

The Payoff to Being a Great Place To Work

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- Half of workers surveyed in the U.S. and Canada say they cruise online job boards at work.
- To keep talented workers from seeking greener pastures, creating a great workplace is key.

Agenda

- Why do you want to have a great place to work (GPTW)?
- What makes a GPTW?
- Can you buy a GPTW with benefits?
- How do hostile work environments affect a GPTW?
- Some suggestions about preventing hostile work environments.

Why do you want to be a GPTW?

Improves
the bottom line!

147% higher earnings per share.



Great places to work have—

- Higher customer ratings.
- Higher productivity.
- Lower turnover (even in high-turnover businesses).
- Better safety records.
- Less theft (a.k.a. shrinkage).
- Lower absenteeism.
- Lower product defects (higher quality).

What makes a GPTW?

Employee Engagement



What indicates engagement?

- What your employees know or feel.
- Whether your employees want to do and enjoy doing their work.
- Certain “management practices.”



Engaged employees know—

- What is expected of them at work.
- The mission of their employer.



Engaged employees feel that—

- Supervisor or someone at work cares about them as a person.
- Their opinions count.
- Their jobs are important (especially in view of employer's mission).
- Their fellow employees are committed to doing quality work.
- The opportunity to do what they do best every day.

Engaged employees have—

- Materials and equipment to do their jobs right.
- A best friend at work.
- Had opportunities to learn and grow while working on the job.

Engaged employees say they have—

- Received recognition or praise for doing good work.
- Been encouraged to work on their individual development.
- Had a conversation in which their progress has been discussed.

Source

- *State of the American Workplace, 2013*, Gallup, Inc.

<http://www.gallup.com/services/178514/state-american-workplace.aspx>

Can you buy a GPTW with benefits?

Some examples from
information technology (IT) sector



Some IT company benefits

- Foursquare subsidizes nightly dinners.
- Twitter offers free in-office yoga sessions.
- Asana offers \$10,000 per employee for office décor and furniture.
- Dropcam offers every new employee a free helicopter ride.
- Microsoft offers paid parental leave.

Source: www.entrepreneur.com/article/241746

Average benefits for IT GPTW

- 16 paid days off after 1 year of employment.
- 31 paid days off after 5 years of employment.
- 31 volunteer hours a year.
- 168 training hours for hourly employees.
- 197 training hours for salaried employees.

More IT sector GPTW stats

- Voluntary turnover rate is 9%.
- National average in this sector is 18%.
- Average number of applications per job opening is 67.
- 50% offer flexible schedules.
- 100% offer telecommuting options.

Source

- *Industry-Specific Strategies of Winning Companies*, 2015, Great Place to Work Institute, Inc.

<http://www.greatplacetowork.com/best-companies/100-best-companies-to-work-for>



Can you buy a GPTW with benefits?

- Benefits ≠ engagement.
- Engagement ≠ happiness.
 - Business can have happy, but unproductive employees.
 - Happy but unproductive employees don't lead to a successful business.
- Generally, benefits are needed to **hire** good employees, but do not make a GPTW.

Source: “Rules of Engagement: The Secret Sauce Behind the Best Places to Work,” May 15, 2015, Washington Business Journal.

“Good pay and benefits, such as health plans and 401(k)s, are keys to being competitive, but the overall commitment to workers has to be in place, Boyer says. That's what makes people love their jobs.”

- Richard Boyer, managing partner of Wilmington, Del.-based ModernThink, which was contracted by the Best Companies Group to compile Best Places list.
- Paraphrased in “The X factor: what makes a company great What makes people quit,” Hawaii Business, April 1, 2006.

