



Human Resource and Management Services

March 2008

HUMAN RESOURCE EXCHANGE

Human resource issues and topics impacting employers

◆ FROM HR SPECIALIST EMPLOYMENT LAW ◆

“Do your pre-hire tests carry lawsuit risks?”

... According to the EEOC, employers ramped up pre-employment testing in the wake of September 11th security concerns, increased workplace violence, and theft. Also, the large-scale adoption of on-line job applications has motivated employers to seek efficient ways to screen large applicant pools in a non-subjective way. As pre-hire testing has increased, so have the number of discrimination complaints surrounding them:

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| <i>EEOC charges based on pre-hire testing</i> | |
| <u>2003</u> | <u>2006</u> |
| 26 claims | 141 claims |

“Workers feel underpaid? They may be overtitled”

Nearly 50% of people believe that they are underpaid in their current jobs, according to a new Salary.com survey. But an analysis of those employees’ jobs and wages reveals that less than 22% actually *were* paid below the fair market value for their jobs. So why do so many people wrongly believe that they’re underpaid? “Overtitling” is the biggest factor. “We found that 30% of respondents were likely overtitled, leading many to feel underpaid when, in reality, an inflated job title was the real issue,” says Bill Coleman, Sr. VP of Compensation at Salary.com.

(Editor’s note – too many companies are guilty of this trend. What used to be a Clerk is now a Processor or Specialist; a Secretary is now an Executive Administrative Assistant; a Manager is now a Director; a Director is now a VP; and the list goes on. The over-inflation of a title is indeed a problem that we have created, which also adds to the difficulty in establishing appropriate and meaningful salary programs. The solution? Let’s be upfront and honest. Let’s call a position by what it really is. We’ve already got too many issues that are out of our control. Let’s not create additional problems that we don’t have to; this one can be prevented.)

◆ FROM EEOC WEBSITE ◆

“African American electrician subjected to n-word and threats of lynching”

... EEOC announced a major settlement of a race discrimination and retaliation lawsuit against Lockheed Martin, the world’s largest military contractor, for \$2,500,000 and other relief on behalf of an African American electrician who was subjected to a racially hostile work environment at several job sites nationwide – including threats of lynching and the “N-word.”...

... The EEOC charged that Daniels was the target of persistent verbal abuse by co-workers and a supervisor whose racial slurs and offensive language included calling him the “N-word” and saying “we should do to blacks what Hitler did to the Jews” and “if the South had won then this would be a better country.” Daniels was also subjected to multiple physical threats, such as lynching and other death threats after he reported the harassment. Despite its legal obligations, Lockheed failed to discipline the harassers and instead allowed the discrimination against Daniels to continue unabated – even though the company was aware of the unlawful conduct...

◆ FROM SHRM ◆

“Boss factor can make or break retention”

(The) boss is the reason almost 3/4ths of office professionals surveyed would be willing to change jobs.

... A majority of respondents want a boss who lets them work independently but is accessible when needed. Communication and listening skills top the qualities that U.S. workers want in a boss, followed by effective leadership skills and trusting that the employee will perform his or her job well...

Other important qualities, in order of importance, were flexibility and understanding, intelligence, teamwork skills and an even temperament, interest in the employee’s development, ability to share credit, successful in finding and retaining talent, and skills in making presentations.

The same percentage that disliked their boss’s management style also said they could do as good a job or better stepping into their boss’s shoes for a day.

◆ FROM WORKERS COMP - TEXAS ◆

“Texas claimant earns \$10k a week stealing W/C benefits”

(Richard) Brooks reported a job-related injury while working as a foreman for Boiler Services Inc... Brooks claimed he was unable to work as a result of the injury. TX Mutual Ins. Co. began paying him income benefits. Meanwhile, TX Mutual Ins. Co. uncovered evidence that Brooks had accepted a contract job working in Iraq. Brooks earned \$10,000 a week.

Investigators call this type of scam ‘double-dipping’ because the claimant collects benefits for being too injured to work when he or she is, in fact, gainfully employed.

