



## Seven Strategies For Being Seen As A Fair Boss

*Kelly Mollica*

Fairness is all about perception. You may believe that you've been fair to your employees, but what really counts is that they perceive you as fair. Here's why: A climate of real or perceived unfair treatment typically spawns negative attitudes and destructive behaviors, such as low commitment to the organization, distrust in management, job dissatisfaction, absenteeism, psychological stress, aggressive behavior, retaliation, theft and turnover. Clearly, all of these outcomes are damaging to employee morale and the organization's bottom line.

Your employees always expect you to be fair, but they tend to closely scrutinize for fairness in two key areas:

- When they receive unpleasant news, such as negative performance feedback, denial of a promotion or a lower-than-expected pay increase.
- When managers are implementing changes in policies and procedures, such as overtime calculations, work rules or reporting relationships. Your employees will naturally be concerned about how those changes will affect them, and they will be on the lookout for any evidence that the changes were handled unfairly.

It's particularly important to up your "fairness ante" at those times by heeding the following seven strategies.

*(Continued on page 2)*

## Message From The President

*J. Daniel Garrick, SPHR*



Last year at this time, we began talking about the upcoming state conference scheduled for September 22-24<sup>th</sup> at the Peabody. A year seemed so far away, but it was time to begin the planning stages and to seek volunteers to help with this undertaking by our chapter. A special thank you goes out to Don Ray, his committee, and all of you that have volunteered to make this the best state conference ever for Tennessee.

Speaking of planning, we will start our new year in January and now is the time to begin seeking volunteers to serve in leadership positions within our chapter. Just like the conference, it takes a lot of effort for our chapter to accomplish everything throughout the year. There are many opportunities for you to become involved and get the most out of your membership in our chapter. Please let me or other current board members know of your interest. See you at the Conference!

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### 1. Tell the truth.

Victor, a supervisor, expected a promotion to assistant manager. But his boss told him budget constraints prevented the promotion. Victor felt let down but didn't feel he had much to say if the company couldn't afford to promote him. The following month, when another supervisor, Anne, was promoted to the position Victor had sought, he was furious. Although he liked Anne and thought she was competent, he was angry because his boss had lied to him. From the grapevine, Victor learned he hadn't been promoted because his boss thought he "just wasn't ready yet." Victor's boss erred in not telling the truth. Not only are you doing an employee a disservice by trying to soften the blow, failing to disclose information leads to perceptions of unfairness, says Don Herrmann, SPHR, director of human resources at Lake Hospital System in Painesville, Ohio. Employees deserve sincere and honest explanations about how the decision was made, who made it and what factors were considered, although not every detail of the decision is necessary.

### 2. Provide counseling.

To keep the conversation on a positive note, demonstrate your interest in the employee's success and offer resources when available. For example, in Victor's situation, his boss could have told him specifically what he needed to do to improve his chances for a promotion and encouraged him to sign up for training opportunities, take advantage of the company's tuition assistance or pursue other avenues of career development.

### 3. Be accurate.

Teresa, a customer service representative, was a little nervous when a larger competitor bought out her company. Still, she knew she was a valuable employee; she had the highest performance rating among her peers in her geographic region. Several weeks after the buyout, Teresa was bewildered when Ben, her new manager, told her she was being moved to accounts

receivables. Ben hadn't even bothered to read her previous performance reviews.

When she insisted that Ben request her HR file and read her reviews, Ben begrudgingly agreed that Teresa's performance had been exemplary. But he stuck with his decision to transfer her. Teresa never again trusted Ben to look out for her best interests, and eventually, she left the company. The lesson here? Make sure you base decisions on accurate information. If you aren't well informed about an employee's situation, take the time to learn the whole story. If performance is the criteria for granting pay raises and promotions, use recent, factual performance data. If it's obvious to the employee that you ignored her performance appraisals, or that performance was not documented, she will view your decisions as arbitrary. In some cases, if you suspect that performance information may be biased or inaccurate, postpone making a decision until more valid information about performance can be documented.

### 4. Pay attention to your bias.

Laura wanted to offer her 27 employees the option to work flexible schedules. She communicated the policy changes and met individually with employees to determine their schedule preferences. Laura, with three children at home, later realized that she had encouraged employees with children to take advantage of the flexible schedules, while subtly discouraging childless employees from doing the same. Laura immediately scheduled a meeting with all of her employees and apologized for the inconsistency, offering each employee the opportunity to submit a request to change their schedule preferences.

