

Measured Success! Raising the Bar in HR

Issue VI, June 2005

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LEGISLATIVE UPDATES

Many legislative changes have occurred that impact various human resource regulations. Before you go on vacation, review the following developments:

FAIR CREDIT REPORTING ACT The act was amended to reverse the infamous *Vail Opinion Letter* which was interpreted to require employers to follow the notice provisions when conducting sexual harassment investigations through a third party. (December 2003)

PA UNIFORM TRADE SECRETS ACT The act was updated to provide a specific definition of trade secret and allows for injunctive relief. (April 2004)

COBRA Regulations were updated to require two new notices: Notice of Unavailability to be sent when a person is no longer eligible for COBRA coverage and Notice of Termination to be sent when COBRA coverage is terminating. (May 2004)

LABOR RELATIONS (IBM Corp.) The NLRB once again reversed itself and ruled that the right to have a co-worker present at a meeting that might lead to discipline is not extended to non-union employees. (June 2004)

FLSA Regulations revised the salaried and duties test for white-collar exemptions. Visit www.dol.gov/esa/regs/compliance/whd/fairpay/main.htm for more information. (August 2004)

UNEMPLOYMENT COMPENSATION *Harkness vs. Unemployment Compensation Board of Review* requires employers to have legal representation at unemployment compensation hearings for the purpose of cross-examining, etc. (February 2005)

USERRA The *Veterans Benefits Improvement Act* amended USERRA to require all employers to post notice to workers of their rights to military leave pursuant to USERRA. (March 2005)

FAIR AND ACCURATE CREDIT TRANSACTION ACT New disposal provisions went into effect to require reasonable measures such as shredding, burning, and pulverizing paper documents and erasing computer files must be done to protect information such as social security numbers, drivers license numbers, etc. (June 2005)

PA UNEMPLOYMENT COMPENSATION June 15, 2005 the *Harkness* decision which required legal representation at unemployment compensation hearings was nullified by the adoption of S.B. 464.

PA REFERENCE CHECKING Also on June 15, 2005, S.B. 69 was adopted which outlines employer protections for providing references.

I-9 FORMS - Effective May 31, 2005, the I-9 form was revised under OMB No 1615-0047. Prior editions of the I-9 form can be used until December 31, 2005. To download the new form visit www.uscis.gov.

When you return from vacation, keep an eye on the following issues and try to shape the outcome.

HR 2662

HATE CRIMES PREVENTION ACT If this act is adopted, it could expand the typical list of protected classes by adding sexual orientation and transgender individuals.

PA HB 668

PA WORKERS COMPENSATION ACT Reform to the workers compensation statute is underway.

WORKERS COMPENSATION UPDATE SPECIAL INVITATION

On Wednesday, July 27, 2005, HR Consultants, Inc. and the Cambria-Somerset Human Resource Association will host a meeting for area employers to voice their opinion about

changes to the workers compensation act. Local legislators Gary Haluska, John Wozniak, Edward Wojnarowski, Bob Bastian, and Thomas Yewcic have been invited to personally hear your opinions. Your opinion matters, but only if you voice it! Call 814-266-3818 with any questions.

TIME: 10:00 a.m.

LOCATION: Training room at the JARI Center for Business Development, 160 JARI Drive, Johnstown 15904

RSVP to info@hrconsults.com by **July 17, 2005**

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## **MEASURING SUCCESS! The Cost of Turnover**

Measuring turnover can be a waste of your time unless you are measuring the right turnover and taking action to manage the findings. Turnover costs are conservatively estimated at 35% of the annual salary; for high-demand positions the cost can rise to a frightening 1.5 times the annual salary.

High turnover costs can have a tremendous affect on a company's bottom line. But you also need to consider how much money your company can save using a performance-based turnover approach and terminating those employees who cannot meet objective performance standards. For example, reduced salaries, benefits, increased productivity, etc. can sometimes be worth the costs of turnover. To calculate turnover costs be sure to include figures for advertising, interviewing time, overtime costs, on-the-job training, lost productivity for supervisor and co-workers, etc. Visit the Department of Labors website at [www.dol.gov/cfbci/turnover.htm](http://www.dol.gov/cfbci/turnover.htm) for a sample worksheet.

Balancing voluntary and involuntary turnover can help ensure a high-performing workforce. Achieving optimal turnover means understanding the financial costs and gains, as well as controlling who stays and who goes to produce the highest long-term

level of productivity and business improvement. Turnover can become a business advantage if successfully managed.

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DID YOU KNOW?

Our last e-zine discussed evolving technology and the need to update your employee handbook. If you decide to implement or update an electronic media use policy, consider the following information. Thirty-five percent of the world's software is pirated. Software piracy is not only a crime, but it can destroy computers and data. According to Attorney Rob Tribeck, Administrative Chair of Rhoads & Sinons Business Litigation Practice Group, employer liability for pirated software can be significant. Employers need to ensure they have a license for each seat of software and they need to be able to produce the licenses if an audit occurs.

Visit the Tools and Resources section of www.bsa.org to learn how to protect yourself and your business. The self audit tool can help ensure compliance with licenses purchases.

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## THE RESEARCH

Rhoads & Sinon LLP Annual Seminar on Employment Law, Technology in the Workplace presentation by Kevin Gold, Esquire and Robert Tribeck, Esquire, May 2004; article The Turnover Myth, Workforce Management, June 2005.

## PLEASE NOTE

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**THANK YOU!**