



VOLUME 2, ISSUE 1

NEWSLETTER

WEB-BASED TRAINING AND COMPLIANCE LIBRARIES NOW AVAILABLE TO ALL ELS CLIENTS

ABOUT

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In today's business environment, organizations must establish their competitive advantage to not only stay in, but ahead of the game. No matter which route you take, the most successful, time and market tested, and overlooked advantage that any organization can develop is an advantage in their human capital. Human capital is often referred to as the skills and abilities of the employees of an organization. Organizations that invest in the training and development of their human resources often develop significant advantages over their competition in any number of areas as a result of the solid HR core. It is our goal at ELS Human Resource Solutions to help our clientele achieve such advantages through the cultivation of their human resources.

In alignment with our goal to assist your organization in this manner, we are pleased to announce the release of our new suite of online human resource tools, available for use by all ELS clients at **no additional cost**. Our clients now have access to a *comprehensive web-based compliance library* and a *suite of interactive management and employee training courses*.



"Each employee represents an important seed in an organization. Each seed must be nurtured if the plant is to thrive," says David Trent, Human Resource Director with ELS. "It has always been a strategic objective for ELS to provide value-added human resource services that give support to employee management and administration; nurturing the seeds of our clients. These web-based tools help to accomplish this objective."

To receive your password, and enjoy a brief demonstration, please contact the ELS Human Resource Department.

Product Highlights:

E-Training

- Standardized training. E-Training allows your company to provide standardized training to a large number of people at multiple locations at the same time.
- Savings of time and money. The Web-based format saves you time and money by allowing employees to train on-site or from home. No additional travel costs are involved.
- Immediate feedback. E-Training provides immediate feedback in the form of pre- and post-test scores so that you can determine if the employee actually learned from the training.
- Interactivity. E-Training offers trainees the chance to perform tasks as part of the learning process and allows greater involvement.



HR Essentials

HR Essentials is an online HR information resource library.

HR Essentials is concise, easy-to-use and provides instant access to guidance on:

- Benefits and Compensation
- Compliance Issues
- Employee Relations
- Performance and Productivity
- Recruiting, Selection, and Staffing
- Risk Management & Safety

HR Essentials also provides:

- Law summaries in plain English, including federal and state regulations
- Ready-to-use model policies and forms, downloadable and printable
- Exclusive Fast Answers™, succinct explanation on hundreds of questions faced every day by HR practitioners and business owners
- Detailed discussion with expert analysis from BNA's lawyer/editors
- Ready-to-use model policies and forms

The information is regularly updated, easily accessible with Google-like searching and can be browsed by document type or topic area.

Minimum Wage Senate Passes Minimum Wage Increase That Includes Small Business Tax Provisions

By a vote of 94-3, the Senate Feb. 1 approved a bill to raise the minimum wage to \$7.25 per hour by 2009, but its version of H.R. 2 contains a business tax package that clashes with the House-passed bill.

After nine days of floor debate, the Senate passed a bill that includes an \$8.3 billion tax package that extends and expands tax breaks intended to help employers absorb the costs of the minimum wage hike. That Senate Finance Committee-approved tax package—plus a handful of other floor amendments—puts the Senate legislation at odds with the bill passed by the House Jan. 10, a "clean" H.R. 2 that would raise the minimum wage with no tax breaks for business.

In a statement following the vote, President Bush reiterated his support for a minimum wage increase coupled with business tax relief. "By working in a bipartisan way to match a minimum wage increase with tax relief for small businesses, the Senate has taken a step toward helping maintain a strong and dynamic labor market and promoting continued economic growth," he said. "I strongly encourage the House to support this combined minimum wage increase and small business tax relief."

Under the Senate's Fair Minimum Wage Act, the federal wage floor would rise from \$5.15 an hour to \$5.85 per hour 60 days after enactment. One year later, the wage would increase to \$6.55 an hour and a year after that, it would increase to \$7.25 per hour. The bill also extends the federal minimum wage to the Commonwealth of the Northern Mariana Islands, which would be achieved through an increase of 50 cents per hour every six months until the wage rises from the current \$3.15 per hour to the \$7.25 federal wage.

