

From: National Institute of Business Management

Subject: Practical HR strategies to boost your career

Handbooks

Spot the top 10 mistakes in your employee handbook

Issue: Poorly written handbooks open your company to countless lawsuits.**Risk:** ADA, FLSA, FMLA, sexual harassment, racial and gender discrimination are just a few sources of trouble.**Action:** Audit your employee handbook for these 10 common errors.

Employee handbooks can be great tools to help you lay down policies and comply with the law. But a poorly written, outdated or inconsistent book can trigger multimillion-dollar liability.

The biggest problem: Companies often include handbook language that wipes out their rights to fire employees at will.

Here are the 10 most common handbook mistakes to avoid:

1. Adopting a “form” handbook, which includes promises you’ll probably never keep.

2. Including lots of detail on procedures, which confuses employees and

provides fodder for lawyers. Stick to company *policies* in the book. Keep a separate *procedures* manual for managers.

3. Mentioning an employee probationary period. That can erase at-will status by implying that, once the period is over, the employee can stay forever.

4. Being too specific in your discipline policy. That gives the impression that the list covers every possible infraction.

5. Not being consistent with other company documents.

6. Overlooking an at-will disclaimer.

Have employees sign disclaimers acknowledging that the company can terminate their employment at any time and bypass discipline policies as each situation warrants.

7. Sabotaging disclaimers by what you say, especially reassuring employees that their jobs are secure.

8. Not adapting the handbook to accommodate each state’s laws.

9. Failing to update the manual frequently for changing laws.

10. Setting unrealistic policies. If you know your supervisors won’t enforce it, don’t put it in your handbook.

Policies

Regulating off-duty conduct: How far can you go?

Issue: Disciplining employees for lawful conduct outside of work is tricky.**Risk:** Courts are cracking down on employers that discriminate based on “lawful activities.”**Action:** Review your policy on limiting employees’ outside activities; weigh conduct against job performance, risk to business.

You discover that the company’s sales manager is dating the marketing director of your biggest competitor. Or that one of your cashiers has a bottle-of-scotch-a-day drinking habit after work. Can you fire these workers—or at least ask them to change their behavior—without getting hit with a discrimination or privacy lawsuit?

Here’s the litmus test: If an employee’s off-duty activity puts your company in legal or financial jeopardy, courts will be more willing to let you regulate it.

Employers often have legitimate reasons for punishing workers for illegal

off-duty behavior, especially if it’s related to their jobs, such as a theft conviction. But disciplining staff for participating in lawful conduct outside of work is a slippery slope.

While federal law is silent on the issue, states aren’t. So far, 30 states and the District of Columbia prohibit employers from discriminating against workers because they smoke or participate in other “lawful activities.”

4 ways to stay out of trouble

1. Focus on the off-duty behavior’s effects on job performance, rather than

the circumstances of the conduct itself. Be able to point to a legitimate business reason for disciplining the employee.

2. Avoid blanket restrictions against socializing with competitors. Such overly broad rules infringe on privacy. Instead, protect company secrets by having employees sign nondisclosure agreements.

3. Check your state’s rules and seek legal advice before firing or disciplining an employee for off-duty activity.

4. Apply an even hand. Don’t suspend one employee for off-work behavior and then ignore a similar circumstance.

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Closing for a day: When is it legal to dock pay?

Issue: Bad weather can prevent employees from making it to work. Sometimes, you must close up shop.

Risk: In such cases, must you still pay employees? The wrong answer can hurt, either in unnecessary pay or legal judgments.

Action: Use the advice below and our online flowchart to understand your legal responsibilities.

The snow's coming down pretty good and your accounting manager (an exempt employee) calls to say she can't make it in because her car is stuck.

Can you deduct a full day's pay from her salary for that missed day?

Yes, you can. But if your workplace closes down because of bad weather, it's a different story. In that case, you can't dock her pay for that missing day, but you can still require her to use accrued leave time for the missed day.

A pair of important U.S. Department of Labor (DOL) opinion letters helped clarify the confusing topic of pay/leave for inclement weather absences. While opinion letters don't carry the weight of law, courts are deferential to them.

Here's what they said:

If your workplace remains open ...

