



# BALANCE *view*

NEWS AND INFORMATION ON HR AND AFFIRMATIVE ACTION ISSUES

Berkshire Associates Inc. Newsletter ~ Qtr. 4 ~ 2007

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### REFER BERKSHIRE!

THE HIGHEST COMPLIMENT OUR CLIENTS CAN GIVE IS THE REFERRAL OF THEIR COLLEAGUES AND BUSINESS ASSOCIATES.

BERKSHIRE WILL SEND YOU A \$20 SUPERCERTIFICATE FROM [GIFTCERTIFICATES.COM](http://GIFTCERTIFICATES.COM) FOR EVERY VALID REFERRAL YOU SEND US.

## THE BIGGEST HR TREND of 2007

By: Nicole Yeldell

Human Resource trends have a tremendous impact on the industry, sometimes changing procedure and policy in their paths. In 2007 there were many trends that affected HR, including: applicant tracking needs, compensation awareness, outsourcing, diversity training, work-life balance, and environmentalism at the workplace. However, the biggest issue and trend for 2007 appears to have been, and will likely continue to be, the war for talent—in reference to both recruiting and retaining.

There are three primary factors contributing to the talent war. First is the impending mass retirement of the baby boomer generation. Not only are they leaving the workforce in mass, but with them goes a great deal of organizational knowledge and management responsibility. The second factor is the steady job market, which since 2006 has maintained an unemployment rate of 4.6 percent. The third factor impacting the war for talent is a shrinking pool of skilled and qualified labor. HR professionals are addressing the talent war through innovative strategies to attract new and retain existing talent.

### Attracting New Talent

Recognizing the changing demographics of the workforce, and the positive impact it can have on business, employers have begun proactively embracing diversity recruitment. Targeted recruitment of minorities, women, and English/Spanish bilingual speakers is on the rise. Diversity recruitment efforts have even been extended to include overseas talent for job placement both here in the United States as well as placement

abroad. Other recruitment strategies include recruiting retired workers.

Additionally, employers have been willing to recruit workers who don't have experience in their particular industry or field, but have relevant and applicable transferable skills. Once the person is on the job, employers are providing the training or certifications needed for the person to perform the job. Besides broadening recruitment efforts, another strategy employers use to stay competitive and attract new talent is bigger paychecks by raising the base salary of new hires.

### Retaining Existing Talent

Just as employers have been working to recruit new talent, they have also been focusing on retaining those they already have. With this process they are learning that some of the strategies used to recruit can also be used to retain. One such common recruitment and retention strategy has been bigger paychecks. Just as bigger paychecks can attract new employees they can also help to retain existing employees.

See THE BIGGEST HR TREND... cont. on page 5

## Fast Facts

By: Lauren Perry

According to a recent study by The Economist Intelligence Unit, "Forty-five percent of executives have a program in place to reduce their carbon footprint."

What is your company doing to support environmentalism?

## UPCOMING EVENTS

*Berkshire's  
Breakfast  
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2008*

A five-part learning series

[www.berkshireassociates.com/  
training/breakfast.aspx](http://www.berkshireassociates.com/training/breakfast.aspx)

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## Mission Statement

BALANCEview is Berkshire Associates voice to the HR Community. Our mission is to provide up-to-date information on trends and challenges facing HR professionals. BALANCEview is also an extension of Berkshire's mission to provide outstanding, balanced services and software solutions, to organizations of all sizes, shapes, and business focus. Berkshire's balance comes from its staff of expert HR consultants as well as its innovative team of software developers that turn your ideas into reality. The entire staff of Berkshire Associates wishes to provide you with outstanding service, products and information to help BALANCE your workforce.

## From Our Editor

### THE COLOR of HUMAN RESOURCES

By: Dawn S. Hyde, SPHR

This year, human resources has branched off in a new direction by going green, and focusing on supporting environmentalism. Companies are under more pressure than ever to go green; to prove they are socially responsible by making sure their carbon footprint is as minimal as possible. HR professionals are embracing this trend, and finding that its benefits stem longer than just the trees being protected.

A recent report from The Graduate Recruitment Company states that, "A third of graduates want to work for green companies." As a business owner I know that recruitment and retention are at the forefront of many people's concerns, and to stay competitive we must be aware of the next generation of employees' needs.

