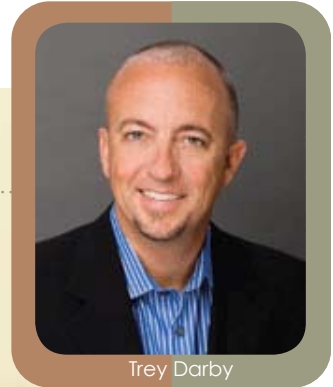




CFOCUS



GRIZZAFFI DARBY
BEYOND BENEFITS



Trey Darby

You Have To Draw The Line Before Anyone Can Cross It

While it may seem impossible to completely eliminate or reduce all risk to the balance sheet, prudent financial officers are looking at the risk-return of having your workforce properly trained on how to prevent sexual harassment and other forms of workplace discrimination. Previously thought to be strictly in the domain and responsibility of Human Resources, this issue has recently been elevated to the “C” suites for one simple reason – money.

What might it cost if companies do not conduct training? Kohl's faced a \$2.1 million verdict in a discrimination case last year for “family responsibility discrimination.” Morgan Stanley has faced numerous lawsuits and class actions in recent years including a \$54 million settlement for sex discrimination. Lockheed Martin paid a \$2.5 million settlement (the largest settlement obtained by the EEOC for a single plaintiff) in a race discrimination case.

A written anti-harassment and discrimination policy is a great start, but it is no longer enough. Courts consistently look to efforts the company has made to educate and train employees, supervisors in particular, on appropriate conduct in the workplace.

Your Human Resources department knows that training is no longer just a beneficial way to promote a positive workplace, but an absolute requirement! Since the late 90s the Supreme Court, lower federal courts, and Texas state courts have made it clear that employers must periodically provide this training to EACH employee.

As the CFO or financial officer of your company, supporting your Human Resources department in this endeavor is an inexpensive way to mitigate potentially huge liabilities.



We recommend:

1. Discuss with your HR Department. Clearly state your support for updated training and communications.
2. Have your current written anti-harassment and discrimination policy reviewed by a qualified resource. Make sure it is current on all language and distribution recommendations.
3. Support your HR Department's efforts to train (or retrain) all appropriate staff and supervisors by communicating your support to the entire organization.
4. Communicate the potential liability mitigation efforts to other key members of your leadership team.

Grizzaffi Darby has resources to assist you. We are now offering "Preventing Harassment and Discrimination in the Workplace" training for your company. As always, if you need assistance with your efforts, or want to discuss this issue in greater depth, please call your Grizzaffi Darby consultant or our on-staff attorney, Lisa Autry.