When your organization remains open

during inclement weather and an exempt employee misses work for his own (non-illness) reason, you can take a full-day deduction from the person's salary, the DOL letters say.

Or, you can require the employee to use vacation time or accrued leave.

One key point: You can only deduct *full-day* absences from exempt employees' salaries. Docking pay for partial-day absences could nullify the employee's exemption.

If you close the workplace ...

If you close shop, you can require exempt employees to take vacation time or accrued leave, but you can't insist on leave without pay.

The DOL said the Fair Labor Standards Act (FLSA) doesn't require employers to provide vacation time. Consequently, employers are free to administer leave programs in any

nondiscriminatory way.

Employers can charge time off as leave, even in amounts less than a day, as long as the employee's salary remains the same.

The key is that the employee's salary can't be affected.

Final tip: Those two DOL opinion letters remind employers to establish a written policy against making improper salary deductions. (You can find a sample policy at www.dol.gov/esa/regs/compliance/whd/fairpay/modelPolicy_PF.htm.)

To read these two opinion letters, go to www.dol.gov/esa/whd/opinion/flsa.htm and click on FLSA2005-46 and FLSA2005-41.

Note: To access a flowchart that shows when you can legally dock employees' pay, go to www.theHRSpecialist.com/Snowday.

HR pros: Find out how much you're really worth

A Society for Human Resource Management (SHRM) survey of 88,000 HR professionals shows that organizations increasingly value the skills that HR pros bring to overall business success.

According to the survey, HR jobs that saw the biggest bump in pay in 2007 were focused on international HR, diversity, and compensation and benefits.

One-third of the top 20 HR positions with the highest percentage increase in median compensation were those in which comp and benefits were the primary skill.

One key reason: The ongoing talent wars and the increasing complexity of comp and benefits plans make compensation experts more valuable than ever.

Three other trends that played out:

1. Geography matters. The highest compensation for HR positions can be found on the West Coast, followed closely by the Northeast.

2. Big firms pay bigger. Human

capital issues become more complex as organizations grow, so it's logical that median HR compensation grows along with organization size.

3. For-profits are profitable. The survey says private, for-profit companies typically pay more to HR pros than nonprofits, government agencies or educational organizations.

Will it continue?

The main reason for the increase in HR salaries: Organizations, in general, have done well financially in recent years.

While prospects for continued economic growth aren't as certain, SHRM says there's no indication that organizations will pull back from the strategic value they've come to place in HR.

Average total cash compensation

Common HR Positions		HR Manager Positions	
Compensation supervisor	\$78,700	Exec-compensation manager	\$130,100
Compensation analyst	\$62,400	International HR manager	\$120,400
Staff recruiter	\$62,100	Compensation manager	\$98,600
Employee benefits analyst	\$62,000	HR information systems manager	\$93,500
Human resources generalist	\$55,900	Employee benefits manager	\$89,200
Employee training specialist	\$55,500	Employment/recruiting manager	\$86,400
Human resources assistant	\$36,600	Employee training manager	\$85,100
		Employee relations manager	\$85,300
		Human resources manager	\$80,700

Source: SHRM 2007/2008 Survey Report on Human Resources Personnel Compensation

Screening candidates: To google or not to google?

Issue: Employers increasingly are using search engines and social-networking sites to research job candidates.

Benefit/Risk: Digging up “digital dirt” can help with hiring decisions, but it also carries legal risks.

Action: Be consistent in your googling efforts, and follow the tips below.

Michelle, an HR director, was ready to make a job offer to a candidate when she decided to run a Google search on the applicant. *The result:* “It saved me big-time. She had a ‘brandishing weapons’ conviction, and it was all there on Google.”

Such stories are becoming more common. HR professionals and managers increasingly use search engines and social-networking sites—such as MySpace—to dig beyond the typical résumé and cover letter. Many of the “red flags” uncovered include web postings by the candidates themselves—postings that the person obviously didn’t expect job recruiters ever to see.

The problem: Googling candidates can carry certain legal risks.

What if you only google minorities?