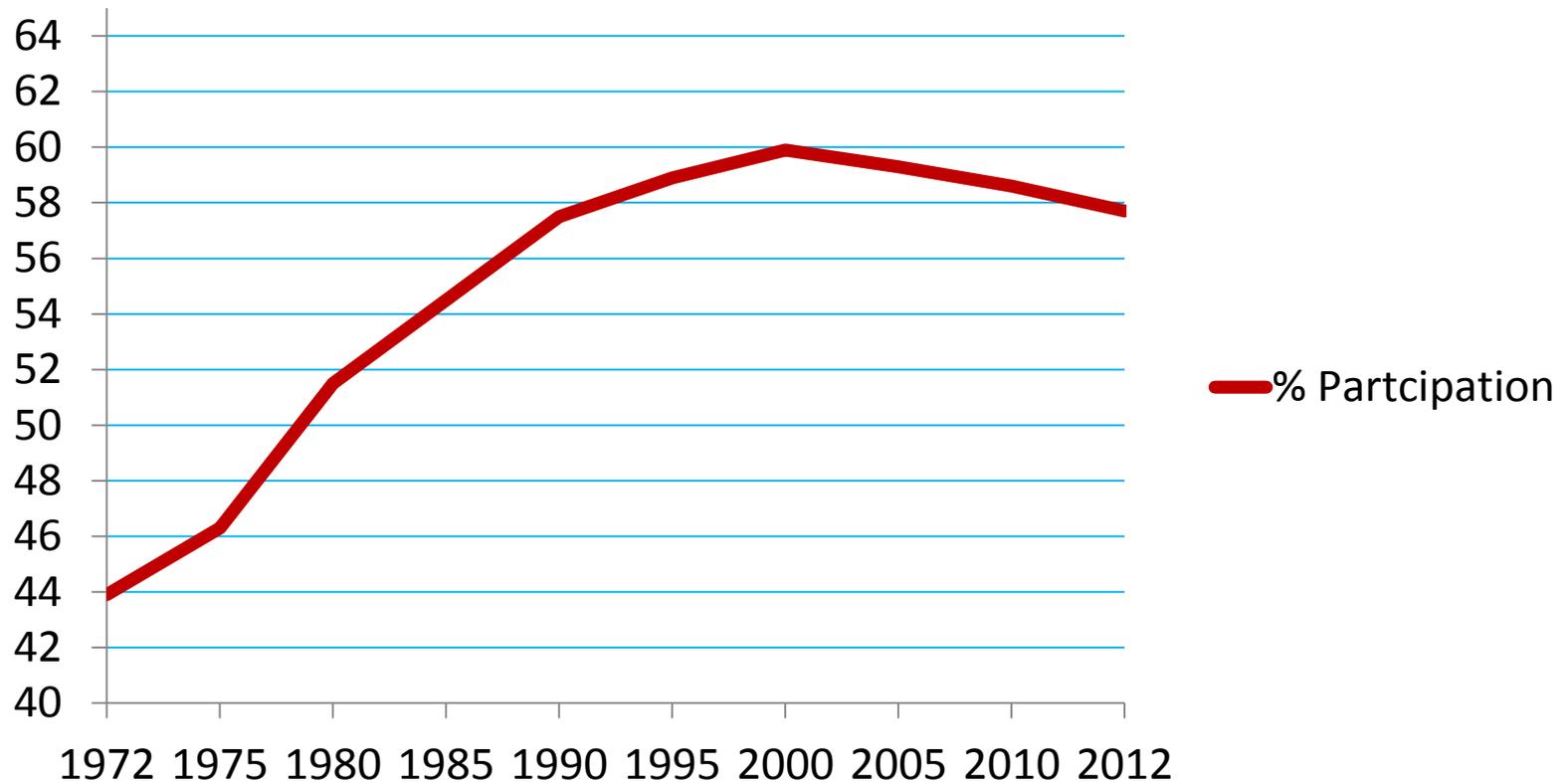
**What can make employees
unhappy?**

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A Case Study



Participation of Women in Labor Force



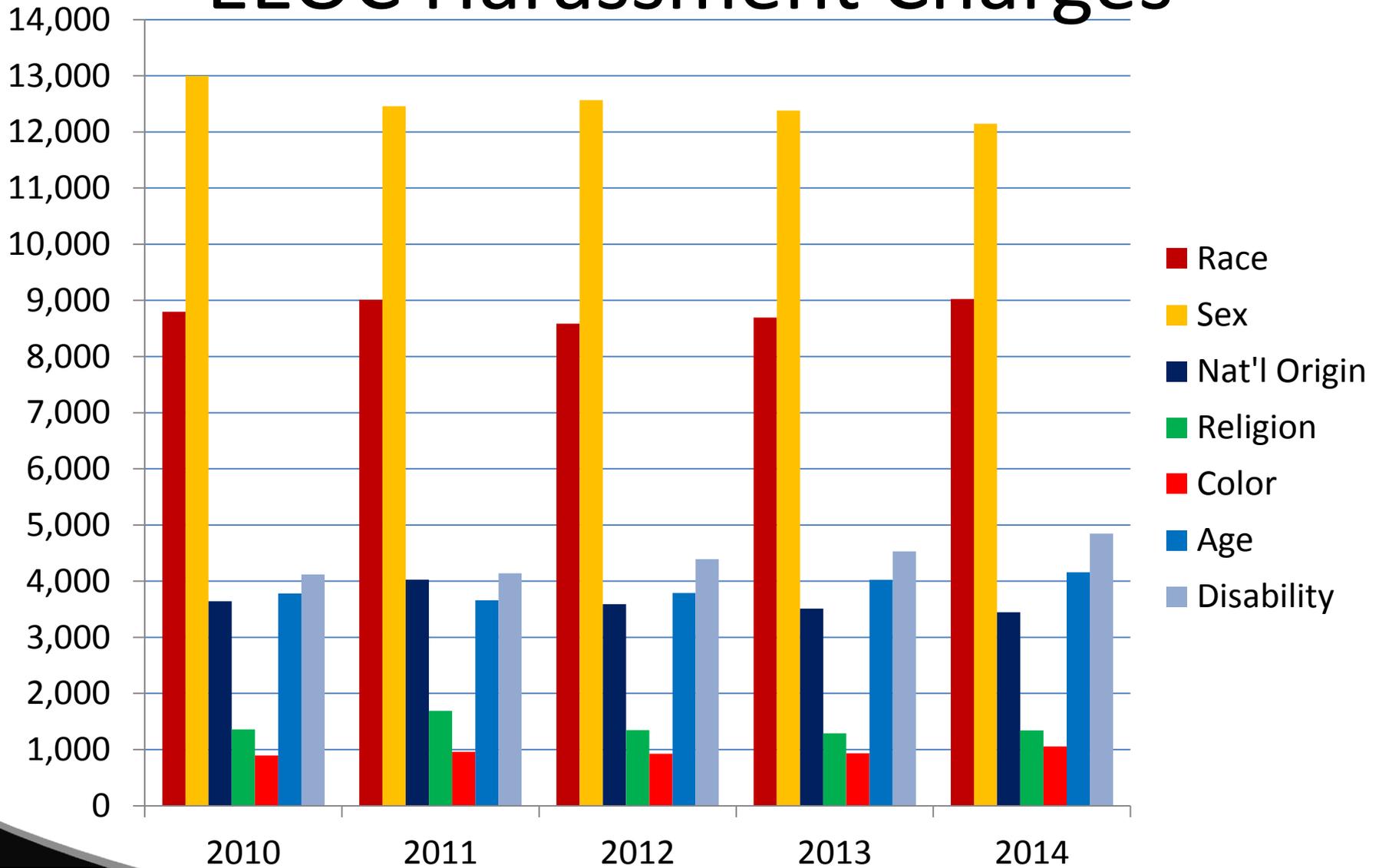
Why are we losing women?

- Economic slowdown is one possibility.
- Expectations of Millennials?
- On the whole, women currently make 78 cents for every \$1 men make.
- Women are increasingly leaving workforce after childbearing age.
- Some research suggests workplace policies and conditions are responsible.
- Can we better accommodate work-life balance?

How do hostile work environments affect a GPTW?



EEOC Harassment Charges



http://www.eeoc.gov/eeoc/statistics/enforcement/bases_by_issue.cfm

What is “harassment”

- *Quid pro quo* (Latin, “this for that”).
 - Requiring to requesting favors of employees (generally sexual favors) in exchange for positive or negative employment changes (e.g., promotions, demotions, pay increases, continued employment).
 - Does not always have to be explicit.

What is harassment (con't)

- Hostile work environment (HWE).
 - Unwelcome verbal or physical conduct based upon a person's protected status or immutable characteristics, which unreasonably interferes with the working environment and alters the "terms or conditions" of the employment.
 - Doesn't just mean a "rude" working environment.
 - To be actionable, must be severe or pervasive.
 - Supervisors have an obligation to recognize, prevent, and remedy such conduct.

Features of a HWE

- A hostile work environment is not just one filled with sexual innuendo.
- May be based upon any type of protected conduct.
 - Racially hostile.
 - Religiously hostile.
 - Genetically hostile.
 - Hostile against pregnant women.
 - Hostile against non-citizens.
 - Hostile against older people.

Features of a HWE

- A hostile work environment does not have to be created by supervisors; it can exist as a result of a supervisor's tolerance of conduct by subordinates as well.
- Does not have to be linked to words stated, but can include actions taken (emails, inappropriate items, workplace rituals).

Anyone can harass

- Men can harass men for not being “manly” enough.
- Women can “come onto” women.
- Christians can harass Christians for not going to church.
- And so forth.

Biased statements

- Of course he can't fix the laptop; he predates computers.
- We need more energetic workers.
- Childbirth changes the priorities of women.
- Will I see you at church?
- Ditch your wife and let's get a drink.
- You'd be prepared for the promotion if you hadn't taken all that time off.

Inappropriate items in workplace

- Pornography.
- Bibles at all desks.
- Nooses.



