



# JMT & Associates, LLC

## *Human Resources & Safety Consulting*

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## PEOPLE POINTERS

Volume 5, Issue 4 October 2008

### **New Ohio Minimum Wage**

Effective January 1, 2009 Ohio's minimum wage will increase as follows:

- \$7.30 per hour
- \$3.65 per hour for tipped employees (plus tips)

The Ohio minimum wage is \$6.55 per hour for:

- Those employees whose employers gross \$267,000 or less
- 14 & 15 year olds

On July 24, 2009 the Ohio minimum wage increases to \$7.25 per hour for:

- Those employees whose employers gross \$267,000 or less
- 14 & 15 year olds

**Don't forget to update your poster.**

### **Reminder**

The IRS is set to release the 2009 version of its mandatory Federal W-4 form. All employers are required to have the most recent version of the

W-4 form available for employees.

### **ADA Amendment**

On September 25, 2008, President Bush signed into law the ADA Amendments Act. This is the first legislative change to the Americans with Disabilities Act of 1990 (ADA). The law becomes effective on January 1, 2009.

The most significant changes to current law contained in the ADA Amendments Act are as follows:

1. Excludes consideration of mitigating measures.
2. Expands the definition of "Regarded As" prong.
3. Establishes new list of major life activities.
4. Broadens construction.
5. Authorizes regulations.

Each employer that is subject to the ADA regulation should become familiar with the details of the above changes.

Each company should provide ADA training for all supervisors and managers.

### **Managing Effectively in a Crisis**

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

This is a time of crisis for most business organizations. Business is always uncertain, but the current uncertainty is beyond the scope of what most companies have dealt with in the past. The unthinkable has been happening so that old patterns of expectations are no longer trusted.

Two things are necessary to manage effectively in a crisis time. One is managing the uncertainty of the business climate. The other is managing the fear of the employees. Both require that management address the concerns head-on.

Management needs to recognize that business as usual is not possible. The traditional approaches won't work. The standard policies and procedures could backfire. To deal with the uncertainty of the business climate requires management to think "outside the box." Pretending that this is a typical business cycle could lead to disastrous decisions. Instead, management needs to create a variety of scenarios and develop new ways of addressing them. Bringing in outsiders who could see things in new ways would be



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a good way of not missing things that people steeped in the organization could miss.

Management also needs to recognize that their employees are as frightened as management is. The best way to handle employee fear is to be honest with employees about what management is dealing with. Telling employees after a decision has been made is less effective than telling employees about the decision process and sharing the options management is considering. Asking for employee input can provide an outsider viewpoint so necessary to seeing things in a new way. Employees will also be more supportive of a decision if they have had a chance to provide input.

If it is necessary to cut back on budget items, employees need to see management taking the biggest cuts. Employees can also be the ones who can see possible ways of reducing budget areas that management might not have seen.

If the whole organization is working together to address the crisis, the whole organization can become stronger and find creative solutions to the problems.



### **Employee Performance Appraisals – Part 7**

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

*This article continues our series on employee performance appraisals. Previous articles have appeared in our past newsletters and can be found on our web site.*

The next method is called Narrative. The first type is called the Critical Incident. The manager keeps a written record of both highly favorable and unfavorable actions performed by an employee during the entire rating period. Sometimes this method is used with other methods to document the reasons for a particular score.

The second type is called the Essay. The manager writes a short essay describing each employee's performance during the rating period. This may be done with or without specific guidelines. The rater usually categorizes comments under a few general headings. This method allows more rater flexibility. This method is often combined with other methods. The effectiveness depends on the rater's writing skills.

The last method we will discuss is called Management by Objectives (MBO). This method specifies the performance goals that a manager and employee mutually identify. Each manager sets objectives derived from the

overall goals and objectives of the company. The typical process includes the following steps:

- Job review and agreement.
- Development of performance standards.
- Setting of objectives.
- Continuing performance discussions.

This method is most effective when managers and employees have a fairly high range of flexibility and control over their jobs.

We advise our clients that no single appraisal method is best for all situations. Most of the time, a combination of the above methods will be the most effective. A combination approach can offset some of the advantages and disadvantages of individual methods.

### **MANAGER TRAINING**

Training managers and employees on performance management and conducting performance appraisals is very important. This importance comes from both a legal and effectiveness perspective. Managers who understand the program are more likely to use the program effectively. Unfortunately, we know of many companies that do not provide this training. How do we expect our managers to know how to properly evaluate their employee's performance, if we don't teach them how?



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When training employees, the focus is on the following areas:

- The purpose of the appraisal.
- The appraisal process and timing.
- How performance criteria and job standards are linked to job duties and responsibilities.