One way to prevent bias is to avoid making decisions in a vacuum. When appropriate, seek out other managers who can provide additional perspectives and ask for their honest opinions. Pay extra attention to colleagues who have a different "take" on the situation; they may help you keep an open mind. You also can try to put yourself in your employees' shoes. Ask yourself, "Is there anything about this situation that might suggest the possibility of favoritism?"

### 5. Be consistent.

When you use different sets of rules to judge people, employees will view your actions as capricious and untrustworthy. It's not uncommon for managers to "ignore" rules for certain employees or apply rules more rigidly to one over another. By doing this, you are virtually guaranteeing that your employees will see you not only as unfair but also unethical.

On the other hand, it's important to recognize that consistency needn't be rigid. Leave some room for common sense. For example, Herrmann described a situation in his organization where an employee who had

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outstanding attendance for several years suddenly missed several days of work. According to policy, the employee should have been written up and disciplined, but Herrmann encouraged the employee's manager to take the employee's individual situation into account rather than inflexibly adhering to policy.

#### 6. Give employees 'voice.'

Ray, an engineer in a large construction firm, was surprised when his manager announced a new policy to assign projects among engineers. "You know," Ray grumbled to co-workers during lunch that day, "we could have come up with a better system for assigning work. They didn't even ask us what we thought." The other engineers nodded in agreement. From that day forward, productivity plummeted as the engineers frequently complained to managers that projects weren't distributed fairly. Months later, the policy was abandoned.

When possible, solicit employee viewpoints when you're planning major changes. Employees will be more likely to see their organization as fair and be committed to the outcome if they've had some "voice," or input into rules and procedures that affect them.

#### 7. Take corrective action.

Even after hearing your rationale, some employees may seek an impartial review of the decision through a formal grievance system. If they do, don't make them feel guilty or rebellious for seeking another assessment of the situation. If you felt that a decision made about you was unfair, you'd want the same opportunity for review. Give your employees the same treatment you'd expect yourself. And if, during the formal review process, new data appear that support your employee's viewpoint, admit your error and correct your decision. Refusing to change a decision after you've received new data could be viewed as unfair. You may be afraid that changing your mind makes you look "soft" to your employees, or that you'll become an easy target for employees who don't like what they hear. On the contrary, employees will be grateful for your willingness to reverse a decision based on solid information, and perhaps, more importantly, they will respect and trust you when you insist on standing firm on future decisions.

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### 2004 Tennessee State HR Conference & Legal/Legislative Seminar September 22 – 24, 2004 The Peabody Hotel Memphis, Tennessee

You are cordially invited to attend the 2004 Tennessee State Human Resource Conference hosted by the SHRM Memphis Chapter. Featured speakers include Susan R. Meisinger, President and CEO of SHRM National, and other highly acclaimed HR professionals. Obtain credit towards PHR/SPHR recertification. Socialize and network with both old and new friends! Have fun on historic Beale Street and downtown Memphis...the Home of the Blues and the Birthplace of Rock and Roll!

The Conference Social will be a night of "Rockin' and Rollin' On the River" with a buffet dinner at Isaac Hayes' Music-Food-Passion Restaurant and dancing to the oldies with a musical extravaganza featuring **The Bouffants**.

Visit the conference website for all registration and conference information:  
[www.shrm-memphis.org/stateconf](http://www.shrm-memphis.org/stateconf)

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## You Are Cordially Invited to a Luncheon and Executive Seminar!

### PROPERLY CLASSIFYING WORKERS

Tuesday, November 2, 2004 from 11:30 AM to 1:00 PM  
Lenox Center Conference Room  
3175 Lenox Park Blvd, Ste. 201, Memphis

Presented by: Evan Burks – Executive Vice President, COMFORCE Technical Services

#### Overview

Over the past several years the use of workers known as independent contractors increased dramatically. In fact, according to the Bureau of Labor and Statistics, the number of U.S. citizens working as independent contractors grew to 8.6 million by 2001 and it is projected that the use of independent contractors will continue to increase rapidly in the coming years. There are many advantages to hiring independent contractors to get projects done, but unfortunately there are also significant risks to your company. This lunchtime seminar addresses the driving issues surrounding the risks of hiring independent contractors and the viable and cost-effective solutions to this dilemma. It will address questions such as: What are the risks involved in hiring these workers? What are the ramifications of misclassification? How do you determine an independent contractor versus an employee? What is Exempt versus Non-Exempt? What can be learned from recent cases? What are the most common mistakes companies make? What are the Best Practices?

