

## It's Never One Thing . . . It's the Weight of Everything!

*Do you ever feel like the camel, just one straw from collapse? People ask: "How do they expect me to meet these rules, endure these audits and fines, change my processes, devote more salary to compliance, have no time for useful HR projects and still operate a [profitable] business?"*



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### ARE YOU IN THE COMPLIANCE "CROSS-HAIRS"?

Let's take the easy answer first: if your business or profit margin is built on living in a grey zone with key workplace laws, that last straw will come one day and bring devastating effects. Examples include: overuse of the "contractor" concept (to avoid costs), using company shells to stay under coverage thresholds, skirting immigration laws to get a cost advantage, working off the clock to save payroll, misleading employees about the hours they can expect and tolerating abusive supervision.

If you are a mainstream, compliance-minded employer with only a few suspected warts, do not expect leniency from a government inspector due to your strong efforts. There is no "improper equipment" conviction for a workplace speeding ticket. Yes, a bad history can make things worse, but a good one is of little value when targeted. It is even less important to an investigator that your competitors are doing the same thing. "Will you jump off a cliff if Little Johnny does?", your mother used to say.

So, is your best compliance strategy a hyper-reaction to every law firm newsletter, seminar speaker and court case from California? Clearly not. Unfortunately, we see too many employers fall into an expensive and circular compliance trap where the potential fears will always outstrip our ability to comply. You see, in a world where you can be fined thousands of dollars for innocently marking through and changing an entry on your I-9 Forms, 100% compliance for most of us is a grand expensive illusion.



### HOW TO PREPARE

Our years of helping employers understand their obligations and make good-faith efforts to comply taught us five rules for prioritizing compliance efforts:

1. If it involves safety, get on it now. No excuses. Spend the money or get out of that business.
2. If a practice is central to your business model and you stand on uncertain legal sands, get legal clarity or change your practices. It is just a matter of time. Ditto for employers that rely heavily on federal contracts.
3. If compliance can be put into a process with accountability (such as I-9 forms), then do it or outsource it, now. If they can be "routinized," the cost can be balanced with the threat. Avoid letting routine tasks consume high-cost talent.
4. If the compliance threat involves disincentives YOU forced on your managers (such as volume-based payroll controls) you have no one to blame. You can either amend the rules or change how you hold managers accountable.
5. If you see a snake, kill it. When you see evidence of compliance violations, such as threatening or abusive behavior by a manager, get on it quickly like a dog after dropped food. It will only build and become your biggest problem if ignored and explained away.

I would much rather see these five compliance mentalities in regular practice than see employers unproductively answering, swirling and worrying over every potential new initiative out of the EEOC, NLRB and such. If you follow these five priorities, chances are you WILL meet the big challenges that come your way and have time for the truly important things.

Contact me directly if I can help you or your team.

*Bruce*

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*Executive Scan* provides a quick update on internal and external issues affecting your workplace with timely advice on ways to respond. It is provided to members and friends of CAI.

*Executive Scan* is written by CAI's CEO, Bruce Clarke, JD.

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This is your Aug/Sept 2013 EXECUTIVE SCAN

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