

LEGAL ADVISOR

A PilieroMazza Update for Federal Contractors and Commercial Businesses

Labor & Employment Update

BE A RESOLVED EMPLOYER IN 2014

By Nichole DeVries

In the spirit of the season, employers should make resolutions on ways to improve their human resource practices in 2014. And beyond simply making resolutions, you should have a plan to ensure you meet your objectives – easier said than done given everything else you must do to run your business. To help you succeed in achieving key employer resolutions this year, this article provides a roadmap to address what we believe are the top five “must-do’s” for employers in 2014.

1. DUST OFF THE EMPLOYEE HANDBOOK

Do you remember the last time you read your employee handbook cover to cover? And when was the last time you updated it? Laws are repealed, refined and implemented constantly and each state has a different set of rules. The first thing examined when a crisis arises is the employer’s policies. Therefore, it is critical for employers to review and update their handbooks at least annually. A detailed review is especially important in 2014 given the Supreme Court’s rulings on the Defense of Marriage Act and the Affordable Care Act, Maryland’s new handbook requirements relating to the rights of pregnant workers, the lessons learned from the government shut down, and so much more.

2. CLEAN-UP YOUR CONTRACTS

As your business size or environment changes, so should your evaluation of the company’s contractual relationships to its employees. When an employee you promoted last year goes to work for a competitor, you want to be confident the company is protected against unfair competition and the release of proprietary information.

The first step is to review contracts already in place with employees and determine whether they are legally enforceable. This is especially important if you have non-

compete or confidentiality agreements with employees or if you operate in multiple states. A review will provide confidence that your agreements are enforceable in each state in which you operate.

The second step is to evaluate whether the nature or size of the company or its relationship with certain employees has changed such that you now need agreements not previously necessary. You should consider whether employees with access to proprietary information or with the potential to help a competitor gain an unfair advantage should be required to sign a non-compete or confidentiality agreement as a condition of employment in order to protect your business interests.

3. THE EMPLOYEE MORALE CHECK-UP

With so little time, we often band-aid the bad stuff and forget to devote attention to those employees who contribute to your success. Incentivizing employees and improving their morale can be an invaluable asset to the growth of a business. PilieroMazza has assisted employers in structuring incentive plans ranging from innovative compensation schemes to simple reward programs to encourage employees and reinforce their commitment to the company. Take time out this year to examine the various ways incentivizing your workforce will help propel your business into an even more profitable year.

4. EVALUATE YOUR TRAINING PROGRAMS

Well trained employees, especially management employees, drastically reduce the chance your business will be unable to effectively defend against a claim or lawsuit brought by a disgruntled employee. In fact, good management decisions will prevent such claims from arising in the first place

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and often greatly assist with improved employee morale and retention. Take some time this year to evaluate the effectiveness of your training programs. If you do not have training programs, think about the types of training that will be most beneficial to your team and that will also help protect the company from liability.

5. REVIEW YOUR HIRING AND FIRING POLICIES

Often employers fail to think in advance about how they will implement a sudden reduction in force, temporary layoff, or rehire. The government shut down was a good example of this for many employers. Given the new rules that mandate the hiring of predecessor employees on service contracts, and the EEOC's focus on the disparate impact of layoffs on protected classes of employees, employers simply cannot afford to go without established reliable and fair hiring and termination policies.

Although sticking to these resolutions might seem like a tall order, they are necessary to protect your business in 2014 and into the future, so do not let them fall by the wayside. Invest the time to address these issues in 2014 and you will see the benefits. Let us know if you would like our assistance with your resolutions and in developing an HR improvement plan that fits with your goals in 2014. □

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