



JMT & Associates, LLC

Human Resources & Safety Consulting

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PEOPLE POINTERS

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NOTICE TO OHIO EMPLOYERS

On November 7, 2006, Ohio voters passed two new laws. These new laws are both now in effect and have specific compliance requirements for Ohio employers.

Ohio's Indoor Smoking Ban

This new law requires "public places" and "places of employment" to prohibit smoking at these places. These businesses must also post "No Smoking" signs that contain the telephone number 1-866-559-6446 for reporting violations. Businesses must also remove ashtrays and other smoking receptacles.

While the Ohio Department of Health and other organizations work through the rule-making process, businesses and organizations will be required to comply with the statute.

Ohio Minimum Wage Admendment

Gov. Bob Taft signed House Bill 690 into law before leaving office. This legislation implements the admendment to the Ohio Constitution that increases the state's minimum wage and imposes related

record-keeping and record-disclosure requirements on employers.

With few exceptions, every employer in Ohio must pay its employees at least \$6.85 per hour. This amount will automatically increase annually by the rate of inflation.

What's Ahead?

As we wait for the details of these two new laws to be worked out, it is important that each Ohio employer become familiar with these laws and ensure compliance at their company.

Your company attorney should be consulted to answer questions on your particular situation.

Note: See additional article on this topic below.



Types of Organizations

By: Sandra Kay Neal, Ph.D.,
Industrial Organizational Psychologist

There are two basic dimensions along which organizations differ: people orientation and task orientation. Both dimensions are necessary for effective organizations. The people orientation dimension

focuses on valuing the humanness of the employees, the customers, and the vendors. Organizations high on this dimension take into account the needs of all the people connected to the organization. The employees know each other's personal interests. The management takes the personal lives of the employees into account. The employees recognize the personal concerns of management. Vendors and customers are treated as valuable, and efforts are made to ensure that this concern is evident in company policies.

The task dimension focuses on the work that the organization does. Organizations high on this dimension ensure that practices and policies ensure that the work is done efficiently at a quality level.

Highly effective organizations focus on both dimensions simultaneously. Both are equally valued.

However, some organizations focus primarily on one dimension, which results in less effective organizations. Organizations that are too focused on people neglect the task. Employees spend too much time talking with each other about their personal issues. Management is willing to allow less work to be done or accept



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lower quality work in a mistaken effort to be kind to employees. Organizations that are too focused on task neglect the people component. Management is harsh. There is no teamness to the work team. Employees are unwilling to work together. There is an atmosphere of tension and fear.

Some organizations attempt to cover both dimensions but are unable to do them simultaneously. They end up wavering between the two dimensions, focusing first on task until the employees appear upset, then focusing on people to the detriment of task, then swinging back to excessive concerns about people, etc.

Executive management sets the tone for organizations. When executives focus on both dimensions simultaneously, that filters into the whole organization. The result is a highly efficient system that allows people to shine at their tasks.



Employee Absenteeism

By: John M. Turner, Ph.D.,
President & CEO

What is employee absenteeism? We will define it to mean any time an employee fails to report to work as scheduled or to stay at work when scheduled. The reason for the absence does not

matter in our definition. Why should employers be concerned about employee absenteeism? The answer is simple. Employee absenteeism is very expensive. These costs are broken down into two categories. Direct costs include lost wages and decreased productivity. There are also indirect costs that may underlie excessive absenteeism.

We are not saying that your company's goal should be to have zero employee absenteeism. This would be unrealistic. We know that a certain amount of absenteeism is unavoidable. Some of the more common legitimate reasons for absenteeism include: sickness, accidents, serious family problems, and funerals. Our concern is more toward chronic absenteeism which may be a signal of some deeper problem in the work environment. In many cases employees see no real concern about being absent or late to work on an occasional basis. Our experience shows that in most companies a relatively small number of employees are responsible for a disproportionate share of the total absenteeism.