#### Facilitator Biography

Evan Burks is Executive Vice President of COMFORCE Technical Services. He joined COMFORCE in 1993 as Executive Vice President and Chief Financial Officer. In 1995 he became the Chief Operating Officer of the Technical Services Division. Prior to COMFORCE, Mr. Burks held various senior level financial and operational positions in the manufacturing and mortgage banking industries. He is a Certified Public Accountant in the State of Arizona and earned his BS in Accounting from Arizona State University. He maintains memberships in many organizations including SHRM, AICPA and the IMA, and has served on various advisory boards and as President of the Institute of Management Accountants.

COMFORCE Corporation is a leading national provider of specialty staffing, consulting and outsourcing services primarily to Fortune 500 companies for their healthcare support, information technology, telecommunications and technical and engineering services. The company provides a wide range of staffing, consulting, financial and outsourcing services, including web-enabled solutions for the effective procurement, tracking and engagement of contingent or non-employee labor.

#### *Great Door Prizes!*

Buffet lunch will be provided so please RSVP to Justin at 901-362-5640 by Thursday, October 28<sup>th</sup>.

We look forward to seeing you there!

### **The SHRM Foundation:** *The SHRM Information Center*

The SHRM Foundation supports the SHRM Information Center through a quarter million dollar grant. The Information Center, a free service to SHRM members, publishes the online White Papers series, maintains the Competitive Practices Database and answers more than 70,000 HR inquiries annually. The Foundation grant ensures that the Information Center has the latest technology and the most current resources to help HR

practitioners get the answers they need quickly and easily. Please support our profession by donating to the SHRM Foundation at the monthly chapter meeting during registration.

For an overview of the SHRM Foundation's work or more information on the SHRM Foundation contact Tracy at [tracya@lifeblood.org](mailto:tracya@lifeblood.org) or visit [www.shrm.org/foundation](http://www.shrm.org/foundation).

*The SHRM Foundation:  
Investing in Your Future as an HR Leader.*

## Community Outreach



## Volunteers Needed!

Since the TN State HR Conference is in September in Memphis, and many members are volunteering their time to make the conference a smashing success,

our next Community Affairs Event is scheduled for October 2<sup>nd</sup>! We are working with Special Kids and Families and need volunteers from 9:00 am to 2:00 pm for their Annual Plane Pull. We will help the teams get ready and would like to get as many volunteers as possible, so please get the word out as we will not have

a September lunch meeting to alert members. If you would like to volunteer, or want more information, please contact Chris Van Hekken at [chris\\_vanhekker@kellyservices.com](mailto:chris_vanhekker@kellyservices.com). Thanks for all of your support!



**Congratulations to the following members:**

**Jill Stem**, on being selected as one of the 50 women who make a difference in Memphis.

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## Board Member Spotlight



I would like to introduce to you Michael D. Law, the Student Chapter Chair. As Student Chapter Chair, Michael is responsible for acting as the chapter liaison whose goal is to ensure that information is communicated between professionals and students, and to assist the students in making contacts with HR practitioners. The role of Student Chapter Chair also includes the following responsibilities:

- Become knowledgeable about the Society's national student membership program and the services it provides.
- Seek to establish new student chapters at local colleges and universities offering majors or concentrations in human resources, business, management, industrial psychology or related subjects.
- Work with existing chapters to educate the Chapter Advisor and students to the advantages of membership in the Society. Share with the students how SHRM membership has benefited you.
- Work with student chapter advisor to foster leadership and organizational skills in student chapter executive board.
- Promote communication between the Advisor, Student Chapter President and the sponsoring chapter. Ensure a cooperative working relationship.
- Attend student chapter meetings and provide guidance as necessary.
- Facilitate student chapter activities at the professional chapter level and encourage student participation. Represent the interests of the students to the professional chapter.

