
EMPLOYMENT NOTES

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A Road Map for the Next Year

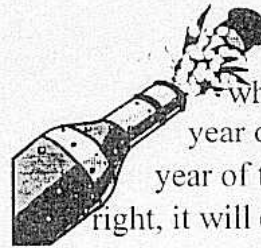
The last in a series of articles leading up to the new Millennium.

Most employers want to enter the New Year in good shape to expand their businesses. The extended economic boom does not always translate into good times in the work environment. A shortage of qualified employees has marred the current employment picture. Many employers are finding that they are recruiting from the "bottom of the barrel," as the majority of top employees are already employed in satisfactory positions. This means that they must take less and develop this resource, or pay much higher wages to lure the employed out of their current positions. Either way, it is expensive and time consuming.

The following is a "Things to do List" for the next year with regard to Human Resources.

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New Year's Greetings!



Some folks are debating whether the year 2000 is the last year of this millennium, or the first year of the next. Regardless of who is right, it will certainly be a new year soon.

Our regular readers know that the last year has marked major changes for Claremont Management Group, Inc. Early this year, we opened our office in Northern Virginia. Shortly thereafter, we agreed to merge with MTI Global Group, Inc. During the year, we have formed alliances with other successful consulting firms to provide a wide selection of quality human resource training and consulting services. Later in the year, another acquisition by MTI has expanded our group into Richmond, VA. Next year is sure to hold more excitement for us. Future issues of this newsletter will keep you up to date.

All of us within the MTI-Claremont family wish you the best of holiday seasons and a prosperous and successful New Year.

New Website On The Way

MTI-Claremont Press, publishers of this newsletter and a division of The MTI Global Group, Inc., will launch a new website in the New Year. A cyber bookstore, www.resolutionbookshop.com will feature titles dealing with human resources, strategic planning, facilitation, partnering, conflict and resolution. All materials available through Resolution Book Shop are offered at a discount. Target date for completion of the new website is January 2000.

Watch for the site. We think you will enjoy it and find helpful material there.

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1. REVIEW HIRING AND RECRUITING PRACTICES

Competitive companies know what they are doing. They have analyzed where the best employees are coming from, and they work those areas. Current job descriptions are used to find employees who match the company's needs. For some employers, they use the growing Internet job posting opportunities. For others, the Sunday classified ads work best. The managers doing the interviewing have received comprehensive training and they are capable of selecting good employees. Pre-employment and pre-placement procedures are in place to screen in good prospects and screen out the poor prospects. Everything has been reviewed for EEO compliance. Applicants' backgrounds are carefully researched for prior problems that could effect the workplace. Substance abuse screening is a standard party of the process. Salary and benefits surveys have been done, and the employers know that they are providing at least the going rate in both salary and benefits.

A growing number of companies are requiring employees to agree in writing to alternative dispute resolution procedures, ("ADR"), prior to beginning work. This avoids the trauma associated with workplace disputes and forces employees to us a non-litigation approach to resolving problems. The most common approach is an in-house grievance procedure. If the complaint is not resolved, the complaint is then referred to mediation with a qualified neutral. If the complaint is still not resolved, binding arbitration with a qualified neutral is the most common final step. This approach is not without controversy. However, a properly structured program should pass judicial review in many jurisdictions. For additional information, see *Employment Notes*, Summer 1998.

2. INVEST IN CURRENT EMPLOYEES

The Chairman of the Board approaches the podium at the Annual Meeting. He or she is likely to say early in the speech, "Our employees are our most valuable asset." Nice window

dressing, but is it true? Careful review in many cases reveals that buildings and equipment get more attention than employees. A comprehensive performance appraisal system is important for all businesses with more than a few employees. Employers should have a plan for the entire organization. Employee development should fit employer needs and employee objectives into a comprehensive structure. Once the plan is developed, training and other tools are used to help employees achieve their goals and the employer's plan. TQM, team work programs, and internal and external programs provide a host of opportunities to improve the current workforce.



3. GET ORGANIZED

Employee handbooks for all employers, and comprehensive policy and procedure manuals for larger employers, should provide structure for managing the human resource. These materials are not evergreen. If your company has not had its handbook or manuals reviewed recently, the first of the year is an ideal time to do so.

4. IMPROVE CURRENT SALARIES AND BENEFITS

It is far more expensive and risky to find replacements for current employees than to keep the current productive ones. Always pay competitive wages. Employers should continuously review and update their benefit plans. New benefits, like long term care for employees and elder care for the families of employees, are becoming popular benefits. Cafeteria plans are also becoming the standard for even relatively small companies. To motivate employees to work hard and stay with the employer, stock incentive plans and ESOP's are also being adopted by a growing number of companies.

This writer predicted that unionization efforts would increase in the late 1990's, (See *Employment Notes*, Winter 1997). This has happened. Employers cannot rest on the fact that

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their workforces have not been approached. What you do not know can hurt you! Adopting good human resource procedures and following them is the key to avoiding unions. Employers have also been encouraged to make sure that their wages and benefits are comparable to unionized facilities in their area.

5. IMPROVE WORKPLACE SAFETY AND SECURITY

Accidents injure, disable and kill employees throughout the country every day. While the rare accident is unavoidable, most can and should be prevented. A review of all safe work practices should be done on a regular basis. Training and periodic safety meetings should be part of a comprehensive program of safe practices.

The news has recently carried a host of stories of senseless shootings in various workplaces. Geography, company size and demographics of the employee varied, but the result was the same: employees injured and killed. It is critical that employers control access to their workplaces and provide a secure environment. For some suggestions, see *Employment Notes*, June 1995.

As parents, none of us want to hear that our child did not come home from work today due to an accident. As employers, none of us want to travel to see an employee's spouse or parent to tell them that their loved one has died in a senseless accident or attack. Taking action now is one of your best investments in the coming years.

6. CONTROL EMPLOYEE THEFT

This is an unpleasant topic, but the fact is, some employees will steal from their employers. The frequency and the amounts of the losses indicates that employers are not doing enough to control employee theft. Basic rules should be followed. Checks and balances on checkbooks and financial systems are essential. Businesses need to have senior employees review activities on a regular basis. Especially vulnerable are cash businesses like fast food, entertainment, and field

services. Checking receipts and prior revenue against current revenue is important.

In a recent case, a small entertainment business had a group of five or six young employees. The two managers were in their early



20's, the other employees were in high school. The owners suspected that the theft level was over \$100,000. The owners placed a hidden video camera on site and watched for a week as employees placed cash directly in their pockets and voided legitimate purchases to place additional funds in hand. While the case was resolved quickly, prevention would have saved this company a great deal of losses.

While the above list is by no means exhaustive, it gives employers some things to consider as they prepare for the New Year. Our prior newsletters are archived on our Web site, go to www.cmgservices.com, and click on the Newsletters link.

Employee Substance Abuse Continues

According to a recent report by the U.S. Department of Health and Human Services, 8 percent of full-time workers have used illegal drugs within a one-month period. The same percentage also had reported consuming five or more alcoholic drinks on one or more occasions within a month. The size of the company made a difference. Large companies only had 13% of those with reported drug use. Small, fewer than 25 employees, and medium, up to 499 employees, had roughly equal amounts at 44 percent and 43 percent, respectively. Younger workers disproportionately reported drug and alcohol use. The two industries with the highest levels of use were construction and restaurants.

Despite the bad news, this is still a big improvement from 17.5 percent usage reported in 1985. The credit for this reduction is largely due to improved workplace substance abuse programs. What is the status of your company's substance abuse program?

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