Going green is a step in the right direction. According to The Business Journal of Milwaukee, "Lots of businesses are going green, in fact, a survey of small and midsize American businesses show there is a real advantage of getting into the green movement—now 23 percent of the businesses surveyed said that they search out vendors and suppliers with concern for the environment." But beyond the competitive, public relations, and business-to-business benefits, the biggest payback of going green is the green it puts back into companies' pockets. Going green can help reduce your energy costs, and unite employees in an environmentally supportive atmosphere. A recent survey by 1E and the Alliance to Save Energy found that businesses in the U.S. are, "...wasting about \$1.72 billion a year on PCs that are not shut down at night. And approximately 30 percent of all corporate PCs are left on overnight." This means that for a small company with fewer than 500 PCs, the cost per year for powering them overnight can range from \$3,000-\$10,000.

It's easy to be more aware of the energy your company wastes—turn out the lights when you leave a room, switch off the coffee machines, use florescent lights instead of incandescent bulbs, and keep office equipment off when not in use. These small changes can lead to big results. It's time to help reach your company's bottom-line—the green way.

According to DynamicBusiness.com, "While a focus on greening your business might seem like a career distraction in the short term, in the long term, greater wealth generated by green companies will see significant career rewards for business people who do pay attention to the needs of the environment. Make sure staff understands their personal greening efforts will be considered a performance positive. Staff, friends, customers and colleagues should also be encouraged to travel to and from work and in between offices and appointments by more sustainable means. Personal cars, taxis and airline travel should be minimized wherever possible in favor of walking, bicycling, telecommuting, car-pooling, public transport and teleconferencing."

So how do you get some of these green policies in place if you don't already have them? Here are a few tips on how you can get your company to go green:

- Set one clear green-goal for your company
- Identify the quantitative benefits of the goal—how much money will be saved?
- Identify qualitative benefits such as: positive PR, employee attraction, high standards among competitors, etc.
- Evaluate existing resources and see how the goal can be met without any cost

With the ever-changing world of HR, trends can sometimes be hard to stay on top of, but this is one that we all should embrace because it doesn't just affect those in our industry, it affects our world.



# ARE YOU GREEN TODAY?

By: Lauren Perry

Are you ready to go green? The little things you do now to conserve resources will make a big impact on the environment, and your company's costs.

In an effort to go green, Berkshire is educating clients about our Report Distribution System, which eliminates the use of paper and CDs by publishing your AAP reports to a Berkshire-hosted web site. Authorized employees, such as managers and executives, can view and download reports directly from the Web instead of searching through piles of papers or plastic discs to find what they need.

To help our clients and associates turn green, we are asking that if you currently receive this newsletter through the mail, and would like to receive it through email only, or if you are interested in learning more about our Report Distribution System, please visit: [www.berkshireassociates.com/green](http://www.berkshireassociates.com/green).

We commend you for your green efforts, and look forward to helping grow this industry in the right direction.

### CHANGE of Policy— PERSONAL DATA PRIVACY

Due to increased legislation throughout the country regarding personal data privacy and protection, Berkshire has implemented a new policy. Starting November 1, 2007 we no longer accept client data that includes a person's Social Security Number (SSN) *and* name.

We require each employee be assigned a unique employee identification code, however we will not accept the data if that code is a SSN and the client submits a name. Since employee and/or applicant names are not required fields, clients may choose to submit SSN's but not names in the data.

If you have any questions or concerns about this policy, please contact our Manager of Affirmative Action Outsourcing, Sonia Chapin, SPHR, at 800.882.8904, ext. 1206, or email [soniac@berkshireassociates.com](mailto:soniac@berkshireassociates.com).

### BALANCEaap SERVICE RELEASE 5 (SR5)

By: Candace Hepler

In October Berkshire was proud to announce its fifth Service Release of BALANCEaap, making it the only software on the market that is compliant with the new Section 300 reporting requirements. The following features are also included in the SR5 release:

- Eighty Percent/Whole Person utilization rule
- Updated Compliance Report options—allowing counts and total salary to be run by Job Group
- Inclusion of position requisition numbers in the New Hire table
- Importability of batch operations—eliminating need for recreating queries

If you are a current client and have not yet received your free upgrade, please visit <http://www.berkshireassociates.com/client/login.aspx>. If you are interested in learning more about BALANCEaap, please contact Berkshire Associates Inc. at 800.882.8904 or email [bai@berkshireassociates.com](mailto:bai@berkshireassociates.com).

## Did You Know?

### A TREND NO ONE LIKES—OFCCP Audits, How AND Why?

By: Loretta Metzger

A recent press release from the Office of Federal Contract Compliance Programs (OFCCP) announced that approximately 2,500 facilities of federal contractors have been identified for potential audits in their fiscal year 2008. This is a clear indication the agency is actively and aggressively enforcing the regulations, and federal contractors need to keep their affirmative action plans updated.