Michael's goals as Student Chapter Chair in 2004 include: To meet at least 75% of the above requirements to help the Memphis Chapter qualify for the Superior Merit Award; Strengthen our current relationships with the Crichton and University of Memphis Student Chapters through involvement in the Student Chapter programs; Be a resource to provide assistance to the Student Chapters through internships, mentoring, and professional speakers; Issue scholarships as done in the past to qualified students in the two current student chapters; Crichton College and University of Memphis; Adjust and reorganize the current scholarship program to meet the Board's standards, if needed; Solicit interest in other local universities, Rhodes College, Southwestern Community College, etc. to begin new Student Chapter

Programs; Organize an internship program that will provide opportunities for the local student members to have real HR experiences; Begin a mentor program where our local chapter members can encourage, coach, and fellowship student members; And organize the HR Games and prepare Memphis students to compete locally and at the State, Area, and National Competitions. As you can see, he has quite an agenda for 2004!

Michael grew up in Maryland, as the 2<sup>nd</sup> oldest in a family of 11 kids. So early on in life he had to learn how to work with others and effectively handle conflict. His parents were very patient and taught him the value of hard work, honesty, and loyalty by supporting him as he advanced in the Boy Scouts or America, where he obtained the coveted Eagle Award. When he was 19, Michael served a mission for the LDS church and had the wonderful opportunity to serve the people of Brazil for two years. After his mission, he went to college and graduated in 1995 from Brigham Young University with a BS in Sociology.

Michael came to Memphis in 1996 to pursue a Masters Degree in Rehabilitation Counseling at the University of Memphis. And as life would have it, he met a beautiful Southern Belle, fell in love and got married in 1997. At the same time he was offered a job to create a Human Resources Department at M.A.C. Company, Inc. where he is currently employed. Since the change of direction in his life, and the addition of twins to his family, Michael changed the focus of his studies and is now currently enrolled at Capella University pursuing an MBA, and is expected to graduate in June 1995.

Michael has been on the board for a year and he has found it to be a wonderful experience. SHRM has been a great asset to him as he has been learning about Human Resources and the many opportunities that this career presents. SHRM and its members have proven to be a valuable resource and support system to him while he has been striving to understand and grasp the many complex policies and legal issues of the corporate business world. He is very happy to be serving in this capacity as Student Chapter Chair. Michael has found that the students in this area are excited and energized about Human Resources and the many wonderful opportunities this career path holds for their future.

### Career Corner

Click on the link below to see job opportunities available in the Memphis area.

[www.shrm-memphis.org/hr\\_jobs.htm](http://www.shrm-memphis.org/hr_jobs.htm)



## Bulletin Board News

### VOLUNTEERS WANTED FOR THE 2004 SHRM TENNESSEE STATE CONFERENCE

The conference is here! If you have been looking for a way to become more active in SHRM-Memphis this is a perfect vehicle. To volunteer please contact Mario Musarra at [Mario.Musarra@stjude.org](mailto:Mario.Musarra@stjude.org).

### HOPE TO SEE YOU THERE!

The 2004 SHRM Tennessee State Conference will be held on September 22<sup>nd</sup>-24<sup>th</sup> at the Peabody Hotel. The theme of the conference will be "The Soul of HR." We encourage everyone to plan to attend.

### CHARGE IT!

You can now pay for your lunch meeting with your MasterCard, Visa, American Express, JCB or Diner's Club Credit Cards on our SHRM-Memphis website. Go to the Meeting Info Menu, and when you register to reserve your seat for the next meeting, simply check the box that you wish to pay online for the meeting. You will be transferred to a secure website with Secure Socket Layer (SSL) prior to entering any credit card information. It is so easy and convenient!

### UPDATE YOUR CONTACT INFORMATION

It is quick and easy to update your address, phone number or email address online. Click on the following link: [https://commerce.shrm.org/TnetTPRO/timssnet/login/tnt\\_login.cfm](https://commerce.shrm.org/TnetTPRO/timssnet/login/tnt_login.cfm), enter your SHRM membership ID number and make the necessary changes. Name changes must be made by a SHRM Customer Service Representative at 1-800-283-SHRM, 703-548-3440 or [shrm@shrm.org](mailto:shrm@shrm.org). You may also go to the SHRM-Memphis website and access Member Pages, Membership Directory, and it will provide you with a direct link to the national website.



