

Really Basic Employee Management



I am always surprised when small system boards have questions about managing their employee, because it really shouldn't be that complicated. Yes, I said employee. That is because if you have a general manager or a utility director or someone filling a role like that, then as a board you only have one employee to supervise. That's right – only one. If you do not have a general manager, then you have to manage all your employees directly, and that is where it can get tricky and even well-intended boards can run into problems with employment law issues. Employment law issues can be one of the most expensive issues for a board to resolve. It is such a highly regulated area, with state and federal departments of labor providing lots of oversight and imposing possible fines in the event of noncompliance.

If you have a general manager, you're lucky because he/she is supposed to be the interface with your employees on all employment issues. You, as the board, only have to deal with that single employee. Managing

one manager and having multiple board members managing multiple employees require two different board skill sets. A general rule of thumb is that a board with a manager needs to remember to stay out of the way and let the manager manage. A board with no manager needs to remember to get involved but also to be consistent and follow its own rules.

Managing the manager

On the surface, it seems like it would be much easier to have a manager. It can be. Employment issues can include workers compensation, fringe benefits, overtime, workplace conditions, OSHA, workplace discrimination, and pay and wage requirements, to name a few. Having a manager deal with all those compliance issues, as well as handling hiring and firing is almost a luxury. But a manager will only be effective if he knows what the board expects of him and if the board lets him do his or her job. The first step with a manager-managed system is to create a position description. If you already

have a manager, but no position description, an excellent place to start is to ask them to write down everything they do. The board members should also do the same thing, but consolidate all the responses into one document. The fun part comes when you compare them. You may be pretty surprised at the difference between what you think your manager should do and what he or she actually does. One rural water system was shocked to learn that their manager shoveled the sidewalks when it snowed, swept the floors, picked up the mail, and set up the conference room chairs for board meetings, among other things. The manager was also unaware that the board assumed that he would look for state grant money and handle grant applications. That should have gone a long way towards explaining why he didn't always have time to prepare an agenda for board meetings and why the water system never pursued grant opportunities.

Creating a position description that clearly outlines the performance expectations is critical. If you are

hiring a new manager, develop a list of all the things you want the manager to do and how you want him or her to do them. Look around on job websites for similar position descriptions. Ask other systems for copies of their position descriptions. Check with your state association. Sadly, I think you will find that most small systems do not have a position description for their manager. Without one you have no idea what your manager is supposed to be doing and you can't evaluate him/her on performance.

The easy thing about managing a manager is that this is the only employee that you have to evaluate. But you can't tell if he/she measures up without a yardstick to measure him/her with. There is also often confusion over how to hire a manager. You do not have to agree on salary or make an offer that includes salary. In fact, you should keep the two separate. You should make a job offer first, based on qualifications and after the candidate accepts the offer, then you discuss salary. The interview should focus on the candidate's qualifications and not cover salary negotiations. Another tip is not to inform other candidates you have made an offer to one candidate until after you have agreed on salary and set a start date. That way, if a candidate falls through, you can look at backup candidates. It sounds cold-hearted but that is how large companies keep a talent pool ready and have options if a candidate falls through.

So, once you have finalized a position description and hired the best person to fill it, what do you do? The answer is nothing! You get out of the way! A good manager will let you know what he/she needs. Other than conducting your manager's annual review, you let your manager manage. It sounds so simple. The problem is that many boards have a tough time doing this. Especially if they have had to manage employees directly before hiring a manager. It is so tempting to stay involved in day-to-day employee matters. This can happen in many ways. Board members can be tempted

to stop by a job site and "supervise" employees. I know of one board member who would stop by any time there was a water line break and watch the employees run the backhoe. He would then "report" to the manager if he thought he saw something that was done incorrectly. This is entirely beyond the scope of what a board member should do. I also know another board member who would "recommend" new employees for jobs or promotions and even hand resumes to the manager. This can be a fine line, because a board with a manager doesn't get to avoid all employment issues. A regular part of the agenda should be a report from the manager on ongoing employment issues. You may need to work with your manager and help him/her develop position descriptions for the employees under the manger and the board should approve new positions and set budgets for payroll. And if there is an opening, it is acceptable for board members to come up with possible candidates if they know one. However, that is very different from just making unilateral recommendations to the manager about who might want a job.

