

HRM 593 Week 1 You Decide

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This pack of HRM 593 Week 1 You Decide comprehends: Scenario Summary: Karen is a human resources consultant at a local utility. Originally, the work requested was project based. Karen was asked to develop training materials for an upcoming session on diversity. Cynthia, the human resources manager, was very happy with the work that Karen did and asked her to work on some additional projects. Before everyone knew it, Karen had been working at the utility for five years. Karen has been paid a monthly base salary of \$10,000 per month. Karen has received a 1099 for her wages over the past five years, but has not received a W-2. Karen was not offered any benefits, but when she was hired, she did not need them, as she was happily married. However, Karen's husband recently passed away and she asked Cynthia about receiving benefits. Cynthia has denied Karen's request. Karen's title, when she started, was Human Resources Temporary, but her new title evolved into Human Resources Consultant to be more consistent with others in the department who are doing work similar to hers. Karen does have a contract with the utility. Karen has had other limited clients over the years. She had one client for an approximately 40-hour project two years ago, and she currently has another client that keeps her on a retainer basis. Since she was denied benefits, Karen has contacted the IRS to ask them to determine her status. Your Role/Assignment: Your role is to decide if Karen is an independent contractor or an employee and discuss some of the preventative and ethical situations that are occurring in this case. Questions: 1. Do you feel that Karen is an independent contractor or an employee? What is your rationale for this decision? 2. What factors do you feel help contribute to Karen being an employee? 3. What factors favor her being a contractor? 4. What are some potential legal implications in the case? What should the utility do to rectify any wrongs in this situation? 5. Draft a sample policy for limiting the use of independent contractors that will help avoid issues like this in the future.