When Management Fails: Missing the Obvious Can Topple A Company

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In good times and bad times, businesses fail because managers fail to effectively train, monitor and take effective remedial actions when compliance in employment practices falls short. The key to success is not a manager's intelligence (although that's important), good political skills (although understanding the corporate politics is necessary to effectiveness) or wit (jokes must be well positioned to be appreciated). It's often the little things that managers do, or fail to do, that can have astronomical impact on a company's success or failure.

Perhaps the best place to illustrate the crucial impact of managerial vigilance would be with regard to compliance with wage and hour laws, where neglect that accumulate to catastrophic liability. Class action lawsuits are often the product of management not even understanding a regulation, or if they do understand it, not implementing and enforcing it internally.

Managers need to be trained regarding wage and hour compliance standards and held accountable for maintaining those standards through proper delegation and training and by putting in place systems for documenting compliance that include effective delegation, monitoring and follow-up with supervisors.

In the past, things like waste, shrinkage and safety were closely watched. Now, in the day of increasing regulations, management also must know the nuts and bolts of wage and hour laws. Like the traditional areas of management concern, watching the details can result in huge savings and can contribute to an employer's competitive edge in the marketplace.

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