

The Globe and Mail

May 24, 2006

Problem Solving: Dilemmas

Drawing the line when doing the firm's dirty work

By SUSAN PINKER

Dear Susan, I recently started as a payroll specialist with a biotechnology company. One of my first tasks was to clean up the poor record-keeping in its files. In my examination of back vacation pay, I found that a long-term employee is owed more than \$38,000 that accumulated over the past 14 years. It was brought to the CEO's attention to sign off on, but she asked that it be capped at two years, bringing the amount owing to approximately \$6,000.

I understand that the Alberta Employment Standards Act obliges an employer to pay for two years, but I think the employee is legally entitled to the full amount and would get it if the case went to court. I also think the employee should be made aware of the situation but I am being silenced by my immediate supervisor.

By not informing her, I feel that I am being asked to compromise my values. Any advice?

Between a Rock and a Hard Place

Dear Between: Not only do I have advice for you, I have some for your employer.

But let's start with you. Before you raise your dukes to the CEO as a fresh-faced recruit, it behooves you to do your homework. In Alberta, anyway, the employee is indeed entitled to claim two years of retroactive vacation pay so your CEO is technically correct. The fine print is spelled out in each province's labour code, and the Alberta government even maintains a free telephone service to address employment questions like these (780-427-3731). But those standards are simply the minimum requirements.

"You can't go below that floor," says Allen Ponak, a professor of industrial relations at the Haskayne School of Business at the University of Calgary.

"But there's nothing that precludes the company from paying more. In fact the company doesn't have to pay anything at all unless the employee makes a complaint -- it's a complaint-driven system," he said, adding that this is probably true across Canada.

So it is up to the employee to ask for what's coming to them and in Alberta there's a two-year statute of limitations for claiming arrears.

So much for legal entitlement. But what you're really asking is whether the company is doing the right thing. By paying less than the full amount or being cagey about what that is, is it acting in good faith? Here, you're onto something.

Trust is the real issue here. A long-term employee who worked through her vacations for 14 years is being kept in the dark. Perhaps the onus was on her to keep track and ask for the money. Or maybe the employer's records were such a mess that no one knew really knew the score. Until now.

Now that you, your supervisor and the CEO do know, the employee should, too. And if you're coming up with firm resistance, you've just learned something important about the company's brand. Unwittingly, it fits the demonizing stereotype hyped by Michael Moore's films or the 2003 documentary *The Corporation* -- business as the bogeyman. The truth is always more shaded, but one story like this and employees' conspiracy theories are off and running.

Brand implies choice, and yours are the following.

You can try to convince the higher-ups that being transparent is not only right but the profitable thing to do; replacing an experienced employee will cost far more than \$38,000.

You can consult the company's ethics code, seek out its watchdog, and blow the whistle anonymously, suggests Wesley Cragg, the Gardiner Professor of Business Ethics at York University's Schulich School of Business. Often these resources are external and at arm's length to the brass, he says.

Decide whether you can live with keeping this information to yourself. If you can't, you'll have to walk.

This brings me to pointers for your employer. Rule-based decisions may be technically correct but still lousy decisions. They play into what the late, great economist John Kenneth Galbraith called "conventional wisdom" -- or what's most convenient and causes the least immediate discomfort.

But a good decision really depends on what you want and how you measure that. For example, you can calculate what will cost you the least cash right now if that's what you want (pay nothing and hope the employee won't file a complaint).

You can calculate what it will cost to minimize your legal risk (pay \$6,000). Or you can estimate the cost of reducing turnover and generating good will (\$38,000). I'd say that's a bargain.

Dear Susan, I am a consultant who has the choice between two positions where I have had contracts before. Both positions pay about the same. In one, the people I worked with were supportive and encouraging, but the work was boring and repetitive. The other involved very interesting and challenging work where my skills were used, but the co-workers were suspicious and competitive.

Should I stick to the work I enjoy and forget about the people? Or should I accept more routine work with the better environment?

-- Puzzled

Dear Puzzled: Try to have your cake and eat it too. As a consultant you have room to manoeuvre: Aim for the challenging work, but negotiate to do it off-site. That way you can enjoy your work while limiting face time with prickly co-workers.

If you can't arrange where you work, keep this in mind: Research shows that choosing an agreeable environment over work that deploys higher level skills may make you happier but poorer. A 2004 British survey of 1,054 employees found that hairdressers, plumbers and chefs were eight times more satisfied with their jobs than accountants, pharmacists and media professionals.

In his book, *Why Men Earn More*, psychologist Warren Farrell compares the salaries earned in unpleasant or solitary environments (such as prison guard, computer technician-in-a cubicle, petroleum engineer) to those in more social or socially relevant settings (child care worker, teaching, medicine) and discovers there's a tradeoff.

You can choose between the two or work out a compromise: challenging work you enjoy combined with lunch dates with people you enjoy being with. That way you can have your cake, as long as you wait until lunch time to eat it.

Copyright Susan Pinker 2006