

## LEADING THE NEWS

*Wal-Mart Enacts New Worker-Attendance Policy*

By KRIS HUDSON  
And KRIS MAHER

Wal-Mart Stores Inc. has enacted a new attendance policy that penalizes workers for multiple unexcused absences and requires them to call an 800 number whenever they get sick, changes critics say are part of a bigger effort to nudge out unhealthy and long-tenured employees.

Also on the labor front, a Pennsylvania jury on Friday awarded \$78.4 million to thousands of Wal-Mart employees who claimed they were forced to work during rest breaks and off the clock.

Wal-Mart, of Bentonville, Ark., says the new attendance policy benefits employees by documenting their requests for time off instead of relying on harried store managers to remember each request. And it benefits shoppers by discouraging unexcused absenteeism. "It's not for tracking; it's really to ensure a more consistent application of our absentee policy," spokesman John Simley said.

The new policy instructs employees requesting time off for illness to call an 800 number to get a code and then relay that code to their store manager for approval of their absence. Previously, employees asked their store manager directly for such time off, employees say.

In addition, the new policy formalizes penalties for employees who fail to get their absences authorized or don't bother to call. Among them: Any employee with more than three unauthorized absences in a six-month span will be disciplined, and those with seven will be fired. Any employee who is ab-

sent three times during a six-month period and doesn't call the 800 number for any of the three times can be fired. And employees needing more than three consecutive sick days are encouraged to apply for an unpaid leave of absence or time off under the Family Medical Leave Act. Previously, store managers had more discretion regarding discipline for unexcused absences.

The policy change comes at a time when some of Wal-Mart's 1.3 million U.S. workers are riled by fears that the retailer wants to cut costs by attracting healthier employees and a greater percentage of part-time workers. Some employees and Wal-Mart critics decry the new policy as a way for Wal-Mart to discourage unhealthy employees by tracking sick-time use more closely, setting stricter guidelines for authorization and making the process of applying for sick leave more onerous.

"I guess they're just trying to see how many people they can get rid of," said Ramiro Gonzalez, a 49-year-old full-time worker in the produce section of a Wal-Mart in El Paso, Texas. "They're trying to make ways that you can mess it up so they can let you go, especially if you're a full-timer."

Wal-Mart's concerns about its soaring health-insurance costs came to light last year, when an internal memorandum authored by a top Wal-Mart official was leaked. The memo offered numerous suggestions for corralling benefits costs by luring healthier workers.

The new policy "just sends another terrible message that this company looks at its workers as a commodity," said Chris Kofinis, spokesman for Wal-Mart critic WakeUpWalMart.com.

From the employer perspective, automated telephone or Internet-based systems to track worker absences can protect employers against litigation related to providing adequate time off to workers under overlapping federal and state leave laws. "There are a lot of issues that surface when someone calls in sick," said Lisa Franke, a workplace analyst with CCH Inc., a Riverwoods, Ill., provider of employment-law information to companies. "It's really an administrative nightmare, so a lot of employers are outsourcing that to the experts and having them do the dirty work."

Unscheduled absences cost some large employers more than \$1 million a year, according to a CCH survey of 323 human-resources executives last year. The survey found that unscheduled absenteeism cost employers \$660 per employee per year on average last year, up from \$610 the prior year.

In the Pennsylvania case, Wal-Mart was ordered by the jury to pay damages to nearly 187,000 current and former workers in that state. The class-action case had covered labor practices at Wal-Mart and Sam's Club stores from March 1998 through May 2006. In addition to the damages awarded by the jury, a state judge is expected to add "liquidated damages" of about \$62 million under state law, according to Michael Donovan, attorney for the plaintiffs in the case. That would bring total damages in the case to about \$140.4 million. Wal-Mart attorney Neal Manne said he was confident the company would appeal the jury's decision.

—Peter Loftus and James Covert  
contributed to this article.