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Board members also need to educate employees about the process of board communication when there is a manager in place. It is tempting for employees to reach out to a board member whom they know personally and ask them about employment issues. However, the employee should contact the system manager first, NOT a board member. And the board members need to be firm about that. Questions about payroll, salary increases, policies, etc. should always be directed to the general manager. It's up to board members to reinforce this. But there is an important distinction between letting the manager do the job and compliance with state and federal law.



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Cartoon by Linda Windler.

Yes – a board member should talk with an employee who claims water sample results are being falsified. No – a board member shouldn't relay complaints from an employee who wants a raise.

Yes – a board member should talk directly with an employee who claims that they have been harassed or discriminated against. No – a board member should not “referee” between the manager and an employee on a disciplinary matter. There should be a pattern here. Mostly board members should not step in between the manager and the employees on routine or ordinary matters.

Managing the employees

When you do not have a manager, and the board is managing all the employees itself, this balancing act is almost exactly the opposite of what board members with a manager have to do. The good news is that those board members have no choice but to engage with employees, so you don't have to worry about maintaining those

boundaries. The trick is how you engage with your employees. You have to be consistent and unified. If an employee asks one board member

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about a raise, then the correct response is that it can be added to a future board meeting agenda. Individual board members will definitely be interacting with employees but they should not be making unilateral decisions about employment matters. That is the key distinction. The board has to present a unified front.

The reality is that it isn't possible to be consistent unless as a board you have developed consistent employment policies and educated your employees on those policies. If you have a safety standard and require employees to wear PPE, all employees must know this and be treated the same way for violations. It can get a little confusing when multiple employees can contact multiple board members. Some small systems have one board member who agrees to serve as the employee liaison and relays issues to the board. But you have to make sure that board member is only a pipeline and isn't making independent decisions. This means that the board has to spend the time to develop those employee policies on hiring, firing, disciplinary issues and compensation. I always suggest that small systems look around at other small systems and towns and see if they have policies that they can adapt. Investing in a consultation with an employment lawyer or an HR specialist to develop a basic framework of employment policies is also money well spent. Avoiding employment issues with some upfront investment is always cheaper than settling a dispute with an employee.

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One of the misconceptions is that boards have to have an employee handbook. I have written entire articles on employee handbooks, but the short answer is that a small utility system does not have to have an employee handbook. In fact, a small system should not have an employee handbook unless it commits to keeping the handbook updated and making sure that all employees have updated copies. This can be a tall order for most small systems. Often it is better for them to agree on basic employee policies and just notify the employees about those policies when they are hired.

In addition to talking to employees directly, boards have to discuss personnel matters at board meetings. That is another can of worms because it is highly likely that some of those topics should be discussed in closed session, especially if it involves issues with a specific employee. There are many resources on how, when and why boards should go into closed session to discuss personnel matters. Boards need to be up to date on those rules. Generally speaking, a board might not need to go into closed sessions if it

discusses broad personnel policies that apply to all employees, such as a change in benefits or a COVID 19 policy. But if a board is discussing issues related to a specific employee on matters such as disciplinary actions or health issues, those matters should be discussed in a closed session.

One board was very careful about going into closed session to discuss personnel matters. However, they used one of the office clerks to take minutes, so she sat in all the closed meetings. Unfortunately, she also loved to tell her fellow employees about what had happened in the closed meetings. This was incredibly problematic and nearly led to legal action by a disgruntled employee. Even boards with happy employees face the issue of annual reviews. Now don't get me wrong. The majority of the small systems that I know do not hold annual reviews. I am not even sure if they know that this is a best practice. If you don't have a written position description and then ask employees to complete their own self-assessment portion of a review, it is impossible to perform one. I am not convinced that a small system needs to

perform annual reviews. I am much more concerned that a small system that is managing its own employees is consistent, has a unified and documented employee communication strategy and follows state and federal laws on issues like wages, workers compensation, FMLA and COVID 19 issues. That alone is going to be enough of a challenge.

Ultimately it doesn't matter if you have a system manager or not. As a board member you will have to be involved with employment issues. You just have to be aware of what your role needs to be: high-level policy maker or hands-on supervisor. Once you know that, you need to act accordingly, because employment issues can be one of the biggest areas of liability that a board faces.

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