Often when one of Berkshire's clients receives an audit letter, the person will ask us why their organization was targeted. There is not a simple answer to this question. Back in July 2004, the OFCCP implemented a new selection system called the Federal Contractor Selection System (FCSS) to better target federal contractors for compliance reviews based on an indication of potential workplace discrimination. One of the components of the FCSS involves a complex mathematical model designed to predict the likelihood of finding systemic discrimination. The agency defines systemic discrimination as a compliance review that resulted in a conciliation agreement for \$100,000 or more between 1995 and 2000. There are actually 17 total factors that are considered to compare the workforce profile of the establishment to those of establishments in the same industry classification, and to that of the local labor market using 2000 census data.

Note the OFCCP may also schedule compliance evaluations based on various other factors, including contract award notices, directed reviews, and as a result of a conciliation agreement—monitoring individual and class complaints. For contractors with multiple establishments, the OFCCP has limited the number of new compliance evaluations identified through the scheduling process to 25 new evaluations during a Fiscal Year.



In addition, the OFCCP can choose to schedule an evaluation when an OFCCP office receives what it determines to be a credible report of an alleged violation of a law or regulation. Among the factors to be considered are a series of individual complaints or a class action complaint filed with the OFCCP, EEOC, or State Fair Employment Practice agencies alleging a pattern or practice of employment discrimination problems.

Berkshire prepared 130 audit plans last year and we expect that number to rise as the OFCCP strives for another record year of financial remedies.

## Out and About

By: Lauren Perry

As fall blew in, Berkshire stayed busy keeping clients ready for this season's HR changes. We started out the quarter traveling to New York, NY for the 25th Annual National Industry Liaison Group Conference from August 21-24, 2007. Here we met with HR professionals from around the country, as well as representatives from the OFCCP, to learn more about clients' needs and industry trends.

We then traveled to the Tennessee State Human Resources Conference in Chattanooga, TN from September 26-28. There Berkshire's Client Relationship Manager, Natalie Allen, SPHR, mingled with local HR professionals, discussing some of the latest issues and concerns regarding compensation and applicant tracking. We made our way back east to

attend the Annual Virginia State SHRM Conference from Oct 3-5. Here Mark Yokel, one of Berkshire's Senior Business Development Managers, gave HR solutions to fellow professionals with growing needs.

Our next stop was the International Association of Human Resources Information Management (IHRIM) in Raleigh, N.C., on Oct. 5, where Senior HR Consultant, Susan Willmott, SPHR, was selected to speak on a panel discussion about the new definition of an applicant, and the regulations surrounding compensation regression analysis. Susan then traveled out to California for the Northern California HR Association's Annual HR West Conference where she was selected to speak to professionals throughout the country about compensation regression.

We concluded our travels for the quarter with a trip to Fort Worth, TX, from Oct. 23-25, for the Annual HR Southwest Conference. Here our HR Services Manager, Michele Whitehead, spoke to HR professionals about the importance of salary equity within an organization. This conference had a tremendous turnout with over 2,000 attendees eager to share their HR related ideas and needs.

Amidst our travels, we continued to conduct numerous on-site training sessions and seminars. With the OFCCP recently sending out their first FY 2008 scheduling list, we have been busier than ever working on audit plans, ensuring OFCCP compliance for all of our clients. One of the highlights of the quarter was our joint training session with the law firm Gonzalez Saggio & Harlan LLP titled: *Building and Defending your Affirmative Action Program: A Legal Perspective*. The purpose of this seminar was to go beyond the fundamentals of affirmative action to the essential legal aspects of complying with the Office of Federal Contract Compliance Programs (OFCCP). Visit [www.berkshireassociates.com](http://www.berkshireassociates.com) to learn more about our upcoming training schedule.

To find out what Berkshire is up to after the winter rolls in, be sure to catch the first-quarter issue of *BALANCEview*.

*More of OUT AND ABOUT on page 7*

# Consultants Corner

## Today's Diversity Trend—The True Business Case

By: Sybil Randolph, SPHR

Diversity advocates have seen the concept of diversity in business go through many trends. It began as a social commentary on equality for minorities and women through access to jobs because it was the right thing to do. It has evolved into its current trend of inclusivity for all, not only because it is the right thing to do, but for its affect on the bottom line.

