach to March Madness, you might be able to capitalize on the excitement at your workplace. Rather than fighting the inevitable, you should embrace this new era and you'll come out a winner no matter who cuts down the nets on the court.

*For more information, contact the authors at [RMeneghello@fisherphillips.com](mailto:RMeneghello@fisherphillips.com) (who will be crossing his fingers and hoping that the Syracuse Orange will actually make the tournament this year) or [SBalch@fisherphillips.com](mailto:SBalch@fisherphillips.com).*