## Solve The Recertification "Mystery"

Certified professionals almost always have the same "aha!" moment when an HRCI leader talks them through the recertification process. They realize all the clues, tips and tools were in plain sight all along. It's a matter of piecing it together. The reaction was common at the recent SHRM Annual Conference, as recertification was explained in a workshop session, at the HRCI booth and via one-on-one counseling in the HRCI Hideaway Lounge. With the reassurance of a personal explanation, the suspense banished and showed the straightforward facts of recertification:

- Recertification demonstrates that certified professionals continue to learn and apply current knowledge and practice.
- To recertify, professionals document that they have completed 60 hours of professional development over three years.

The hours may be accumulated through a variety of activities categorized and described in the PHR, SPHR and GPHR Recertification Handbook at [www.hrci.org/recertification/](http://www.hrci.org/recertification/).

While all the recertification information is available on [www.HRCI.org](http://www.HRCI.org) and in print, there seems to be nothing like hearing the mystery explained. Would certified professionals at your workplace or in your SHRM chapter benefit from a personalized explanation of recertification? The HRCI staff is happy to work with groups to set up teleconferences or even face-to-face meetings. Please contact HRCI to discuss the possibilities.

You can also access a May 11, 2004, archived webcast (presented by HRCI Executive Director, Cornelia Springer, CAE) about recertification at [www.hrci.org/about/news.html](http://www.hrci.org/about/news.html).

Like a good summer read, this "mystery" is an easy one. Start building the "case" for your next recertification now—and watch for online recertification credit tracking early in 2005! You can read all about it at [www.hrci.org/certifiedmail/0808/techno.html](http://www.hrci.org/certifiedmail/0808/techno.html).

## Know The Law - FMLA Case Update *Keith R. Thomas, JD*



As if the Family and Medical Leave Act (FMLA) was not hard enough for employers to comply with, two recent decisions (both against the U.S. Postal Service) from the Circuit Court of Appeals for the Sixth and Tenth Circuits will likely serve to cause employers additional headaches.

In *Jordan v. U.S. Postal Service*, the Tenth Circuit (which covers Kansas, Oklahoma, New Mexico, Utah, Colorado, and Wyoming) held that an employer who violated the FMLA must pay liquidated damages, even though, before trial, the employer paid the employee for the lost wages, including interest, that resulted from the violation. In this case, Jordan was diagnosed with a variety of psychological disorders and took 60 days of medical leave. After he returned, his job was reposted and he was given a chance to rebid it, but he was transferred before the process was completed, which was contrary to the employer's prior practice. That same day, he sent a threatening letter to his supervisor. The employer placed him on emergency medical leave without pay and later discharged him. Jordan filed a grievance and the discharge was later reduced to a six-month suspension without pay. After further negotiations, the employer paid Jordan full back pay with interest for the six month suspension period and restored all leave that would have accrued during that time. Although Jordan returned to work, he later received a disability retirement.

Jordan then sued the employer in federal court. The trial judge found that the employer had retaliated against Jordan in violation of the FMLA but did not award any damages because the employer had already restored Jordan's lost wages and benefits. The trial court held that because Jordan proved no actual damages, it could not award him liquidated damages and that to do so would be granting him a windfall.

The Tenth Circuit reversed, holding that the employer was liable for liquidated damages for violating the FMLA, even though it had already restored Jordan's lost wages and benefits. The Court held that wages that are unlawfully denied, but are restored before trial and after a significant delay, are "lost wages" under the FMLA. According to the Court, an employer who wrongfully denied wages could escape liability for liquidated damages by simply restoring the lost wages at any time before trial. In reaching this conclusion, the court looked to the Fair Labor Standards Act (FLSA) because the damages provisions are similar. The Court noted that

FLSA provides employees with the same non-discretionary damages for lost compensation as the FMLA. The Court concluded that the "calculation of damages under the FMLA should not be considered a 'windfall,' but rather a congressional judgment, enforced by the courts, designed to compensate employees for the obscure damages that occur when one wrongfully loses wages, even if only temporarily."