What if you inadvertently view information about a different person with the same name? What if your search shows a picture of the person in a wheelchair? All these scenarios could raise discrimination charges if you reject the candidate. *Two tips to avoid such legal risks:*

1. Make sure you’ve got the right person. Even relatively rare names are duplicated, and many tall tales exist in cyberspace. “The way to deal with that is to bring (the Google result) to the person’s attention,” says Joe Beachboard, an employment lawyer with Ogletree Deakins in California. “I would always give the person the opportunity to confirm or deny it.”

2. Be consistent with your searches. As with other recruiting tools, you shouldn’t discriminate when googling

based on the person’s race, age, gender or name (national-origin bias). Realize that googling may pull up photos, which means you may have to explain whether you considered the individual’s race, age or disability in your decision.

“You should be consistent about how you go about googling candidates,” says Beachboard. “Maybe you do it for all candidates or just certain high-level candidates, but be consistent.”

Percentage of employers that have googled candidates

Services	31%
Manufacturing	22%
Govt./Nonprofit	20%

Source: National Association of Colleges and Employers

HR certification: Truly helpful or a ‘feel good’ thing?

The Society for Human Resource Management (SHRM) offers three national certifications for HR professionals (see box at right). A reader of our HR Specialist e-newsletter (www.theHRSpecialist.com) posed this question: “Do these certifications make you more marketable and earn a higher salary, or are they just a ‘feel good’ thing?” Here’s how some HR professionals replied:

1. “I wondered the same thing when I began my quest for my PHR. I’ve found that many companies find a person with PHR/SPHR certification more knowledgeable and credible, which, in turn, makes them more marketable. It does give you that shot in the arm that says, ‘I really know my stuff.’” — Victoria, Texas

2. “HR certification might be a good step if you work in a large company that faces difficult HR issues or if your goal is to become an HR director.

However, if you are in a small company and have no plans to leave, then an HR certification would be more of a ‘feel good’ thing.” — Karl, Arkansas

3. “I’ll be looking for a new job shortly and I’m happy to see that employers are requiring a PHR/SPHR. It frightens me when they don’t require a PHR or some sort of degree. I have a B.S. degree, but not in HR. I’m looking forward to placing those three letters after my name.” — Monica, Illinois

4. “I am going for the PHR in the spring in order to be more marketable and ask for a raise. In looking at job sites, it seems the higher-level HR positions require you to be PHR or SPHR certified.” — Rebecca, Arizona

5. “I didn’t receive any salary increase or promotion for getting my SPHR, nor was I looking for one. Education and credentials are things

you do for your own professional accountability.” — Kim, Delaware

6. “It’s a combination of both. It definitely makes you aware of more HR-related issues. More importantly, it’s a nice validation of your knowledge.” — Eileen, New York

7. “A combination of both ... but more just a good feeling.” — E.K.

Pass rates for SHRM certification exams

Professional in Human Resources (PHR)	66%
Senior Professional in Human Resources (SPHR)	57%
Global Professional in Human Resources (GPHR)	69%

Source: SHRM (average over the past five years). Learn more at www.hrci.org.



Even the 'possibility' of serious illness can earn FMLA coverage

Don't take disciplinary action against employees who take leave under the FMLA to *determine* whether they have serious illnesses. Until you find out how sick the worker is, err on the side of legal caution: Assume that his condition is serious enough to apply under the FMLA.

The FMLA lets qualified employees take up to 12 weeks of job-protected leave a year if they suffer a "serious medical condition."

But recent court rulings have said that if an employee just *thinks* he has a serious condition, he can take FMLA leave to have the condition checked out.

Recent case: A Michigan court ruled against a company that fired truck driver James Woodman for taking unauthorized leave while he underwent doctor-recommended tests after

suffering chest pains.

The company had argued that Woodman wasn't covered under FMLA because an EKG indicated that he had not suffered a heart attack and, thus, didn't have a serious condition. But the court said FMLA applied because Woodman's doctor determined that the absence was necessary until further tests could determine the condition's severity. (*Woodman v. Miesel Sysco Food Serv. Co.*, No. 226001, Mich Ct. App.)

Free Report FMLA: How to Define a 'Serious' Condition

To determine who qualifies for FMLA medical leave and who doesn't, access our free white paper, *FMLA: How to Define a 'Serious Health Condition,'* at www.theHRSpecialist.com/whitepaper.