When training managers, the focus is on the following areas:

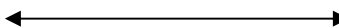
- Appraisal process and timing.
- Performance criteria and job standards that should be considered.
- How to communicate positive and negative feedback.
- When and how to discuss training and development goals.
- Conducting and discussing the compensation review.
- How to avoid common rater errors.

What are some of the common rater errors that we see?

- Varying standards – applying different standards and expectations for employees performing similar jobs.
- Recency effect – rater gives more weight to recent events.
- Primacy effect – rater gives more weight to

information received first.

- Central tendency – rating all employees within a narrow range in the middle of the scale.
- Leniency error – rating all employees at the high end of the scale.
- Strictness error – rating all employees at the low end of the scale.
- Rater bias – occurs when the rater’s values or prejudices distort the rating.
- Halo effect – occurs when the rater scores an employee high on all job criteria because of performance in one area.
- Horns effect – occurs when the rater scores an employee low on all job criteria because of performance in one area.
- Contrast error – this is the tendency to rate employees relative to others rather than against performance standards.
- Similar to me – raters are sometimes influenced by whether people show characteristics that are the same as their own.
- Sampling error – this occurs when the rater has only seen a small amount of the employee’s work



### **Incentive Programs: Are They Really a Benefit?**

By: Vicki Hershey  
Independent Safety Consultant



If you have tried to implement a safety incentive program and experienced failure, don't be a quitter. These programs often fail because to employees, they are just another program. What you need is a program where employees are involved. Be honest with your employees. Involve them in the problems and costs that affect your company's future, such as absenteeism, repeated injuries and high-risk issues such as smokers or fitness. Most companies underestimate their employees. Allow employees to brainstorm ideas on methods of improvement. No idea should be discarded. After brainstorming, give each employee three (3) votes on which ideas they like best. Choose the #1 idea and begin. By giving each person a vote, you have begun to empower your employees; you have begun a behavior change.

Assign CATS (corrective action teams). Assign each CAT a task using your brainstorm list. You

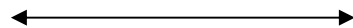


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can have one CAT or multiple CATS with contests measuring the most improvement. Provide employees with education, give them the tools needed to design and implement improvement programs. The program(s) should be fun and supported by top management on down the line. Achievable goals must be set and clearly and quickly evident to keep the attention of employees. Graphs are a fun way of monitoring progress. Progress reports or graphs should be posted so all employees can watch and be part of the improvement process. Rewards are great incentives. They can be as simple as a certificate or blue ribbon presented to the CAT and most improved employee, or as large as a \$50.00 gift card. They can also be personal rewards, such as lunch with a VP. Whatever you choose, following through is vital to the success of your project and future projects of your company. Employee involvement is the key to the success of your program because it is a behavior change instead of a quick fix, which usually results in failure.



### **Hiring the Best Talent**

By: Bonnie L. Thompson, M.A.O.M.  
Independent Consultant

According to the Society for Human Resource Management (SHRM), many job seekers feel

that a hiring manager wouldn't know a good candidate if they saw one. In a survey of 620 organizations representing small, medium and large companies, across a variety of industries, a majority of respondents said external competition for skilled labor and a shortage of appropriate skills among candidates as the top concerns in talent acquisition. Workforce planning was cited by respondents as their greatest challenge.

#### **Why are some organizations hiring the best talent while others struggle?**

According to the survey, companies with best-in class performance shared several common characteristics:

- 89% foster collaboration between hiring managers and recruiters.
- 79% actively use their web sites as a tool for showcasing their organization's culture and job opportunities.
- 76% prescreen job candidates for technical competencies.
- 74% have a strong understanding of which applicant sources provide the best quality job candidates.

#### **What can organizations do to improve their talent acquisition program?**

Successful organizations suggest:

- Enhancing the company's brand and reputation in the market.
- Proactively searching for so-called passive candidates.
- Marketing to younger workers through new means, such as Internet social networking sites.
- Adopting programs that cater to the flexible work preferences of older workers.
- Creating or improving a data base of desired active and passive candidates.
- Increasing the use of assessment tools that help define common skills, behaviors and attitudes of top performers.
- Developing processes and tools that help obtain process feedback from new hires and hiring managers.





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### **Helping Families Save for College**

By: Jacqueline T. Williams, Executive Director, the Ohio Tuition Trust Authority

We all know how important it is for our children to have a college degree. Today a college degree is a necessity and no longer a luxury; it is a “must” to compete in today’s work force. A college degree can also pay off financially. According to the U.S. Census Bureau, adults with a college degree earn \$19,300 a year more than adults with only a high school diploma. This is reason enough for high school students to extend their educational learning beyond high school.