The business case for diversity has been made for several years. We've all heard the arguments:

- Increase in racial diversity within the U.S.
- Globalization
- Better connection with the community and/or customers
- Increase in market share
- Improved return on investment

But, have diversity advocates truly made their case? Is there evidence that diversity makes a positive difference?

Adversaries argue that diversity is divisive and creates conflict, therefore stifling an organization's ability to work productively. They question the impact that diversity has on an organization and make light of the data and methodology that proves diversity's effectiveness.

Cedrick Herring with the Department of Sociology, at University of Illinois at Chicago, conducted a study to examine the impact of racial diversity on business performance. The data was obtained from a survey of 251 for-profit companies which represent all types of U.S. businesses with more than ten

employees. The analysis focused on four hypotheses:

1. The more racial workforce diversity a business organization has, the greater the business organization's sales revenue will be
2. The more racial workforce diversity a business organization has, the more customers that business organization will have
3. The more racial workforce diversity a business organization has, the larger market share that business organization will have
4. The more racial workforce diversity a business organization has, the greater that business organization's profits will be relative to its competitors.

In this study, factor analysis was used to identify the underlying structure of business success and a correlation matrix was used to extract factors from the measures. The analysis provided support for all four hypotheses. Organizations with a higher level of racial diversity have a higher level of sales revenue; higher diversity numbers are associated with a greater amount of customers; organizations with high levels of racial diversity are more likely to have a higher percentage of market shares; and companies with higher levels of racial diversity show more profitability.

There is now empirical evidence that diversity is positively related to business success, although the study does not examine why the correlation exists. The results of the study are consistent with the arguments that have been made for the business case of diversity. The arguments have been made, the evidence given, and the trend will continue to catch-on.

THE BIGGEST HR TREND.....cont. from page 1

In 2007, employers enticed existing talent to stay in the organizational ranks by offering larger pay increases, providing more internal promotions, and creating attainable career advancement opportunities. To prepare employees for career advance, employers were willing to provide more training as well as tuition assistance and reimbursement.

In addition to greater career opportunities and more pay, employees were also tempted to stay with their existing employers through a greater employer focus on work-life balance. Employers offered options such as job sharing, tele-working, and shorter work periods creating greater flexibility. These work-life balance options were particularly effective in encouraging retirees to remain in, or return to, the workplace.

With baby boomers continuing to leave the workforce, the unemployment rate is expected to remain steady. With the continuation of limited qualified workers, the war for talent will likely continue well into the next year.

## Reader's Comments

Want to throw out a question to other HR professionals?  
Send them to Lauren Perry at  
laurenp@berkshireassociates.com.

## Prep School

# THE APPLICANT TRACKING & AFFIRMATIVE ACTION CONNECTION

By: Dana Lake-Streams

With applicant tracking and affirmative action being some of the biggest trends this year, many human resource professionals are wondering how the two processes affect each other. The relationship the two have is more co-dependent than some may imagine.

An applicant tracking system is an application intended to help an organization recruit employees more effectively and efficiently. In the recruitment and selection process, applicant race and gender information is presented in an aggregated format to help recruiters and hiring managers estimate the applicant pool as a whole. This will ascertain whether good faith efforts in comprehensive outreach have been attained, factoring affirmative action recruitment goals. The tracking of applicant data is an essential function that must be performed throughout the recruiting process for an open position. An Internet applicant is defined by:

- The individual submits an expression of interest in employment through the Internet or related electronic data technologies
- The contractor considers the individual for employment in a particular position
- The individual's expression of interest indicates the individual possesses the basic qualifications for the position
- The individual at no point in the contractor's selection process (prior to receiving an offer of employment from the contractor) removes himself or herself from further consideration or otherwise indicates that he or she is no longer interested in the position.

Recruiters and managers involved in the selection should not have access to the race or ethnicity of applicants. In accordance with both state and federal compliance requirements, staff involved in the selection and hiring processes are not permitted to provide any favor to applicants on the basis of race, ethnicity, color, national origin, or sex. Similarly, decisions about personnel actions for employees, including but not limited to salary increases, promotion, transfer, and termination, cannot be made on the basis of race, ethnicity, color, national origin, or sex. This data is confidential and used only for limited purposes.

Applicant tracking assures that all qualified applications for job vacancies are considered. Supervisors and managers are responsible for helping the organization fulfill its affirmative action goals and equal opportunity responsibilities through the applicant tracking process. The goal is to employ and retain a diverse workforce of the best-qualified individuals. This is accomplished by making good faith efforts toward tracking applicants correctly and, in turn, meeting affirmative action goals to ensure a workplace that is free of discrimination and harassment.