Bathroom breaks may be required under federal disability law

Welcome another set of employees to those covered by the ADA: employees who have bladder problems and cannot be far from a restroom at any time.

Employers will have to decide whether a particular employee's need for restroom breaks means she can't perform the "essential functions" of her job or should be accommodated.

Recent case: Suzanne Wirtz worked on a Ford assembly line and began taking frequent restroom breaks due to an incurable medical condition. Her breaks took a toll on productivity, especially if no quick replacement was available.

Ford asked for proof of medical disability, and Wirtz provided it. But the company still refused to accommodate her needs, reasoning that it couldn't

shut down production lines just because of Wirtz's needs.

She sued, alleging failure to accommodate her disability.

The court ordered a trial after determining that, in principle, the frequent need to urinate could be a disability. It cited a 6th Circuit case that said lack of bowel control is a disability. The court said a jury should decide whether reasonable accommodations were possible, such as using area supervisors to cover for Wirtz during breaks. (*Wirtz v. Ford Motor Company*, No. 05-40324, ED MI, 2008)

Final note: Employers will have to decide whether they want to risk an ADA lawsuit or find a way to have someone else step in while the employee answers the call of nature.

LEGAL BRIEFS

This isn't Vegas: 'What happens here, stays here' won't fly

Managers may want to handle employee complaints themselves, but they should never tell workers to keep quiet and refrain from talking to HR or higher-ups. Such muzzling could be deemed illegal retaliation.

Example: When an Indiana State Police supervisor met an employee who raised a race-bias complaint, he told the worker, "What goes on here, stays here. Don't take this down to (the state office)." The employee saw that as retaliation and sued. The court sent the case to trial. (*Highwood v. Indiana State Police*, ND IN)

Thanks for the raise, here's my lawsuit

Don't think because an employee receives a raise, he or she can't sue for discrimination. The fact is, an "inadequate" or "unequal" raise can be the basis of a discrimination lawsuit—if other employees outside the affected employee's protected class got bigger and better raises.

Recent case: William Whigum, who is black, filed a race-bias lawsuit, complaining that he was given a smaller annual raise after a new boss arrived. The EEOC backed his lawsuit, but he eventually lost the case because he couldn't show that his raise was smaller than nonminority employees. (*Whigum v. Keller Crescent*, 7th Cir.)

No-show employee cashed paychecks for five years

An Illinois man was charged with theft by deception after he allegedly failed to report that a telecom company, Avaya, had deposited paychecks totaling \$469,000 into his checking account, despite the fact that he never worked there.

Anthony Armatys accepted a job with Avaya in 2002, but changed his mind and withdrew the application before his start date. But Armatys already was entered into the company's payroll system. For five years Avaya allegedly deposited checks into his bank account. Armatys even participated in the company's retirement plan.

Maintaining I-9s: Top 10 do's and don'ts

Issue: Mistakes in processing employment eligibility verification forms can still land you in trouble.

Risk: Discrimination claims; penalties of up to \$10,000 per employee.

Action: Take stock of your I-9 compliance—and make sure you're using the new I-9 version released in December.

Don't get sloppy with your I-9 employment eligibility verification forms, even if you figure the feds are too busy looking for terrorists to bother checking out *your* worker documentation.

Yes, the U.S. Citizenship and Immigration Services (USCIS) concentrates more on security-related sites such as airports in the wake of Sept. 11. But the agency has been cracking down recently on I-9 violators. And penalties can be high: Poor documentation can cost you \$1,000 per worker, and knowingly hiring an illegal immigrant can result in a \$10,000-per-worker fine.

To sidestep potential legal trouble and discrimination complaints, follow these I-9 do's and don'ts:

1. Do require all new hires to complete and sign Section 1 on their first

day of work.

2. Don't ask an applicant to complete an I-9 *prior* to making a job offer. Unhired applicants can use I-9 information to allege that you discriminated against them.

3. Do review each employee's documents to make sure they're on the new version of the I-9's list of acceptable documents and that they appear genuine. (For the updated list, see www.uscis.gov/i-9.)