It is important for every company to know the extent of its absenteeism rate. Depending on the size of your company, the measurement may be for the entire company or may be broken down by individual departments or crews. There is no universally accepted definition of "absence" nor a standard formula for computing

absenteeism rates. However, the most common method is recommended by the U.S. Department of Labor. The formula is as follows:

(Number of worker-days lost through job absence during the period) / [(Average number of employees) X (Number of work days)] X 100

Let's look at an example:

You have 22 employees and they miss 6 worker-days during the month. Note: This could be six employees each missing one day or one employee missing six days. The month has 20 scheduled work-days.

$$\frac{6}{22} \times 100 = 1.4\%$$

(22) X (20)

Your employee absenteeism rate for this month would be 1.4%.

Typically, days absent whether excused or not are counted in this formula. Scheduled vacations, holidays, and leaves of absence are not counted. If you want to see how your rate compares to similar companies, the Bureau of Labor Statistics has this data available.

Once you have a system to track and measure your absenteeism, how can you begin to control it? Voluntary absenteeism is easiest to control when the specific causes are understood. Based on data from "CCH Absenteeism Survey" conducted a couple of years ago, the reasons for



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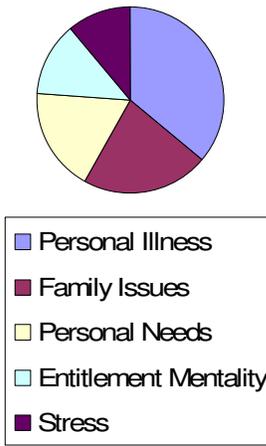
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unscheduled absences were as follows:

Unscheduled Absences



Once you understand the causes, there are a variety of approaches to reduce absenteeism. The first step is to develop a written policy. The policy must be communicated to each employee, usually via the employee handbook. It is critical that supervisors fairly and consistently enforce the policy. Below are examples of different approaches that may be utilized:

1. Disciplinary approach: This is by far the most common approach. Employees who are absent receive progressively more severe discipline as they continue to be absent. A typical progression of discipline would include: oral warning, written warning, suspension, and finally termination.
2. Positive reinforcement: This method includes giving employees money, recognition,

time off or other rewards for meeting attendance standards.

3. Combination approach: This method rewards desired behavior and punishes undesired behaviors. Sometimes this method is referred to as the “carrot and stick” approach.

4. “No fault” policy: Under this type of policy, the reasons for absences do not matter. Employees must manage their own absenteeism. Once pre-determined limits are met, disciplinary action up to and including termination is given. Some policies will offer rewards for 30 days of perfect attendance. Supervisors are not required to judge whether a specific absence should be excused or not excused. This type of approach can be applied fairly to all employees.

5. Paid-time-off (PTO) programs: Vacation time, holidays, and sick leave for each employee are combined into a PTO account. Employees use days from their account at their discretion for illness, personal time, or vacation. If any employee runs out of days in their account, then they are not paid for any additional days missed. PTO programs generally have reduced absenteeism, particularly one-day absences, but they often increase overall time away from work.

While you may find that your overall absenteeism rate and costs are within an acceptable range, it is still very important to

study the data. The success of your company depends on each employee reporting to work on-time and working all of their scheduled hours. Managing employee absenteeism should be an integral component of your Human Resources plan.



A Healthy and Happy Environment

By: The Safety Department



People are your number one asset. A successful business employs healthy and happy employees. To acquire and maintain healthy / happy employees, their welfare and security must be of great importance to you.

Promote growth and development for safety, health, and environment. Invite your employees to become part of the solution, instead of the problem. “GET THEM INVOLVED”. Encourage innovative and new ideas such as a rewards program for health & safety goals. Set up health awareness programs with the help from your local hospital or industrial clinic in which the spouses, children and community can participate.



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Start a clean environment poster contest for the area schools where many of your employee's children attend. Communicate your company's commitment. Not only will your company benefit, but so will your company's employees, families, clients, stakeholders and local communities.

Your vision should be to have a healthy workplace free of accidents, injuries, and incidences. All accidents, injuries, and incidences are preventable. Your safety policies, plans, systems and programs must be developed, implemented and enforced throughout your company. They must have the commitment of Senior Management with positive reinforcement from all employees.

For the success of your company, your employees, their families and your community, we encourage you to begin your commitment today. Research the programs that are available, request information and training on getting employees involved. Set goals and expectations, and then let your employees take it from there.

