

Human Resources/ Human Capital

The management of
employees/workforce as
capital assets.

Macro HR-Big picture; what
HR means to your company;
where it fits in.

Micro HR-How you execute
the big picture stuff. How you
translate the meaning of HR
to your everyday workplace.

Labor & Employment Law

This is the branch of HR/
HC which regulates the
workplace via law/
legislation.

It's the government
regulating the workplace;
trying to level the playing
field for all people of all
races, creeds, etc.

Preventive/Proactive HR vs. Reactive HR

Generally, focusing on HR related issues before or as they arise is cheaper & easier then focusing on them after they occur.
Statistics as well as personal experience supports this.

Factors Affecting How Labor & Employment Laws are Created, Administered & Enforced

- Economy
- Lawyers, Judges, Arbitrators, Mediators, Juries
- Business & Trade Associations, Chambers of Commerce
- Lobbyists, Political Groups & Associations
- Voters
- Labor unions & employee groups & associations
- Community, civil rights, social services & faith based groups & associations
- Global business concerns

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- It all boils down to money—
how much, to whom does it go
to, when, where & why.
- When you can sufficiently
determine how much an
employment action (or non-
action) will cost, then you can
better determine what to do or
not do.

Potential Cost of a Labor & Employment Law Dispute

- Costs \$5k to train 200 employees at \$25 each on employment issues like harassment & discrimination
- If this company is sued, it costs about \$155k to litigate case & \$85k to settle

BUT

- If same company doesn't train employees & is sued, it costs about \$960k to litigate & \$300k to settle

Above according to Jury Verdict Research's 2004 Statistics
Unfortunately, more recent statistics are difficult to come by.

Employment Agreements

Reasons to use EAs include:

➤ Discouraging some sort of employee conduct, or to define rights, benefits, conditions & terms of employment;

➤ Pre-hire, post-hire (e.g., severance, separation), during employment (e.g., promotions, demotions & waiver of any legal or statutory rights).

When considering whether to use such an agreement, a business should determine the following:

➤ What employee conduct is being managed?

➤ What's being protected? How much is it worth?

➤ What will it cost to enforce the agreement in case of breach? What are the actual and foreseeable damages due to breach?

➤ How much is lost vs. saved or gained by using these agreements? It's all about the money.

➤ Will this be a stand-alone agreement or part of the business' normal operations? Should the language and format of the agreement reflect the business' employment policies in tone and language, or is it completely isolated?

3 Things Which Will Help Prevent Disputes

- “Golden Rule”—Treat others as you’d like to be treated.
- Pay your employees on time & accurately.
- Communicate with employees; don’t blow off problems/issues/questions/concerns.

2012 Labor & Employment Trends Outlook 1/2

- It's not good! Continuing sense of vague uneasiness
- Employment outlook isn't good. We're in a recovery but tens of thousands of people left behind. 8%-10% unemployment gov't reported. Real rate is about 15%-20%.
- Greater local & state enforcement of employer taxes & fees (e.g., overtime, classification, immigration)

2012 Labor & Employment Trends Outlook 2/2

- More union organizing activity—but unions still less successful @ organizing & negotiating; but, they're more agitating/provoking
- Greater employee & workforce contentiousness (us vs. them; more than from 2000-2007); also us vs. them mentality growing between private sector and public sector, & small businesses vs. big businesses
- Retirements Benefits/Funds Still Losing Value but at Rates Slower Than Recent
- Intense uneasiness about employer provided health insurance due to changes in regulation of health care & insurance.
- Reductions in Force (RIFs) Continue @ Rapid Rate
 - Means More Protected Class Disputes Especially Age (40 & older)