4. Don't ask new hires for any particular documents or for more documents than the I-9 requires. The employee chooses the documents, not you.

5. Do establish a consistent procedure for completing I-9s, and educate your hiring managers on that procedure.

6. Don't consider the expiration date

of I-9 documentation when making hiring or firing decisions.

7. Do make and retain copies of all I-9 documentation provided. (Only a few states make this mandatory, but it's a good idea.)

8. Don't forget to keep a tickler file to follow up on expiring documents that limit the employee's authorization to work. You don't have to reverify identity documents, such as a driver's license.

9. Do keep I-9s and copies of documents for three years after the employee's hire date or one year after his or her termination, whichever comes later.

10. Don't put the I-9 in an employee's personnel file. To protect your company against discrimination claims, keep the I-9 and supporting documentation in a separate file.

HR Q&A

When to pay for travel time in company car

Q. We provide certain hourly employees with vehicles to drive to and from job sites. Employees are required to pick up the vehicles at our offices by 6 a.m. After working at various job sites, they're required to bring the vehicles back to the office at day's end. Should the drive time from the final job sites back to the office be compensated? — M.R., Arizona

A. Yes. Under the Fair Labor Standards Act, any time spent in travel between job sites or a central office counts as "hours worked," and must be paid. Because your employees are required to drive back to the office to drop off the vehicles, the drive time from the job sites back to the office must be paid. By contrast, if the employees drove the vehicles home after the last job, that travel time would not be paid.

How to fight burnout

Q. I work in a small company and have assumed responsibility for HR duties over the last two years. I love HR and would like to develop as an HR professional. The problem is that I report to a boss who sees my HR duties as a headache that he doesn't want to deal with. What can I do to develop advancement opportunities and make my job more rewarding? J.M., Virginia

A. You can develop your skills in a number of ways. Local HR organizations offer great networking and best-practice learning opportunities. The Society for Human Resource

Management (www.shrm.org) can give you a list of local chapters and meeting times. Many outplacement firms that want to build relationships with the HR community offer quarterly networking opportunities that would be perfect for someone in your position. Learning what larger companies are doing can help you to take your company's HR function—and your career—to the next level.

As for your boss, quantifying the benefits of smooth HR operations will help him understand the value you can bring to the bottom line. Many colleges and universities offer extension courses on that topic. And, of course, future issues of *The HR Specialist* will provide detailed advice on identifying what types of continuing education to pursue and how to become part of your company's strategic planning process.

Just say 'no' to rescinded resignations

Q. One of our employees submitted a resignation letter but then changed her mind. She isn't a good employee, but we let her rescind the letter because we thought we'd be on shaky legal ground. Could we have held her to it? M.L., Ohio

A. That depends on how you've treated similar situations. For example, if another employee quit and was allowed to return to work, treating this employee differently would be very risky. But if you have no past practice with this issue, it's OK to hold this employee to her resignation. Of course, you'll be on safer legal ground if you've documented the employee's poor performance.

To: _____
From: _____

Date: October 2008
Re: Interview and termination tips

When hiring

25 good interview questions ... and 8 to avoid

When preparing to interview job candidates, it's important for supervisors to plan out their lines of questioning. Decide which skills are most important for that position, then focus your questions on assessing those skills. Here are some sample questions to work from:

Employment history

1. If you had to evaluate your performance in your present job on a scale of 1 to 10, how would you grade yourself and why?
2. What skills have you acquired in your present job that make you the right candidate for this job?
3. Describe a recent event in your job that really challenged your capabilities.
4. Why do you want to leave your present job?
5. What have you heard about our company that leads you to believe you would like to work here?

Communications

1. Are you more comfortable working on a team or on your own?
2. What types of people do you find difficult to work with?

3. How often do you like to meet with your supervisor?
4. If you had an idea for a new project, how would you communicate it to your co-workers and supervisors and get it approved?
5. Describe what you consider to be the perfect boss.

Organization

1. How do you go about planning your schedule for the day?
2. How do you relieve stress at work?
3. What tasks in your present job do you consider to be a waste of time?
4. Do you consider yourself efficient? Why?
5. If you were given a long-term project, how would you approach the work?

