



Focus on Human Resources

New Employee Orientation

By Allan Milder, SP3 Group

“You can reduce turnover and increase profitability by helping your new hires adapt to their work environment.”

During the 1980's and 1990's the companies with the best retention practices outperformed the Dow, the NASDAQ, and the S&P 500. One of the most important elements in retaining your employees is how you treat them during their first days or weeks on the job.

New employee orientations when done well get employees off on the right foot and lay a foundation for a long and mutually beneficial relationship.

New employee orientations generally should strive to attain the following objectives:

1. Accelerate the rate at which each new employee is processed into the organization and becomes productive in their new job.
2. Reduce the costs of avoidable employee turnover by providing a process to integrate new employees into the work environment, including social and emotional integration as well as performance support.
3. Ensure that all necessary processing of paperwork and information is carried out promptly and correctly.

Accomplishing these objectives is attainable if the following phases are incorporated into your orientation process:

1. **Acclimation:** Starting with a new company is like going to a new country. Everything is different – the people, the systems, the language, and the culture. Acclimation brings a new employee on board by addressing these types of issues. The orientation should provide them with support such as an acquaintance with acronyms, organization charts, company information, culture,

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procedures, and other areas that will assist the new employee in feeling somewhat more comfortable in their new surroundings and enable them to begin to be more productive right at the start.

2. Integration: Many people spend more time at work than they do with friends and family, and who wants to spend their workday with total strangers? An emotional connection develops when new employees get to know their co-workers and create friendships with others in the workplace. This connection positively contributes to employees wanting to stay with the company. The orientation process should create opportunities for new employees to meet other employees in the company beyond those in their immediate work group.
3. Communication: Help employees build lasting relationships by having regular one-on-one conversations with management, beginning with the orientation on their first day and continuing periodically thereafter. During the first 90 days initiate scheduled times in which new employees may discuss things with management, including opportunities to meet with upper management in breakfast or other meetings and be given a chance to share ideas. Use these opportunities to share goals and business strategies, letting each employee know how they fit in and contribute to these goals and strategies.
4. Expectations: Both employee and manager are coming into the new relationship with expectations. It is important to share these expectations with one another. Find out what the new employee expects. Encourage questions. Set performance goals that include the first 90 days and getting to know the organization and the job. Align their performance expectations with the organization through mutual goal setting.

If you need assistance in developing an orientation process for your business we can help. Contact Allan Milder at SP3 Group for more information. He can be reached at amilder@sp3group.com or at 512-249-8427.

This article has been written for Diamond Corporate Services by Allan Milder, Vice President of Human Resources Services for SP3 Group, Inc., a management consulting company that is available to you for consultations to assist you in handling your Human Resource challenges. SP3 Group has worked with many clients of Diamond Corporate Service. For more information about this service contact Allan at 512-249-8427, or contact Ron Rice at 512-431-7620.

NEW DEPARTMENT OF LABOR RULES

Am I Required to Pay my Managers a Salary of \$455 per Week?

By Ronald Rice, Diamond Corporate Services

“Understanding the new regulations can help you stay in compliance without increasing your budget.”

Quite a few clients have asked us about the new DOL regulations which have taken effect on 8/23/04. These new rules appear to be an effort by the DOL to block employers from paying workers with a low fixed salary and then denying them overtime pay if they work more than 40 hours in a week. The primary rule change addressed here is the requirement that workers are always eligible for overtime pay unless (1) their salary exceeds \$455 per week and (2) other work duty requirements are met.

The new regulations describe several types of employees, such as executive (management) employees, administrative employees, professional employees, computer employees, and outside sales. Each type of worker has requirements in their job duties to determine if they can be exempt from receiving overtime pay.

