

It Starts With a Policy and Ends with Good Management

Remember me, the business owner that almost lost his upholstery shop? A lot has changed since we last spoke. As you might recall, I was reeling from compliance issues and fines, and my employees were jumping ship. Then I was hit with customer service issues with the new mobile sunroof company I purchased. Man, owning a business is not easy! Fortunately, with a little help, I was able to get back on the right track.

As my business continues to grow, my people issues get more complicated. MetaForce, my Human Resources partner, suggested that I develop an employee handbook so that I could have all my company policies in one document. In doing so, employees sign and acknowledge receiving a copy of the employee handbook now making it possible for me to hold my employees accountable. While working with my Human Resources partner I gained invaluable knowledge of which policies I must have as a matter of law, versus other policies that will provide my company with an advantage in the event of a law suit or other claim.

Among the policies in my new handbook is a sexual harassment policy. Although this policy is required by law for a company of my size, it's a really good idea to have regardless of company size. Sexual harassment lawsuits still occur every year, even though they may not be front page news. The Federal Equal Employment Opportunity Commission, the agency that oversees discrimination in employment, resolved 14,534 sexual harassment charges in 2003 for \$50 million in monetary benefits for charging parties and other aggrieved individuals (not including monetary benefits obtained through litigation)¹.

My sexual harassment policy is part of a much larger discrimination policy, and has several parts to it. First, it outlines what constitutes sexual harassment and what we won't tolerate as a company. It goes something like this:

It is the policy of Joe's Upholstery & Mobile Sunroof Company that all its employees be able to enjoy a work atmosphere free from sexual harassment. Sexual harassment is defined as; (1) making unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature as a condition of an employee's employment, (2) making submissions to or rejections of such conduct on the basis for employment decisions affecting the employee, and (3) creating an intimidating, hostile, or offensive working environment by such conduct.

¹ US Equal Opportunity Commission, *Sexual Harassment Charges EEOC & FEPAs Combined: FY 1992 - FY 2003* (<http://www.eeoc.gov/stats/harass.html>).

The Company will not tolerate sexual harassment by an employee, manager, customer, vendor, or any other individual in connection with work or the workplace. Sexual harassment is not only prohibited in face to face situations, but also if the harassment occurs via written or electronic communications.

The Second part of the policy states the procedure for making complaints as well as what will happen.

If you believe you have been the subject of harassment or know of someone who has, report this immediately to your supervisor or Joe. Supervisors who receive a complaint of harassment should notify Joe immediately. All employees will be protected from coercion, intimidation, retaliation, interference, or discrimination for reporting a complaint or assisting in an investigation.

Appropriate sanctions will be imposed on individuals found to be engaged in harassment or those individuals found to have falsely charged another with harassment. Examples of possible sanctions can include, but are not limited to, warning letters to personnel files, diminished earnings, work assignment changes, demotion, and termination of employment.

The other part of my responsibility as an employer is to provide training to both my supervisors and employees with respect to discrimination and harassment. My HR consulting company had scheduled the training for two weeks after the launch of my handbook, so I thought I was good to go.

Then it happened.

My business at the shop was growing, with more customers coming into the shop than before. I recognized the need to get a cashier that could help with the customers as well as with my back office accounting. I found the perfect fit in Janie, and got her started right away. She reported to Sam the Shop Manager (Amy, how's the title?) who had been with the company since my Dad owned it.

Shortly after her start, Janie started having issues with lewd comments from one of our long-time customers. She reported her concerns to Sam, who gave her some advice on how to manage the customer. Being a trooper, she tried Sam's advice the next time the customer came in. Unfortunately, the customer did not respond in the manner she had hoped, but instead became more forward with her, going so far as to grab her hand across the counter.

Following the company policy outlined in our Employee Handbook, Janie brought her concerns again to Sam. Even though Sam had been trained in the company's policies and procedures, he failed to act appropriately. He told Janie she was being too sensitive, that the customer was a long-time friend that would not do something like that without some provocation as he was a family man. Janie asked if Sam could handle the customer in the future, and Sam said "no, that's your job".

Fortunately, Janie came to me with her concerns. I followed what I had learned in the training and told Janie we take complaints very seriously. I asked her for details of her story, listened attentively, took notes, determined facts, and told Janie I would investigate the situation immediately. She asked if I could keep it confidential, and I told her I would to the extent possible, however I would need to speak with Sam to hear his side of the story. She was concerned Sam would retaliate against her once he found out she had come to me. I explained that the company does not allow any form of retaliation, and if she felt retaliated against in any way to tell me immediately.

My conversation with Sam was crazy! Even though he had been through the same training, he still felt it was an issue with Janie and did not see what he had done wrong. He had tried to help her by giving her some pointers on handling the customer, however she just keep coming to him to complain. He felt sure it was an issue on her end.

I explained to him that by not handling the situation in the appropriate manner, he was opening up the company to a potential lawsuit. And what's worse, he could be held personally liable! The company had done everything right by having a clear policy and providing training, and he had gone against that policy. Our only saving grace was that Janie had come to me directly instead of quitting and filing suit. After much conversation, Sam understood where he had gone wrong.

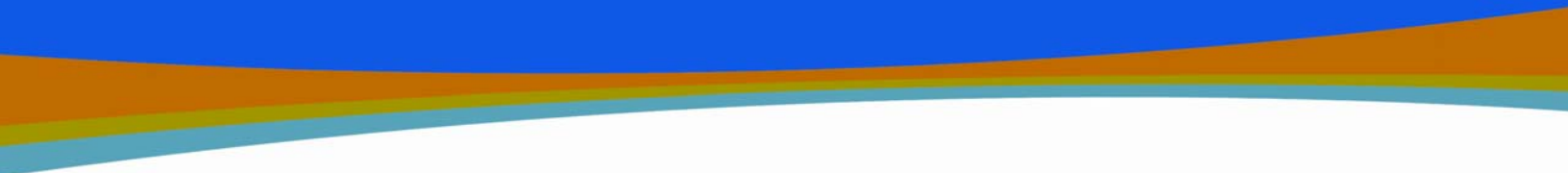
Later on that day, the same customer came by. Janie had been given the remainder of the day off, so Sam had an opportunity to speak with the customer alone. He was shocked to learn the effect his comments had on Janie. He promised Sam he would apologize to her the next time he saw her and asked that Sam let her know they had talked.

When Janie came in the next morning, Sam apologized to her. He told her he took for granted the fact that not everyone kids around in the same manner, and that in the future she should feel comfortable to come to him with anything. When the customer came in later on that day, he also apologized to her and asked if they could start their relationship afresh. Janie told the customer they could, and since then, it's been smooth sailing.

My key learning from this experience is, as a business owner I want to make it as easy as possible to report and resolve any and all complaints That's the only way I can manage issues before they get out of hand. If Janie had decided to quit instead of coming to me, I would have lost a valuable employee. Worse, if she had decided to file a compliant, my company and Sam would have been named. I believe the only winners in lawsuits are lawyers, so I'm so glad I didn't have to go down that path!

In an on-going series, I will share some of the insights I've learned from MetaForce along the way. As an overview, MetaForce started working with me by making sure I was in compliance.

Next they helped me with my customer care issues. Because MetaForce has a mission to help small companies, their professional services are priced for the small business owner. And for those owners who still think they can not afford high-quality professional services, MetaForce



also offers affordable management and Human Resources workshops that are open to the public.