## Bench Press

# COMPENSATION by DESIGN

By: Michele Whitehead

For federal contractors, compensation is under more scrutiny than ever as the Office of Federal Contract Compliance Programs (OFCCP) continues conducting their annual compliance evaluations, using more sophisticated statistical techniques to analyze contractor's pay practices. Sadly, the outlook isn't positive—not only does the earning gap between men and women still exist, but it is also compounded by race.

According to the most recent data available from the Bureau of Labor Statistics, the median male salary

is \$36,140 and the median female salary is \$28,704, basically 79 cents on every dollar earned by a male. If the individual happens to be an African-American or Hispanic female, the gap widens to 68 percent and 57 percent, respectively. Even when other factors such as education, years of experience, and profession are held constant, a 12 percent unexplained difference in earnings still exists. The bottom line is that pay disparities are a constant trend in today's labor force, and we need to protect our organizations.

Imagine that with just the click of a few buttons you could calculate starting pay or pay increases using the compensable factors your organization has deemed most significant and, more importantly, nondiscriminatory. How great would it be to know that a new hire's starting salary is based on his or her unique qualifications and that, regardless of race or gender, all new hires in a particular job would start on an even playing field? And how much would your company appreciate you if you could say with confidence that you are proactively safeguarding against the liability of pay disparity?

If you've conducted a salary equity analysis, then you've made a giant step in the right direction toward eliminating pay disparities in your organization. And now with Berkshire's unique Compensation Designer, you can maintain all that hard work with just the click of your mouse. Compensation Designer is the latest enhancement to Berkshire's *BALANCEpay*<sup>™</sup> salary equity software. You decide the factors you want to pay for (e.g. education level and years of experience), import market data, and input a job candidate's qualifications, and what do you get—a starting salary that is competitive with the market as well as internally equitable.

You don't need to be a statistician to analyze pay and use the findings to construct a reliable model for calculating pay and ensuring ongoing equity. You just need the right tools to break the trend of pay disparities while acquiring the basic understanding of statistical principles—and Berkshire is here to help.

For more information about *BALANCEpay* with Compensation Designer, please call 800.882.8904 or email [bai@berkshireassociates.com](mailto:bai@berkshireassociates.com).

More of *OUT AND ABOUT* ...

## BERKSHIRE'S DOORS ARE OPEN

By: Lauren Perry

On Thursday, September 27, 2007, Berkshire Associates Inc. opened its doors to fellow human resource professionals, clients, and friends throughout the region to celebrate the official opening of its new facilities in Columbia, MD.

The event was a huge success, focusing on entrepreneurial vision, spirit, perseverance, and loyal customers who were integral in the growth of the company. Our guests enjoyed a delectable Belgian Waffle breakfast while viewing a presentation on the history of Berkshire, and how the company has, and will, continue to evolve with industry changes.

Some of the highlights of the event included:

- Presentation from President and Founder, Dawn S. Hyde, SPHR
- Question and Answer session
- Tour of the new 25,000 square foot building and leasing space
- An inside look at the inner-workings of the business
- Ribbon-cutting ceremony

Dawn ended the event with the following message to attendees, "We would like to thank everyone for their continued support of Berkshire, and we look forward to sharing the next chapter in our company's history with all of you."

## Training Schedule

### FUNDAMENTALS OF

#### Affirmative Action:

January 8-9 • February 5-6  
March 4-5 • April 8-9  
May 13-14 in San Francisco

### BALANCEaap SOFTWARE TRAINING:

January 10 & 24 • February 7 & 21  
March 6 & 20 • April 10 • May 8

### Affirmative Action Plan Workshop:

(software purchase and training are required)  
January 11 & 25 • February 8 & 22  
March 7 & 21 • April 11 • May 9

### AAP BOOT CAMP:

(register for four days in a row  
for the above three classes  
and save \$170)

January 8-11 • February 5-8  
March 4-7 • April 8-11

### BALANCEpay:

January 17 • April 17

### BREAKFAST SERIES:

*Introduction to Federal  
Contractor Compliance*  
February 13

*OFCCP Compliance in the Age of  
Applicant Tracking*  
March 12

*Performance Management*  
April 16

*Pay for Performance*  
May 14

*The Marriage of Diversity &  
Affirmative Action*  
June 18

Our classes are available at our facility or a location of your choice. Additional customized HR training options are also available.

For more information, or to register online, visit:  
[www.berkshireassociates.com/training](http://www.berkshireassociates.com/training)  
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## Meetings & Seminars

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