For example, the executive employee (manager) must meet the following tests:

- a. Salary of at least \$455 per week, although there are some further definitions of “salary” which give you some flexibility (see below).
- b. The employee’s primary duty is managing the enterprise, or a recognized department.
- c. The employee must customarily and regularly direct the work of at least 2 or more other full-time employees.
- d. The employee must have the authority to hire, fire and give promotions to other employees, or whose input is given particular weight to the decisions.

Administrative employees can be overtime exempt if they meet these tests:

- a. Salary of at least \$455 per week.
- b. The employee’s primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer’s customers.
- c. The employee’s primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

Other tests pertain to professional employees, computer employees and outside sales.

Some questions have arisen. Can a manager be paid a base salary less than \$455 and still be exempt from overtime pay? Some clients pay a manager commissions and incentive bonuses. As long as the manager is guaranteed a minimum of \$455, they can have a lower base salary (eg. \$350) and add weekly commissions and incentives to it.

Can the \$455 guaranteed wage be prorated for unpaid time off? Yes, if the manager misses regularly scheduled shifts their pay can be docked for the unpaid time off. This would also be true for other unpaid leave, such as medical leave, vacation or sick days.

Is a new manager overtime exempt immediately upon hire? Do I have to start managers at a \$455 salary? No. It is possible to have a training phase where a new manager is paid hourly until such time as they qualify to be overtime exempt under the four tests listed above.

If you have questions or concerns about overtime eligibility and DOL regulations, you should consult with your PEO or a Human Resources consultant.

SAFETY ISSUES – FATALITY DATA

By Ronald Rice, Diamond Corporate Services

The Texas Workers Compensation Commission has released its report on the 491 fatalities which occurred in Texas in 2003. These 491 people died in work-related accidents in one year. Think for a moment.... Do you know what type of work accident was the leading cause of fatalities? If you guessed construction accidents, industrial accidents or falls, you are not correct. The number one cause was transportation incidents, accounting for 42% of the total, with most of these fatalities occurring on Texas highways. Assaults and violent acts in the workplace was the 2nd leading cause, with 18%. The 3rd highest was fatal falls, with 11%. These are not the industrial accidents that many people think of first. In fact, these first two causes are a risk factor in ANY type of business. Anyone who drives on business, has airline travel, or works near a roadway is at risk. With this in mind, why not take this short test written by the Texas Workers Compensation Committee.

“Are you or your employees at risk? Recent studies may surprise you.”

HOW RISKY IS YOUR DRIVING?

While driving at work, are you road ready?

	Never (2 points)	Sometimes (1 point)	Always (0 points)
1. Are you well rested and relaxed?	_____	_____	_____
2. Do you allow yourself plenty of time to get to a destination without rushing?	_____	_____	_____
3. Do you wear your seat belt?	_____	_____	_____
4. Do you adjust your mirrors and seat, select climate and radio/CD controls before driving off?	_____	_____	_____
5. How's your visibility? Is your windshield clean, do your wipers work well?	_____	_____	_____
6. Before getting behind the wheel did you check the traffic, roadway, and weather conditions?	_____	_____	_____
7. Do you have at least a half tank of gas & properly inflated tires with good tread?	_____	_____	_____
8. Do you use a cell phone while driving?	_____	_____	_____
9. Do you drive through school zones, construction zones, or areas with pedestrians?	_____	_____	_____
10. Are you driving on congested roadways?	_____	_____	_____
11. Do you eat while driving?	_____	_____	_____
12. Do you have passengers, especially children, that demand your attention while driving?	_____	_____	_____
13. Are you driving on rural roads with narrow lanes, sharp curves, and trees close to the shoulder?	_____	_____	_____
14. Do you groom yourself while driving?	_____	_____	_____

Your Total Point Score: _____

How did you do? Being road-ready lowers your risk of accidents. A low score (0-4 points) indicates that you make safe driving your number one priority. If you scored over 5 points, it indicates that your driving is risky, and you need to learn actions that will lower your risk. I'm not going to tell you my own score, but it wasn't good! Remember to practice safety. Don't learn it by accident.