You will soon see the benefits your commitment has made to your company and the people who make its success all possible, your employees.

Good Luck and have a Healthy Happy New Year!



Ohio Minimum Wage

By: Bryan S. Mollohan,
Attorney at Law
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As of January 1, 2007 many Ohio employers are required to pay a minimum wage of \$6.85 per hour. Each year the minimum wage will increase by the rate of inflation for the prior 12 months.

Exceptions to the new minimum wage law include employers that operate small businesses that have less than \$250,000 in annual gross revenues and employers are not required to pay the new minimum wage to employees that are under the age of 16. However, those employers are still required to pay their employees at least the federal minimum wage. If an employer fails to pay the federal minimum wage, they will violate both federal and Ohio minimum wage laws.

Some other exceptions to the new law do exist such as employers with tipped employees who can pay as little as one half of the new minimum wage, as long as the tips make up the remaining half. People with family owned businesses do not have to pay the new Ohio minimum wage to their own family. People who have employees who work in or about the property of the employer or individual's residence are not covered by the new minimum wage law. Further, if certain requirements are met employers may pay individuals who have a

disability that affects their opportunity for employment a wage rate below the new minimum.

Under the new law an employer must keep certain employee records for a minimum of three years after the employee's last day of work. These records include the employee's name, address, occupation, hours worked for each day worked, the amount paid to the employee, and the employee's pay rate. An employer who fails to comply with the new minimum wage law may become the subject of investigation by the State of Ohio and may become a defendant in a lawsuit brought by the State of Ohio, the employee or agents acting on behalf of the employee.

Under the new law, if an employer is found by a court of competent jurisdiction or the State of Ohio to have violated the minimum wage law, the employer will be required to pay the employee's back wages, pay damages equal to an additional two times the back wages and pay the employee's costs and reasonable attorneys' fees.

The law also prohibits employers from retaliating against individuals who provide assistance to employees asserting their rights. Employers who retaliate must pay an amount "sufficient to compensate the employee and deter future violations," which amount is not less than \$150.00 for each day that the violation continued.



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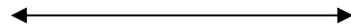
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The new law's provisions requiring employers to pay attorney fees and costs create a tremendous deterrent to employers and give the law real teeth.

As always, a written program of compliance will go a long way to avoiding a potential lawsuit and will create a better work environment for your employees.

This article should NOT be considered legal advice. If you require legal advice, you should contact your legal council.



SURVEY

Mixed Review

The current state of the job market is not entirely clear, according to the results of a new survey of 1,015 full-time employees. Respondents said job growth is:

A mixed bag: 45%
Continuing to improve: 24%
Erratic and minimal: 22%
Don't know: 9%

Source:
Adecco, New York



ABOUT US

JMT & Associates, LLC is a full service Human Resources (HR) and safety solutions provider. We partner with small, mid-size, and large companies to develop and improve HR processes and procedures. We offer extensive "real-world" experience in a variety of industries, including: manufacturing, service, union, union-free, profit, not-for-profit, private, and public sectors. Our level of involvement ranges from complete management of your HR needs to providing project-based assistance to your in-house HR person, depending on your specific business requirements. These services range from basic policy development to in-depth HR strategic planning. We begin with a comprehensive HR assessment of your current policies and procedures, then we provide a detailed analysis and a "roadmap of recommendations" to maximize your HR investment. We then provide the necessary follow-up to ensure process effectiveness.

Areas of Expertise: Coaching & Leadership Development, Compensation & Benefits, HR & Safety Compliance, Diversity, Employee Relations, General HR, HR Assessments, HR Policies & Procedures, HR Strategy & Planning, Labor Relations, Organizational Development, Performance Management, Job Analysis, Job Descriptions, Employee Assess-

ments, and a variety of HR & Safety training courses.

Legal Note: JMT & Associates, LLC provides services in conformance with best practices of the human resource profession, but is NOT engaged in rendering legal advice or services. While implementation of effective HR management programs and systems significantly reduces potential legal liability, should legal assistance be required the company is advised to utilize the services of a competent legal professional.

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