The Senate bill extends and expands several existing business tax breaks. Among them are the work opportunity tax credit (WOTC), faster depreciation for building improvements, and the deduction of business expenses for equipment under Section 179 of the Internal Revenue Code. The Finance Committee estimated its small business provisions would cost \$8.3 billion over 10 years and the bill contains revenue offsets, including new limits on deferred executive compensation.

Supporters Optimistic

At a media briefing Feb. 1 before the Senate voted, Senate Majority Leader Harry Reid (D-Nev.) expressed confidence the House and Senate can bridge their differences. "We're going to work something out," he said. At a news conference after the vote, Sen. Edward M. Kennedy (D-Mass.) said the "overwhelming" vote on final passage ensures that a minimum wage increase will occur and the only question is "whether it will take a week or two weeks" to get legislation to President Bush. He said Senate and House leaders are working to "find a pathway" to produce a bill on which both chambers can agree.

The tax provisions in the Senate bill are ones that "we've extended every year in the past," Kennedy said. Although Kennedy said he did not think they should be attached to the minimum wage bill, he added they are "not the most offensive" tax provisions that could have been added.

Sen. Mike Enzi (R-Wyo.), the ranking minority member of the Health, Education, Labor, and Pensions Committee, said he appreciated the "wise direction" the Senate has taken and that he hopes the House "will not derail" the compromise giving relief to small business. The issue was never whether Congress would raise the minimum wage, Enzi said, but rather "whether we could do it and keep the economy moving by eliminating some of the impacts" on small businesses.

Source: *BNA, Bulletin to Management*

Employee Turnover

Turnover - the separation of employees from an organization - can reflect a variety of factors, including economic conditions, employee work-life issues, and an organization's working conditions. Although turnover never can be eliminated entirely, it can and should be controlled. Turnover not only leads to the loss of high-caliber, valued employees - who sometimes go to work for competitors - but also creates costs associated with reduced quantity and quality of production while replacements are recruited, selected, trained, and brought fully up to speed.

In part, turnover reflects economic conditions. When the economy is robust, turnover tends to rise as employees move to other jobs that they like better or that pay more. Replacing such employees is difficult, and the costs of recruiting, selecting, placing, and training new hires are high.

The rate of employee turnover also can be a measure of an employer's economic health. Too little turnover might be evidence of a static organization, while too much turnover can indicate problems with employee management, organizational administration, or compensation.

In some situations, turnover reflects factors beyond an employer's control. Family situations—marriage, a spouse's job transfer, aging parents who need close monitoring, or day-care issues—often prompt an employee to resign and/or relocate. Mid-life career changes, a sudden financial windfall that eliminates the need to work, a desire to retire early or work part-time, and other individual work-life decisions also can result in turnover. Offering telecommuting, flexible scheduling, and day-care or transportation assistance can control some, but not all, of this type of turnover.

Turnover can never be eliminated entirely, but it should and can be controlled. One way to begin controlling turnover is to determine why employees leave. Once controllable causes are identified, more concrete steps can be taken to lower turnover and its resulting costs.

Turnover Causes

Turnover usually is categorized as involuntary or voluntary. Involuntary separations or discharges are employer-initiated and can occur for reasons ranging from an employee's misconduct or unacceptable performance to economic conditions such as production cutbacks. Voluntary separations or quits are employee-initiated and can be unavoidable or avoidable.

Unavoidable separations occur for reasons over which the employer has no control—for example, an employee who resigns to retire or to follow a relocating spouse. Avoidable separations result from an employee's dissatisfaction with a job or the work environment. Common reasons for avoidable turnover include:

- real or perceived lack of internal job alternatives or advancement opportunities; dissatisfaction with compensation or benefits;
- dislike of or conflicts with supervisors or co-workers; unsatisfactory working conditions—for example, rigid work schedules, outmoded equipment, repetitive tasks, and lack of autonomy or responsibility;
- inadequate selection and placement procedures; and
- inadequate orientation and training.