Motivation

1. Tell me about a situation where you really blew it. How did you handle it? What did you learn?
2. What motivates you to do your best?
3. Think of a major accomplishment you had in your present job. What aspect did you find most satisfying?
4. If you could buy any skill that you

don't possess, what would it be?

5. What tactics should a supervisor use to get the best out of you?

Managerial

1. What qualities do you possess that would make you a good manager?
2. Tell me about the best manager you ever had and what you learned from that person.
3. Tell me about your worst manager and what you learned from that person.
4. How do you create an environment that fosters teamwork?
5. How would you handle a conflict between your employees?

8 questions to NEVER ask

1. Are you married? Divorced?
2. How old are you?
3. Do you have (or plan to have) children?
4. Do you own or rent your home?
5. What church do you attend?
6. Do you have any debts?
7. Do you belong to any social or political groups?
8. Do you suffer from a disability?

When terminating

How to avoid the 5 classic firing mistakes

Firings may cause employees to cry, become defensive or even turn violent. Others may even distort what happens during your firing meeting to justify a lawsuit against you.

To protect yourself legally, have someone else with you during the firing so no one can question what you say. Write a memo after summarizing what happened and have the witness sign it.

Here are five ways to defuse a fired employee's justification for a lawsuit:

1. **Keep your cool.** Avoid heightening an already emotional situation. Don't spring the news suddenly or berate the employee in front of others.
2. **Avoid surprises.** Employees should

never be completely surprised by a termination. Give them regular feedback on their performance and suggest ways to improve. At the very least, poor performance reviews prove to a court that you had valid reasons for firing.

3. **Watch what you say.** On the day you fire someone, he or she will remember whatever you say in the worst possible light. While you should always avoid making discriminatory statements, be especially cautious during a termination meeting.

4. **Don't be too kind.** You may feel compassion for the person, but don't express your feelings in the wrong way. If the employee's performance has been

substandard, don't offer compliments on any aspect of his or her performance. Doing so might make you feel better, but it will only give the employee cause to question and challenge your reasons. And your off-handed compliments could turn up as evidence against you in a wrongful-termination suit.

5. **Keep quiet.** Don't discuss your reasons for the termination with other employees. It's enough to say, "Jamie will not be working with us anymore." Some managers have spoken too freely about the reasons for a departed employee's termination, only to find themselves in court defending themselves against a defamation-of-character suit.

Perfect perks: Top benefit practices of 100 'best' firms

Issue: *Fortune's* annual list of the "100 Best Companies to Work For" provides creative ideas for employee benefits plans.

Benefit: Adapting some of these award-winning ideas for your organization can win kudos from staff and execs.

Action: Keep your eye on the price tag as some perks might be out of your reach. But consider low-budget options, too.

Google is just nine years old, but it beat out a slew of old-timers to snag the No. 1 spot on *Fortune's* list of the "100 Best Companies to Work For."

Reason: Its benefits are to die for.

Among Google's perks: tuition reimbursement up to \$8,000 a year; on-site medical and dental clinics; 27 days of paid leave after one year; paid leave to attend school; unlimited sick leave; conveniences such as bike repairs, valet

parking and free meals.

These perks may be out of reach for your organization, but you can learn from the benefits offered by the other 99 best companies.

Most share certain characteristics, including flexibility in work time and place; a diverse workforce; employee-learning opportunities; support for employees' families; and encouraging communication with executives.

Some of the winners' unique perks:

- Methodist Hospital System gave every employee a \$250 gas card.
- Arnold & Porter pays \$15,000 to any employee who recommends a successful new hire.
- Microsoft offers free grocery delivery and will match employee charitable contributions up to \$12,000.

How to apply for next year's list: Go to www.greatplacetowork.com.

6 best-practice tips from America's top HR departments

Even if your HR department has only two or three employees, it can still incorporate some of the best approaches to HR management used in the country's top HR departments.

"You don't have to be well-funded to focus on what's good for your employees or the right thing for your business," says Charles Tharp, co-director of the HR management department at Rutgers University.

