

DECISIONS FOR SMALL BUSINESS

❖ "An invincible determination can accomplish almost anything and in this lies the great distinction between great men and little men." --**Thomas Fuller**

AMS provides consultation to small and emerging businesses in the areas of staffing, marketing, productivity, legal considerations in forming and operating your business, and management techniques.



In This Issue

Behavior Based
Interviewing

From inception, to implementation and beyond



AMEY MANAGEMENT SERVICES

Behavior Based Interviewing

With the number of technically proficient candidates rising, more companies are turning to Behavior Based Interviewing to find the *Right Fit* for the *Right Job*. Simply reviewing resumes and applications with basic questions is no longer sufficient to identify the candidate who is the ideal fit for your organization.

Studies have shown that the best indicator of how a person will perform is how they have performed in the past. How a person has handled conflict, time management, or shown integrity in previous situations is exactly how they will handle the same issues in your organization. By using specific and direct questioning designed to force the applicant to provide specific examples of previous behavior, you can filter applicants down to the *Right Fit* for the *Right Job*.

Amey Management Services provides an array of services to help employers identify the best candidates for company positions.

Behavior Based Interviewing is one of many strategies we will develop and implement for the needs of your business.

Retention I.

Many small businesses fail to recognize the impact of retention on their bottom line. The costs associated with advertising and paying overtime to cover the opening are a few of the obvious costs. The not so obvious costs include, but are not limited to, labor to perform interviews, time to train new staff and loss in productivity. In order to control these costs, small businesses must place the same emphasis on retention as they do to sales.

The first step to improving retention is by first selecting the right fit for the right position. Studies have shown that one of the top reasons stated for employees leaving their jobs is job satisfaction. A growing consciousness of the American public has increased the importance of effective selection. Today's business must not only make sure an applicant has the qualifications to perform in the hired position; they must also make sure that the applicant is the correct motivational fit to increase retention. The only proven method of ensuring motivational fit is through behavior based interviewing. Improve your organizations retention. Incorporate behavior based interviewing in your selection process.

August 2007 issue:

California Wage and Overtime Issues

Our June issue covered proper Classification of employees and independent contractors. Our August issue covers proper compensation of Employees and Independent Contractors.

"Knowing trees, I understand the meaning of patience. Knowing grass, I can appreciate persistence." --Hal Borland

CALIFORNIA WAGE AND OVERTIME

California employers today face few greater risks in their complex relationships with employees than those they encounter in complying with the often bewildering web of federal and state wage and hour laws.

California employers must comply with both California and Federal hour and wage laws. California laws provide greater employee protections and is more favorable to employees than Federal laws. California also has a different standard to determine who is owed overtime.

Employers can find penalties for otherwise small violations or claims for unpaid wages multiplying as wage and hour claims often accrue on a per employee, per day basis.

Wage and hour compliance also presents a unique risk of exposure to the employer, who must be concerned not only about claims brought by employees and former employees, but about compliance investigations and potential penalties assessed by California and federal administrative agencies charged with wage and hour law enforcement.

Employee claims alone can take any of several forms, as employees have more than one enforcement mechanism available to them in claims for unpaid wages.

Not only may employees bring conventional civil lawsuits, they may also bring administrative claims for unpaid wages and penalties before California's Division of Labor Standards Enforcement ("DLSE"), which is empowered to hear claims and enter judgments for unpaid wages and related penalties involving a broad range of wage and hour matters. Employees may, and often do, bring wage and hour claims before the DLSE without the services of an attorney, giving them a cheap and relatively efficient path to a potential recovery. Accumulated day by day and pay period by pay period, wage and hour violations by an employer can become a "silent killer," as unpaid wages and related penalties can accrue up to a limitations period ranging from 3 to 4 years, depending on the type of claim brought against an employer.

Amey Management Services can help you properly classify employees. We will develop strategies to ensure your business remains in compliance with State and Federal Wage and Hour laws.

Be certain you haven't misclassified your staff.

ABOUT AMS.....

AT AMEY MANAGEMENT SERVICES, WE BRING A TEAM APPROACH TO ADDRESSING THE BUSINESS PLANNING NEEDS OF OUR CLIENTS. DRAWING ON OUR KNOWLEDGE AND EXPERIENCE OF TAX, BUSINESS, MANAGEMENT, GOVERNMENT POLICY AND EMPLOYMENT STRATEGIES, WE ASSIST OUR CLIENTS IN FORMULATING AND IMPLEMENTING SOLUTIONS THAT ARE BOTH HIGH IN QUALITY AND CUSTOMER FRIENDLY.

WAGE AND OVERTIME (CON'T)

Classification of employees as either "exempt" or "non-exempt" from overtime compensation obligations has proved the most troublesome area for employers, but litigation has more recently been spreading to embrace other aspects of wage and hour law, such as mandatory meal and rest breaks for non-exempt employees.

EXEMPT AND NON-EXEMPT CLASSIFICATION

"Classification" refers to the decision an employer must make to determine whether an employee will be legally entitled to overtime compensation and to other "non-exempt" employee rights such as meal and rest break periods, or whether the employee will be "exempt" from these requirements. An exempt employee is not paid overtime for hours worked over 8 in one day and 40 in one week.

EXEMPTION STATUS AND OVERTIME

he or she performed as a non-exempt employee, the employer may begin to accrue significant liability for unpaid overtime compensation as a result of "misclassifying" the employee as exempt.

Paying an employee a salary rather than an hourly wage does not in and of itself make the employee exempt. It is the actual job duties performed by an employee in the position at issue which control the decision to classify the position as exempt or non-exempt. Under current California law, an exempt employee must receive a minimum monthly salary equal to at least twice the minimum wage.

Overtime compensation exemptions, though among the most difficult aspects of wage and hour compliance, are by no means the only challenge.

Both federal and California law create a number of specific "exemptions," but the provisions of federal and California law often conflict with one another in describing the requirements necessary for an employee to qualify for a particular exemption.

Three exemptions, often referred to as the "executive," "professional," and "administrative," exist in both federal and California law. It is always the case that a job title is irrelevant to whether a position is "exempt." What matters instead is the employee's actual job duties.

If an employee is promoted to "manager" and changed from an hourly to a salary compensation, with a cessation of overtime compensation but the employee continues to perform the same duties

Other traps for the unwary employer under California wage and hour law include decisions to classify workers as "independent contractors," rather than as employees.

Independent contractor status appears to offer an employer a number of advantages, but on close examination, the decision to engage a worker as an independent contractor also comes with significant risks.

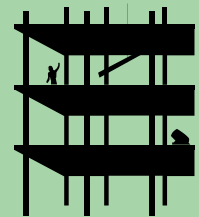
California enforcement authorities view employer classification of a worker as an independent contractor with a degree of suspicion, since such a classification results in the employer not, withholding taxes different legal relationships between the worker and the employer which is in many ways more favorable to the employer.

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