Other Factors Affecting Turnover

Even if an employee has a reason to dislike his or her current job, the actual decision to separate voluntarily usually rests on two factors:

- Ease of leaving. Are the employee's skills and abilities valuable to another employer? Will it be easy or difficult to secure employment elsewhere?
- Desirability of leaving. What is the extent of the employee's satisfaction with different aspects of the job or the organization as a whole?

These factors are interrelated to a certain extent. For example, a low turnover rate during poor economic conditions does not mean that employees have no complaints. Instead, it probably indicates that employees are unwilling to sacrifice job security in an uncertain economy. Even in a depressed job market, however, employees who possess specialized skills that are in short supply might respond to offers of better compensation, greater job responsibilities, or other outside influences.

Addressing Causes of Turnover

Some employee turnover is unavoidable and can even be beneficial. Bringing in new employees can help an employer stimulate innovation, obtain skills and knowledge better suited to its needs, and improve morale if marginal or poorly performing employees leave.

On the other hand, uncontrolled turnover is a costly problem for employers, causing increased expenditures for continual recruitment and training, lost productivity and experience, disruption of work, higher unemployment insurance rates, loss of high-caliber employees, and increased accounting and payroll costs.

If turnover in a department, a division, or the company as a whole is a problem, the employer should take steps to reduce avoidable turnover. As part of such an effort, the employer can undertake these activities:

- Improve selection procedures. Prospective hires should be given an accurate description of what a job entails, along with realistic information about advancement and other opportunities. With this information, employees are less likely to leave a job because it does not meet their expectations or needs.
- Conduct new-hire orientation. New hires should attend an orientation that covers employer policies and procedures and provides information on work-life programs and activities.
- Ensure that wages and benefits are competitive. Employers should evaluate wage and salary scales and benefit packages against competitive or industry data to make sure compensation practices are equitable and competitive with what similar employers in the same geographic area offer.
- Make use of bonuses and incentives. Offering bonuses or other incentives to acknowledge superior performance can improve morale and increase employee loyalty.
- Listen to employees. Information gleaned from job satisfaction or attitude surveys and performance appraisals can reveal employee concerns that need to be addressed.
- Encourage upward communications. Employee suggestion programs, companywide meetings, and other upward communication channels can make employees feel valued by giving them a way to make their suggestions and concerns known.
- Examine promotion policies. An organization should evaluate its promotion policies and how they are communicated. Talented and skilled employees are less likely to quit if they feel that professional growth and advancement opportunities are available to them.
- Conduct exit interviews. The factors cited by departing employees can serve as the basis for improving working conditions and correcting problems that contribute to high turnover.

Source: *BNA, Bulletin to Management*

Employee Evaluations:
Are you giving a fair appraisal?

Everybody likes getting a good “report card.” Unfortunately, our society’s educational grading process programs us to expect an “A” for average performance – for completing all of our work on time and turning everything in. You may encounter the same line of reasoning when it is time for employee evaluations.

Employees come to expect a top rating for average performance, and too often, supervisors are willing to give it to them. As Jonathan A. Segal puts it, “Poor employees are evaluated as marginally competent...and good employees [are rated] worthy of sainthood.” The problem with the system is that it creates a liability for your company in the event that you terminate an employee for poor performance.

When an employee is evaluated as “marginally competent” when in fact his performance is substandard, the employer who dismisses him runs the risk of a discrimination lawsuit. An employee evaluation which doesn’t clearly spell out the problems that caused the employee’s dismissal is going to make the employer come out smelling foul in court.



How do you avoid sending mixed signals? How do you evaluate employees fairly without damaging morale? Consider some of the following possibilities:

1. Don’t focus entirely on the negative
2. Keep a running record
3. Administer discipline consistently
4. Let the employee rank him/herself

Choose your words carefully. Train your supervisors to think about the possibility that someday they may be defending their criticisms in court, and to word them accordingly.

Source: *The PEO Insider*

**Eleven Good Interview Questions:
Select values that are good for your organization**

Here are 11 interview questions (in no particular order) that you can ask job candidates. The questions should be aimed at selecting people who possess values that are important to your organization.