Inappropriate workplace rituals

- Prayer meetings.
- Butt-slapping.
- Men-only events.



It's all about perception

- It is not whether the boss or employee thinks it's okay, but whether a **reasonable person** would think it's okay.
- Lack of intent is not a defense.



Do these things really happen?

- You better believe it.
- In FY 2014, the EEOC in Alabama processed 2,879 charges of alleged discrimination.
- In contrast, the entire State of New York only had 3,611.
- Of the 2,879 charges in Alabama in FY 2014, half were race-based discrimination, followed by claims of retaliation and sex discrimination.

Ask yourself:

**Do you think any of these situations
sound like a great place to work?**



Race

- Dockworkers and janitors at motor freight company in Chicago area.
- Hangman's nooses displayed.
- Racist graffiti.
- Racist comments.
- Racist cartoons.
- Harsher discipline.
- More difficult job assignments.

Race (continued)

- Cost: \$10 million.

<http://www.eeoc.gov/eeoc/newsroom/release/9-15-10b.cfm>

- Grocery store chain had to pay \$8.9 million, mostly for graffiti-covered wash room.

<http://www.eeoc.gov/eeoc/newsroom/release/12-15-09.cfm>

Sexual Harassment

- Car dealership in Los Vegas.
- Grabbing women's breasts.
- Crude remarks about women's bodies.
- Repeated requests for dates.
- Women told they shouldn't be in car business.
- Cost: \$110,000 (management involved).
- <http://www.eeoc.gov/eeoc/newsroom/release/1-4-10a.cfm>

Pregnancy Discrimination

- Donut shop in Katy, Texas (national chain).
- Confronted employee over unofficial reports she was pregnant.
- Required her to get doctor's note certifying she didn't have a high-risk pregnancy.
- Fired for failure to work when she had already been removed from schedule.
- Cost: Sued by the EEOC.

Source: <http://www.eeoc.gov/eeoc/newsroom/12-30-14.cfm>

Religious Discrimination

- Aircraft service provider in Guam.
- Ordered Jehovah's witness to raise Guam and American flags.
- Protested that it would violate his religious beliefs.
- Manager fired him same day for insubordination.
- Cost: \$51,000 and various other expenses.

Source: <http://www.eeoc.gov/eeoc/newsroom/release/4-2-12a.cfm>

Disability

- Travel company in Hawaii.
- Tour coordinator suffered from rheumatoid arthritis and had difficulty walking at times.
- Supervisor remarked as follows:
 - “If you cannot walk straight, you cannot work at the hotel.”
 - “Because of the way you walk, you create a bad atmosphere.”
 - “No one wants you here.”
 - “You are selfish for making other people have to watch you limp.”

Disability (continued)

- Tour coordinator received a less favorable performance rating than in the past.
- Another employee protested.
- Both were forced to quit.
- Cost: Sued by the EEOC.

Source: <http://www.eeoc.gov/eeoc/newsroom/release/10-5-10b.cfm>

Age

- 66-year-old East Indian security guard at facility in San Jose, California.
- Co-worker constantly remarked about guard's national origin and age.
- Guard complained.
- Company involuntarily transferred him to another location.
- Cost: \$51,000 + training all supervisors.

Source: <http://www.eeoc.gov/eeoc/newsroom/release/5-21-12.cfm>

Veteran Status

- Iraq war veteran worked as paramedic and firefighter in major Tennessee city.
- Frequently subjected to derogatory names.
- Called “Habib.”
- *Vickers v. City of Memphis*, 368 F.Supp.2d 842 (W.D. Tenn. 2005). (Parties dismissed case after judge ruled that possible to sue under USERRA for hostile work environment.)

Some Suggestions

- Just stop and think about it.
- Employee handbook critical.
- Have a way to bypass immediate supervisor when employee makes complaint about harassment.
- Respond to complaints.
- Don't retaliate.
- Carefully select supervisors and managers.
- Training, especially management personnel.

Effective anti-harassment policy

- Clear statement of who to report to, with contact information (with built-in bypass feature).
- Reporting to co-workers insufficient.
- Numerous examples of harassment.
- Statement that harassment can be based on any protected characteristic (not just sex or race, but genetic status, veteran status, pregnancy, etc.).
- Clear procedure, with appropriate confidentiality.

Managing Harassment Investigations

- Do you put anyone on paid leave?
- Do you transfer harasser or complainant?
- Formal statements at beginning of investigation?
- Who learns of results?
- How do you enforce confidentiality?
- How do you prevent retaliation?
- How long does it all take?

Questions?

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