

SURVIVAL GUIDE TO EMPLOYMENT LAW:
**Three Simple Rules for Maintaining Good
Employer/Employee Relationships**

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1. HIRE WELL
2. TREAT EMPLOYEES FAIRLY
3. FIRE WHEN NECESSARY

1. Hire well

- a. Plan hiring decisions. What kind of employee do you need? Is there another way the work can get done? Can you restructure existing duties? Have job descriptions which accurately describe the job.
- b. Decide your hiring criteria before you even review an application. It's easier to compare a candidate to "the perfect candidate" rather than comparing them to one another.
- c. Select candidates who fit your criteria, regardless of stereotype - you will avoid liability for all kinds of discrimination. Focus on the skills you need and whether the candidate has them. Ask candidates how they would do a particular task. Ask job related questions.
- d. Use only the tools you need to determine whether the applicant fits the criteria and apply them equally to all candidates - drug testing, skills testing, medical exams, NO polygraphs!
- e. Don't delegate hiring decisions to someone you don't trust. One owner of a production facility met every employee before they were hired. The employees were impressed that he took the time, and they knew who he was when he was on the plant floor.
- f. Verify employee's background, but don't rely unnecessarily on former employers' opinions. How many times have you palmed off a bad employee on another employer in order to get rid of him or her? You have SOME responsibility if you hire a convicted ax murderer to sharpen axes.

2. Treat employees fairly

- a. Pay fairly. Check out the market. Know what the job commands. Pay according to the employee's contribution to your business, not because of the employee's needs or lifestyle. If you don't pay fairly, employees will "take it out in paperclips." One employee who embezzled several hundred thousand dollars from his employer rationalized his theft by the fact that a person in his position needed to maintain a certain lifestyle and he was being underpaid by his employer. Level with employees about how pay is decided.
- b. Follow the law - don't expect employees to work "off the books" or pay cash "under the table." The message you send to your employees is that it is okay to violate the law.
- c. Take credit for all forms of compensation, including benefits such as insurance, time off, job security, etc.

- d. Share profits and losses. (However, you can't withhold from employee's paychecks without their written consent.)
- e. Let employees know what you expect. Have written policies (particularly on harassment and privacy) and FOLLOW THEM!
- f. Allow employees to have input in decisions which affect them. Are you providing something employees don't want or appreciate? You want employees to "buy in" in order for them to make it work. Give employees a sense of ownership - quality circles, job pride.
- g. Set reasonable rules. Coming to work on time may be reasonable, but flexibility may also be reasonable, but may also be unreasonable. Unreasonable rules lead to abuse of those rules. Enforce rules equally. Set a good example.
- h. Let employees know where they stand. Praise and criticize. Say thank you. Too many employees are surprised by the employer's view of them. Be honest. Treat employees with respect. Don't send them to the laundromat with your gym clothes.

3. Fire when necessary

- a. Bad employees don't resign. Everyone hopes they will, so they don't have to have a difficult confrontation. Keeping bad employees poisons the rest of your workforce.
- b. Bad employees don't improve on their own. You have the responsibility to coach. Don't extend probationary periods.
- c. Bad employees are not necessarily bad people. You may not have done your job on the hiring end, so your expectations and theirs about their job may not be in sync. The personality match may be bad.
- d. Make your decision and stick to it. Seek advice from others prior to making it.
- e. Be humane. Allow the employee to maintain his or her dignity. Employees sue more frequently if they've been humiliated.
- f. Be honest. Employees exercise denial. They often think they're being fired for an illegal reason if they're not given the real reason. Don't manufacture an explanation - "We're eliminating your job" when you plan to fill it next week. Give them copies of their personnel file.
- g. Don't trash them after they're gone. Give factual, non-evaluative references. No off-the-record remarks.