What's the next thing you have to learn?

Purpose: To identify attitudes toward learning. To look at ability for self-assessment.

Imagine it's six months after you've been in this job. You say to yourself, "I'm glad I took this job because ..."

Purpose: To get at what's really important to them.

What does the day look like on those mornings you get up and say to yourself, "I can hardly wait to go to work today because ..."

Purpose: To identify what's important, what motivates the person.

The next morning you say to yourself, "I really don't want to go to work because ..." Why do you say that?

Purpose: To find out the demotivators.

If you were independently wealthy and didn't have to work, what would make you want to go to work? What about the work, the company, the people or anything else would be so appealing that money didn't matter?

Purpose: To find out values.

In your career, describe your biggest success? What made it so?

Purpose: To find out what they accomplished and why they thought it was great. To help assess skills.

In your career, what's the one thing if you had to do over again, you would do differently? Why? What would you do?

Purpose: To determine if they learn from their mistakes. To determine if they can admit mistakes.

Imagine your best boss, describe his/her best trait.

Purpose: To determine how they view their boss and what's important.

Imagine your worst boss, describe his/her worst trait.

Purpose: To determine if they can balance between answering the question and putting a positive spin on it or fall into whining about how bad their situation was. Depending upon the answer, you may ask something about their preferred work environment.

What's your greatest strength and why?

Purpose: Just to describe themselves.

Then – what is it that is your Achilles heel or your weakness?

Purpose: This often stumps people, but if someone can do self-assessment and has self-knowledge they would know. People with self-knowledge are easier to manage because they do understand their strengths and weaknesses and work to manage them.

Note: Notice how these questions don't put a premium on asking people to describe their specific jobs and what they did. That's because the most important thing is fit, the way they think, what they bring to the table that makes them who they are ... and after that, experience and skills. You can teach specifics; you can't teach attitude, smarts and values

Briefs

More Contract Workers Employed

U.S. staffing companies employed an average of 2.96 million temporary and contract workers per day in 2006, 1.8 percent more than the previous year, the American Staffing Association said Feb. 26. The 2.96 million workers employed daily in 2006 was up from the 2.91 million workers in 2005 or the 2.68 million workers in 2004, ASA said. Based on data from the ASA quarterly surveys, staffing companies employed a total of 12.4 million temporary and contract workers during 2006, an increase of 300,000 over the previous year. Approximately 4.4 million of those employees secured permanent jobs. The ASA data are online at <http://www.americanstaffing.net/statistics/staffingsurvey.cfm>.

- Did you know that ELS has a temporary staffing division? Resolve Staffing has over 80 offices throughout the United States. Please visit us at www.resolvestaffing.com.

Employees Looking for Respect

Employees who think they are not respected by their employers are three times more likely to say they will leave their jobs than those who feel they are treated with respect, according to a survey released May 15 by Sirota Survey Intelligence in Purchase, N.Y. The survey of 370,378 employees found that 63 percent of those who do not feel they are treated with respect intend to leave within two years, compared with only 19 percent of those who feel they are shown respect. Among the ways Sirota said employers can show workers respect are: recognizing employees for their accomplishments; encouraging innovation and ideas on new and better ways of doing things; providing helpful feedback and coaching; and listening to, and fairly handling, employee complaints.

Most Consider Current Workforce

To fill job openings, the majority of managers look internally first, and also seek employee input when looking for external candidates, according to a Hudson survey released Feb. 21. Specifically, 40 percent of managers state that internal promotions are the best way to fill an opening, followed by employee referrals and personal recommendations (24 percent and 20 percent, respectively). In fact, nearly three-quarters of surveyed managers (73 percent) say their company typically considers the current employee base first when conducting a job search. The national poll of 2,024 U.S. workers and managers also found that more than half (54 percent) of all employees are either actively or passively job hunting.



“Far and away the best prize that life offers is the chance to work hard at work worth doing”

[Theodore Roosevelt](#), September, 1903

26th president of US (1858 - 1919)