Tharp and other industry experts cite GE, Coca-Cola, IBM, Google and PepsiCo as five of the top HR departments. They share some basic approaches to HR that can benefit much smaller departments, including:

1. They know the organization's business. They understand clients, customers, competition and balance sheets—and make sure HR staff does the same.

2. They actively seek input from lower-level HR staff. "A lot of departments don't listen to front-line HR people, especially those with little experience," says Patricia Mathews, founder of Workplace Solutions consulting firm. The five companies are magnets for résumés from top college HR grads partly because they listen to newcomers.

3. HR execs personally invest time in their employees. HR chiefs become personally involved in training

and mentoring HR staff at all levels, and encourage HR employees to link their work to business strategy.

4. They manage aggressively. They don't wait until somebody in HR resigns to promote a fast-riser who deserves it.

5. They rotate HR staffers in different jobs to try to create well-rounded professionals. They offer online and classroom training in HR.

6. They use HR technology and systems automation wisely. They invest in technology that removes routine administrative work, from HR information systems to succession planning software, says Nancy Glubie, AT&T's executive HR director.



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To conquer turnover, first calculate its true impact

Issue: Retaining key employees is more important than ever.

Risk: Turnover hurts the company's bottom line.

Action: Use your calculations to support employee-retention efforts.

Even in this day of penny-pinching, few CEOs understand how much money their companies lose by failing to retain key employees. *Examples:* Replacing an HR manager in the automotive industry can cost \$133,803. A machine-works company that loses a skilled, salaried machinist can lose \$102,796 from its bottom line. And the loss of a store manager costs a fast-food chain \$21,931.

Now, here's your chance to calculate the cost of losing one of your company's stars. Thanks to consulting firm Kepner-Tregoe Inc. and the Saratoga Institute, here is a formula you can use:

Select a job function with a lot of turnover. Calculate the full cost of that function by entering the average wage for that position on Line 1 and then multiplying it by 130% to include benefits cost.

Next, multiply the total wage by 25%. This cost per employee is then multiplied by the number of ex-employees on Line 6 to arrive at the total cost of turnover for this position.

Here are the steps:

1. Annual wage		\$	
2. Gross-up for benefits	x		1.30
3. Total wage		\$	
4. Turnover cost	x		0.25
5. Cost per employee		\$	
6. Ex-employees	x		
7. Total turnover cost		\$	

Here's an example:

1. Store manager salary		\$	67,480
2. Gross-up for benefits	x		1.30
3. Total wage		\$	87,724
4. Turnover cost	x		0.25
5. Cost per manager		\$	21,931
6. Ex-managers	x		10
7. Total turnover cost		\$	219,310

FYI

Don't waste money on government forms, posters

Various government agencies are warning employers about misleading ads suggesting that you must buy certain government forms and posters from private companies. In truth, most documents that you need to use and post in your workplace can be found free on government web sites. *Example:* The U.S. Department of Labor's poster page, www.dol.gov/osbp/sbrefa/poster, lets you download most labor-related posters. **Tip:** Web sites ending in ".gov" are the only official government sites. Some private ".com" sites sell government documents using official-looking sites.

Use photos to put a face (not just a name) to new hires

"Ryan Bell joins our staff, starting next Monday." Such e-mails are great, but unless employees are in Ryan's department, they may not know him as he passes by in the hall. *One solution:* Take photos of all new hires and post the pictures in a high-traffic area. That way, co-workers can easily identify them and greet them with a "Hi [name], welcome to the company!"

Free online tools can test applicants' computer skills

To discover how fast and accurately applicants can type, sit them down to take a free typing test on www.typingtest.com. It works in your web browser and gives words-per-minute results, plus accuracy numbers. Test an applicant's Word, Excel and PowerPoint skills at www.ExpertRating.com.

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, senior VP of compensation at Salary.com.

Request certification at start of each FMLA year

A new U.S. Department of Labor's opinion letter makes clear that you can require employees to provide new medical certification—not just recertification—for their first FMLA absences in a new "FMLA year." (You can choose to calculate FMLA leave for employees in one of four ways, including as calendar years or a 12-month period starting at the employees' first FMLA absence.) That opinion letter holds true with a court ruling that said FMLA leave "cannot be taken 'forever' on the basis of one leave request."

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