Employment Law Compliance Plan

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**To:** CEO Smith

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Non-compliance to employment laws can expose Blossoms Up to a lot of adverse consequences such as fines, exposure to lawsuits, or even complete business dissolution. Therefore it is important for this business owner to be aware of all the employment laws it is supposed to comply with to avoid such consequences. Blossoms Up has not complied with any federal employment laws since its incorporation and this may cause some adverse effects for the business. The following are some of the laws that the business must comply with along with the possible consequences of non-compliance.

Anti-Discrimination Laws

There are a number of federal laws that guide businesses on actions matters related to workplace discrimination. Title VII of the 1964 Civil Rights Act is most important anti-discriminatory law that was originally motivated by the need to end workplace discrimination of African Americans in the 1960s (Deakin&Morri, 2012). This law prohibits employment discrimination on the basis of color, race, gender, national origin, or sex. This law applies to all United States organizations with 15 or more workers, labor unions, and employees in the public sector. Another discriminatory law is the 1967 Age Discrimination in Employment Act that prevents employers from discriminating employment applicants who are 40 years or older based on their age (Deakin&Morri, 2012). Under this law, every applicant is entitled to a specific job and should not be denied the opportunity on grounds of their age. The 1990 Disabilities Act protects the disabled people in the United States of America from being disqualified from job applications based on their disabilities (Deakin&Morri, 2012).

Compensation Laws

The 1938 Fair Labor Standards Act requires all employers to pay thefederal minimum wage to non-exempt employees. The minimum wage has periodically been raised over the years. Additionally, any overtime work done by the workers should be compensated (Deakin&Morri, 2012). The current lawful hours per week that workers should be subjected to are 40. Any additional hours must be paid. However, this law does not cover the exempt workers who are the people in the highly technical positions, managerial, and executive workers (Deakin&Morri, 2012). The 1963 Equal Pay Act requires employers to pay employees who have done substantially the same job, an equal amount of compensation. An employer may differentiate the pay based on the quality and quantity of production but not on reasons such as gender (Deakin&Morri, 2012).

Labor Relations Laws

The National Labor Relations Act, also known as The Wagner Act, provides a basic framework of the interaction between organizations and labor unions in the United States of America (Deakin&Morri, 2012). This law basically gives the employees the right to form unions to protect themselves from unfair labor practices. Therefore, no business has the legal right to stop employees from forming or joining labor unions. However, the Taft-Hartley Act protects employees from being compelled to join any labor unions (Deakin&Morri, 2012). The choice of unionization should be a voluntary decision of the employees. This law also gives the courts the right to temporarily stop worker strikes if they have been proven to be a threat to national security.

Health and Safety Laws

The 1970 Occupational Safety and Health Act is the primary law protecting the health and safety of employees in the U.S. (Deakin&Morri, 2012). This law imposes detailed and complex safety standards on all U.S. businesses. There are general standards for all employees and specific standards for some specific industries. There are inspectors hired by the government to inspect all businesses, with a search warrant, to make sure that they have complied with all the guidelines of the Occupational Safety and Health Act (Deakin&Morri, 2012). A workplace environment is considered unsafe if it poses a direct danger to the health and safety of the workers.

Consequences of Non-compliance to Employment Laws

Non-compliance to the employment laws exposes a business to a number of fines and penalties. If an organization is sued by a worker because of discrimination, there are some organizations such as The U.S. Equal Employment Opportunity Commission (EEOC) that have the authority to negotiate settlements on behalf of the workers which may result in millions of dollars’ worth of fines and penalties (Bernhardt, Spiller, & Theodore, 2013). Additionally, the litigation expense in a discrimination lawsuit may be too expensive and this may cause the downfall of a business. Some of the litigation expenses come from the lawyer fees, the investigation process, and the reduced productivity of the business due to the excess time spent on the court procedures (Bernhardt, Spiller, & Theodore, 2013). Additionally, the organization may be required to pay the plaintiffs if they lose the case which is an additional expense to the company. In some cases, it has been ruled by the court in cases of employer discrimination that the company should pay even the plaintiff’s lawyer fees (Bernhardt, Spiller, & Theodore, 2013).

Employers who violate the provisions of the health and safety laws expose their businesses to the risk of de-registration of the business (Silverman, 2008). If a business is completely unsafe for employees to work safely then the government has the right to stop the operations of that business. A company may also lose public credibility due to the negative publicity caused by the non-compliance to the law. Negative publicity may influence the sales and hence the revenue of the organization (Silverman, 2008). There are a lot of consumers who may be reluctant to support a business that has been associated with negative publicity such as sexual, racial, or gender discrimination (Silverman, 2008). Therefore, it is advisable for Blossoms Up to comply with these laws to avoid the above consequences.

Thanks,

Lemorrales, HR Director

Blossoms Up!

References

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