In Ohio, for every 100 ninth graders: 68 graduate from high school; 40 enter college; 27 are still enrolled for their sophomore year of college; and 18 graduate from college within six years, according to a report prepared by The Pell Institute for the Study of Opportunity in Higher Education, “State of College Opportunity in Ohio 2005.” Ohioans understand the importance of a college education, but obtaining a college degree is still at a low within our state.

For many Ohio families, the decision to send their children to college is based on whether the family has the required financial resources. To help Ohio families prepare financially for college expenses, the Ohio General Assembly created the Ohio Tuition Trust Authority to

help families save for college through easy, affordable savings programs. The Tuition Trust offers the CollegeAdvantage 529 Savings Plan providing families a simple, affordable and tax-advantaged way to save.

Over the years, Ohio’s 529 college savings plan has evolved from a prepaid tuition plan to offer an array of market-based investment options for families to select. Most 529 savings plans offer families the choice of a broad range of investments from age-based options that automatically rebalance assets based on the age of the child to various static options. With a goal of helping families save for college many states offer these investment options at a low minimum cost, some as low as \$15. While other states offer matching programs to help encourage lower-income families to start saving. Along with favorable tax treatment on the earnings of 529 college savings plans, these plans have become the equivalent of 401K plans for college savings.

A 529 plan is a tax-advantaged investment vehicle designed to encourage saving for the future higher education expenses of a designated beneficiary (typically one's child or grandchild). The plans are named after Section 529 of the Internal Revenue Code and are administered by state agencies and organizations. Currently, 49 states and the District of Columbia offer 529 plans.

Ohio’s 529 plan provides Ohio families with a flexible program offering many features and benefits that make it easy and affordable to save. A CollegeAdvantage account can be started with just \$15 and contributions can be made through automatic deduction from a bank account, through payroll deduction, online at [www.collegeadvantage.com](http://www.collegeadvantage.com) or by check through convenient contribution slips.

A key benefit to Ohio’s 529 plan is the tax advantages. Investors pay no taxes as funds grow and withdrawals used for any qualified higher education expenses are exempt from both federal and Ohio income tax. Earnings on withdrawals not used for qualified higher education expenses may be subject to federal income tax and a 10% federal tax penalty. Ohio’s plan is the only 529 college savings program that allows Ohio taxpayers to deduct their contributions from Ohio taxable income. Each contributor (or married couple) can deduct up to \$2,000 per beneficiary, per calendar year, with unlimited carry forward in future years. For example, if you contributed \$2,000 to accounts for each of your three children, you could deduct \$6,000 from your taxable income for state of Ohio income taxes. Or, if you contributed \$6,000 for one child in one year, you could deduct \$2,000 from your state of Ohio taxable income in each of the next three years. The deduction is not limited to the parents of the



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beneficiary. Any person contributing to a beneficiary's account is eligible to take the deduction: parents, grandparents, other relatives, even family friends. Each contributor who is an Ohio taxpayer can take the Ohio state tax deduction.

CollegeAdvantage offers a variety of professionally managed investment options from leading investment firms including The Vanguard Group and Putnam Investments. The Tuition Trust also offers an FDIC-insured savings account and certificate of deposits from Fifth Third Bank. CollegeAdvantage offers a variety of age-based investment options where the underlying investments become more conservative as the beneficiary gets closer to college-age. The plan also offers risk-based investment options where the underlying investments remain in the same fund or combination of funds regardless of the age of the beneficiary. In addition, the plan offers a variety of conservative options including FDIC bank options from Fifth Third. CollegeAdvantage funds can be used at any college in the country. Funds in CollegeAdvantage can be withdrawn at any time or transferred to another family member including cousins. The account owner has the option to change investment options once per calendar year.

A college education not only offers the benefit of higher earning potential, but also

contributes to the economic vitality of the community. A college education helps to produce higher salaries and personal savings. College can help to improve greater personal and professional mobility and decrease reliance on government financial support. A college educated society also helps reduce crime and increases charitable giving and community service. A college education can help improve the quality of life for our children.

To find out more about CollegeAdvantage log on at [www.collegeadvantage.com](http://www.collegeadvantage.com) or call 1-800-AFFORD-IT (233-6734) to receive additional information.

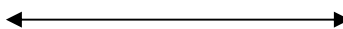


### **SURVEY**

#### **Letting Off Steam**

Thirty-two percent of 587 employees said they spend 20 or more hours in an average month complaining about, or listening to others complain about, bad bosses.

Source:  
Development Dimensions International, Inc., Pittsburgh



### **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 Assessments, and a variety of HR & Safety Training courses.

**Legal Note:** JMT & Associates, LLC provides services in conformance with best practices of



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