◆ **BLR Compensation** ◆

“Americans Rate Many Job Factors Higher Than Pay”

A new national poll finds that job security and health care insurance rank much higher than pay on Americans' list of important characteristics of a job.

The poll...surveyed 1,200 adults. Respondents were given a list of 15 benefits and characteristics considered important in choosing a job.

Respondents ranked "The health insurance plan" as the most important job benefit, with 84% deeming it "very important." "Having job security" and "Being in an environment with clear policies and procedures" were tied for second, with 82% of respondents rating them as very important.

The rest of the top 10 characteristics were rated as follows:

4. The retirement or pension plan
5. A flexible family-friendly workplace
6. Getting quick decisions on issues at work
7. Working with talented managers
8. Having the potential for promotions
9. Being creative and intellectually stimulated
10. How much one is paid, the total compensation

(Editor's note – most surveys indicate that pay is usually ranked 3rd or 4th in importance. This is the first one that has indicated a ranking of 10th. This correlates with challenge and recognition as being the top motivators in other surveys.)

◆ **A REAL LIFE SITUATION** ◆

Situation: Dept. A had a very good performing long-term employee that they didn't want to lose. They kept giving her raises and promoted her on several occasions. However, in reality, she was doing the same job as when she was hired over 10 years ago.

Employees in Dept. B were doing similar work but were not earning as much as this particular employee in Dept. A. (Yeah, I know, word gets out on wages!) In fact, when this employee retired, she was earning more than the supervisor in Dept. B.

The employees in Dept. B went to their supervisor and demanded to be promoted for doing the same job and they wanted more pay.

Observation: Hmm. Overtitled? Scared of losing a good employee, so give her more money? These are common occurrences for common reasons, but it doesn't necessarily mean it's right.

Most positions have a maximum amount of earning potential, with the exception of professional athletes, Sales Representatives, and other sales related positions. So with this premise, unless an employee is promoted, the employee should reach a maximum earning potential in which further raises cannot be given. However, if you make up a title just to promote someone and make that person feel more valuable to the organization, there are countless other ways to accomplish this without creating mutiny: lump-sum incentives, bonuses, gain-sharing programs, and other forms of recognition that do not necessarily involve money.

This company appears to be handcuffed by an employee they feel is invaluable, but by addressing her needs to the point of ignoring pay equity, they have inadvertently created disruption and a morale-busting environment.

FEATURED SERVICE
Salary Administration Programs

A salary administration program will establish minimum and maximum salaries for all positions. It will also establish guidelines for hiring, promotion, demotion, and transfer activities.

A salary administration needs to ideally be reviewed and updated on an annual basis. One example for this need for an annual review is the recent change in IT positions. What was once a high demand for IT professionals was softened by the outsourcing of IT work to other countries. With this shift, more IT professionals were available, thus impacting on the salary information for those positions.

Call center positions also exhibited a similar trend, but then it changed with so many complaints of not understanding the Call Center Representative. Many of these positions were then sent back to the States. In addition, there are numerous call centers that are expanding, so the annual salary reviews would be able to provide accurate information on these trends.

In addition to the above, salaries are also affected by unemployment, demographics, and unique supply and demand situations.

HR&M has been developing and creating salary administration programs since 1988. If you feel your salaries need a review, or if your current salary program appears to be outdated, call HR&M for a no-cost no-obligation discussion and proposal.

◆ **REMEMBER! WE CAN HELP!!** ◆

Consulting on performance, attendance, FMLA, Wage & Hour, management accountability, and other unique issues is just one of the areas of our expertise.

We also provide:

- **supervisory/management training**, ranging from brown bag luncheon training to ½ or full day sessions
- employee **handbook** development
- responses to **discrimination charges** and **unemployment claims**
- **on-line performance review** forms and processes
- **guidance** and consultation on **coaching, counseling, and disciplining** in employee relations matters
- **succession** and **strategic planning** programs
- **consultation** on issues regarding attendance and performance and guidance on terminations
- development of OFCCP compliant **Affirmative Action Plans**