In the case of *Ricco v. Potter*, the Sixth Circuit (which covers Tennessee, Kentucky, Ohio and Michigan) held that make whole relief awarded to an unlawfully terminated employee may include credit towards the "hours of service" requirement in the FMLA. In this case, Ricco was terminated in December 1997. She filed a grievance over her termination, which subsequently went to arbitration. The arbitrator ordered that the termination be converted to a 30-day suspension and Ricco be reinstated and be "made whole." Two months after she returned to work, Ricco requested intermittent FMLA leave for treatment of depression and migraine headaches that she was suffering. The employer denied the leave, stating that she was not an eligible employee under the FMLA because she had not worked 1,250 hours in the 12 months prior to the leave request. Several months later, the employer terminated Ricco for failing to maintain a regular work schedule, due to her absences for medical treatment. Although she filed a grievance and proceeded to arbitration, the arbitrator upheld the dismissal on the basis that she was absent from work as alleged and the arbitration forum was not a proper forum to litigate any alleged FMLA violation.

Ricco then sued her employer in federal court. The trial court granted the employer's motion to dismiss finding that the "hours of service" requirement in the FMLA only included hours actually worked by the employee, not those for which an employee was compensated pursuant to an arbitration award.

The Sixth Circuit reversed, holding that a make whole award may include giving an employee credit for hours the employee would have worked but for an unlawful termination. The Court based its decision on the fact that the FMLA does not define the term "hours of service" but does refer to the FLSA standards for determining what is included in an employee's regular rate of pay. The FLSA exempts from an employee's regular rate, "payments for occasional periods when no work is performed due to vacation, holiday, illness, failure of the employer to provide sufficient work, or other similar cause."

The Court reasoned that time an employee does not work due to vacation or illness or similar reasons is conceptually different from time the employee does not work due to an unlawful termination because, in the

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latter situation, the employee wanted to work but was unlawfully prevented by the employer from working. Thus, the employer's misconduct would prevent the employee from satisfying the hours of service requirement and would only serve to reward employers for engaging in the unlawful conduct.

While the impact of these cases will not be widespread and felt by all employers covered under the FMLA, the two cases certainly add additional dimensions to an already complicated statute. Certainly, employers with grievance and arbitration procedures will be impacted by the *Ricco* case and, to a lesser extent, the *Jordan* case, although the *Jordan* case is not binding on employers in the Sixth Circuit.

One particular problem with the *Ricco* case is that the Court did not address the full scope of its opinion, which raises more questions than it answers. For instance, would the employee be entitled to credit for hours that he/she would have worked if the employee is merely suspended unlawfully, rather than terminated. Also, does the Court's rule apply in situations other than an arbitrator's make whole award? For example, what if the employer has an informal peer review process and the employee is reinstated with back pay pursuant to this process. Would the employee be entitled to credit for the hours he/she would have worked before reinstatement? What if the employee is reinstated, not as a result of any established procedure (formal or informal), but simply because the employer changed its position and decided termination was not proper? Unfortunately, we will simply have to wait for the answers to these and other questions raised by this opinion.

*Keith R. Thomas is an associate in the law firm of Ford & Harrison, LLP, where he represents management in labor and employment matters.*



### **Welcome to Our Newest Members!**

**Lori Potter**, Looney Ricks Kiss Architects  
**Lynn Price**, City of Memphis Government  
**Amber Long**, First Tennessee Bank  
**Jon Cameron**, Cameron Benefits, LLC  
**Mila Johnsey**, Hilton Hotels Corporation  
**Kimberlee Keef**, University of Memphis  
**Angela Bibbs-Hawkins**, Jabil Global Services  
**Laquita Jackson**  
**Melissa Hoeschen**, First South Credit Union  
**Scott Hamlin**, United States Navy PERSCOM  
**Andrea Dandridge**, McKesson Corporation - RxPak  
**Debra Bengel**, The Haizlip Firm  
**Carla Lawson**, Spectrus / PSI  
**Patti Price**, FedEx Express  
**Brenda Davis-Smith**  
**Carlos Rivas**, Zomax  
**Caroline Boswell**, Baker, Donelson, Bearman,  
Caldwell & Berkowitz  
**Mike Crum**, United American of Tennessee  
**Peter Voss**, City of Bartlett  
**Linda Ford**, Hershey Foods, Memphis  
**Wanda McKinnon**, Hershey Foods, Memphis  
**Kathy Vancil**  
**Martha Rylee**, Alliance Rock Tenn.  
**Donna Berry**, Huey's Restaurants  
**Amy Rainey**, Marsh USA, Inc.  
**Erica Nevels**, The Salvation Army  
**Tiffany Greenwood**, KM Logistics  
**Ruby Goodwin**, U.S. Navy  
**Jasmine Pree-Cary**, Cognisa  
**Joy Ferreira**, FedEx Trade Networks, Inc.  
**Barbara Knight**, Thomas & Betts Corporation  
**Samuel Tune**, MLGW  
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## News Release:

