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## ***HUMAN RESOURCES PRIMER FOR FAMILY BUSINESSES***

by Terry Broach & Aaron Moyer

The old cliché is true: employees are an organization's most valuable asset. Cultivating an organization that effectively manages its people is important to any organization—including family businesses. The value of good human resources management is critical for organizational success. Understanding key employment law issues that all organizations need to be aware of, as well as some hot topics in employment law is a must for every family business.

Managing your human resources continues to be a daunting challenge as we continue to observe a transition from transactional to strategic. However, depending on the industry, staffing size and budget, the degree of this transition greatly varies. By and large, the days of "Personnel" are by-gone. Pushing paper-work, payroll, recruitment, medical benefits, workers' compensation and processing FMLA's, are more and more being handed-off to 3<sup>rd</sup> party vendors to manage leaving companies to focus on employee relations and performance.

In this webinar, we will discuss a very practical and day-by-day approach to Human Resources in light of Human Capital – What's the value of Human Capital in your organization? How do you manage your Human Capital? What human resource processes/systems do you have in place ensuring quality, compliance, enriching your Human Capital Investment, therefore the success of your organization?

Author Gary S. Becker, professor of economy and sociology at the University of Chicago and a recognized pioneer in economics, writes in his article *The Concise Encyclopedia of Economics*, 2008: Schooling, a computer training course, expenditures on medical care, and lectures on the virtues of punctuality and honesty are also capital. That is because they raise earnings, improve health, or add to a person's good habits over much of his/her lifetime. Therefore, economists regard expenditures on education, training, medical care, and so on as investments in human capital. They are called human capital because people cannot be separated from their knowledge, skills, health, or values in the way they can be separated from their financial and physical assets. (<http://www.econlib.org>)

The current legal and regulatory framework placed on employers adds a layer of complexity to managing that human capital. We will identify certain employment law issues that all employers, including family businesses, need to be aware of. For example, employers are generally aware that many states follow the at-will employment doctrine. Absent a contract, specific law, or something else to the contrary, employees will generally be employed at-will, whether they are family members or non-family members. The implications of that are important for understanding the employment relationship. There is also an array of anti-discrimination laws that protect both family members and non-family members from discrimination based on certain protected characteristics. While some of the federal anti-discrimination laws only apply to employers of a certain size, many state and local jurisdictions have enacted laws that are equally, and sometimes more, protective. The same is true of wage and hour laws. We'll go over a number of these issues that family businesses need to keep in mind.

We will also review some hot topics in employment law. For example, unpaid internships are quickly becoming a major liability for employers. The Department of Labor has issued guidance for employers on the parameters of an acceptable unpaid internship program, but the Department of Labor has also been aggressively investigating companies with such programs. Plaintiffs' class action lawyers have also taken aim at unpaid internships. There has also been a precipitous rise in wage and hour class action litigation. Although a few Supreme Court decisions in the past year offer employers additional arguments in defending against wage and hour class and collective actions, these lawsuits can be costly to defend and expose organizations to significant liability. Finally, Congress is once again kicking around the Employee Non-Discrimination Act ("ENDA"). Although ENDA has been on Congress's desk for years, the day is likely very close when the federal anti-discrimination laws are amended to include sexual orientation and gender identity as protected classes.

We look forward to the discussion and your questions.

Terry Broach is a consultant with SKM Associates Advising Family Businesses. Terry has over twenty years of a diversified and progressive human resources profession, which includes several years in a family-owned and operated business as a generalist, manager, organizational development leader, sales & customer service administration, along with other operational roles. Terry also served as Director of HR & Safety in a Pennsylvania long-term health care facility with multiple campuses. Terry earned a B.A. in Theology from Cedarville University in Ohio, a Masters of Divinity from Biblical Theological Seminary and a Masters of Science in Human Resources Development at Villanova University in Philadelphia.

Aaron Moyer is a consultant with SKM Associates advising Family Businesses. Prior to joining SKM Associates, Aaron practiced employment law at Drinker Biddle & Reath LLP in Philadelphia, Pennsylvania. In his practice, Aaron counseled employers on a variety of employment matters – such as issues with individual employees, policies and practices, handbooks, severance agreements, employment agreements, wage and hour issues – and defended employers in litigation brought by former and current employees under various federal, state, and local laws. His work in these areas includes experience in federal court, state court, the EEOC, and other federal, state and local agencies, as well as the investigation of such claims. Aaron has extensive experience enforcing and defending non-compete and restrictive covenant agreements. He has worked on teams with corporate lawyers and other specialists providing due diligence and labor and employment advice for mergers and acquisitions. Aaron has also provided a broad range of pro bono legal counsel to recently started non-profit organizations in Philadelphia