### *The Benchmark Partners, LLC*

Creating Blueprints For Success

#### FOR IMMEDIATE RELEASE

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### **Corporate Performance Depends on the Effectiveness of a Company's Human Resource Function**

SHAKER HEIGHTS, OHIO, August, 2004

A recently concluded benchmark study that examined corporate performance and the role of Human Resources, confirmed that a company's ability to grow and meet its financial objectives are directly tied to the effectiveness of its Human Resources function. The Benchmark Partners, a human resource benchmarking and consulting firm, with more than 25 years of HR experience, conducted the study. The basic tenants of the study concluded that:

- A company's growth rate and financial performance are key indicators of the company's competitive advantage.
- The key to a company's competitive advantage is its Human Capital.
- To ensure continued growth and performance, it is imperative that a company create a workplace that aligns its Human Capital strategy with its business strategy.
- **The responsibility to align the company's business strategy with its Human Capital strategy belongs to the Human Resource function.**

The companies in the study that were able to achieve and sustain a competitive advantage, saw their Human Resource functions contribute to these results through the comprehensive deployment of their Human Capital initiatives across five dimensions. These five dimensions were seen to be the factors that most significantly differentiated effective HR functions from the less effective HR functions. The five dimensions are:

- **Strategic Alignment**, the extent to which the Human Capital strategy is aligned with the company's business strategy. When HR focused on the priorities of the business, they were rated by senior managers as Strategic Business Partners and were 38% more

likely to be directly involved in overall business planning. Initiatives coming from HR were seen as business initiatives, not HR initiatives.

- **HR ROI**, where HR demonstrates a measured balance of investment versus results. A cost-benefit analysis was regularly a part of the decision making process. Less than 23% of the time was lowest cost the driving criteria for an investment decision by top performing companies.
- **HR Operations**, the top performing companies saw their HR staff members devoting their time to the most value added of tasks and routinely deploying best practices. Spending valuable staff time on strategic HR issues, and workforce management processes made the most significant contributions to company growth and performance. Where HR staff spent more than 40% of their time on Administrative processes, there was no material contribution to company performance.
- **HR Technology** was used by the top performers to increase efficiency by 23%, improve accuracy by 52%, and reduce costs by 61%. The study confirmed a growing trend by top performing HR functions to deploy manager and employee self-service options to complete the majority of administrative activities.
- **Stakeholder Alignment**, crafting HR policy, practice, and process around the needs, wants, and expectations of line-managers and employees. The study showed significant achievement by top performing companies in employee productivity, retention of top talent, the ability to be seen as "an employer of choice", and to receive recognition as a "great place to work." The HR function that regularly solicited feedback from line-managers and employees, as a means to delivering service that met or exceeded stakeholder expectations, were seen as contributing most significantly to company success.

The study showed that when HR was ineffective in two or more of these dimensions, it was unable to make significant or material bottom-line contributions.

As this study proves, to achieve and sustain a competitive advantage, a company will need to have a highly effective Human Resources function that accepts the responsibility to align the company's business strategy with its Human Capital strategy. Company's that provide HR with the resources needed to fulfill this responsibility, will be the company's that realize competitive advantage, faster growth rates, and higher profits.

End of release

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**October 19, 2004** - Joint Meeting with ASTD CEO Panel, *John Vines* (CEO of Campbell Clinic, PC), *Larry Cox* (CEO of Memphis/Shelby County Airport Auth.), *Susan Stephenson* (CEO with Independent Bank), and *David Stevens* (CEO of Accredo Health)  
Meeting Sponsored by Right Management Associates

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