

## Employers praise labor department

**Businesses say they see less-confrontational approach under Befitel's leadership**

Pacific Business News (Honolulu) - July 27, 2007 by [Linda Chiem](#) Pacific Business News

Four and a half years after starting an ambitious effort to reorganize, the state Department of Labor and Industrial Relations has mostly made good on its promise to be more accessible and less adversarial to business, Hawaii employers say.

Labor Department officials say they have succeeded in transforming the agency from one perceived as biased against employers to one that is more fair in investigating complaints by workers.

The agency cites such successes as technical upgrades that enable more forms to be accessed online; aggressively promoting workplace safety and enforcing workers' compensation and unemployment laws in ways that reflect the concerns of employers.



PBN file photo

More than anything else, the department under Nelson Befitel has worked to rid itself of the image as the worst kind of politically-tainted bureaucracy, friendly with labor unions and using investigations, fines and citations to "get" certain businesses.

"What we had to overcome was, whether it was real or perceived, the notion that the department was an anti-business organization used as a tool for whatever political party was in power at the time," said James Hardway, spokesman for the state Department of Labor and Industrial Relations. "The department was very employee-centric, at the same time, not giving employers a fair shake when it came to complaints."

Representatives of labor see it differently and believe the department has strayed from its mission to protect workers from unsafe jobs and abusive employers.

The department is in for more change with the departure of Befitel on Aug. 8. Befitel, an attorney who specializes in employment issues, decided not to seek reappointment to the job and will be replaced by attorney Darwin Ching.

"We made it known that we are open for business and we came in with a new concept of working with businesses, not treating them as adversaries," Befitel said. "This is not the Labor Department of your father's time when it was all about getting unemployment checks issued on time."

Businesses, especially those in construction, are still wary of the department and its power, but they have seen a change.

"To say that the atmosphere is better or more cooperative is a fair statement and that does not mean to imply that they're not protective of workers," said Bill Wilson, president of Hawaiian Dredging Construction Co., the state's biggest contractor. "The department has been a good partner with their various constituents as the industry has looked at issues and I think to the extent of government, there has been a healthy difference of views."

Among Gov. Linda Lingle's initiatives upon taking office in 2002 was to tackle workers' compensation reform and improve workplace safety by restructuring the department's Hawaii Occupational Safety and Health division, known as HIOSH.

In a statement to PBN, Lingle commended Befitel for a "balanced approach that strives to achieve mutual success for both labor and business.

"He changed the culture of the department and how it interacts with the private sector," she said. "In 2002, he inherited an adversarial and heavy-handed department and transformed into it one that is collaborative. Thanks to Nelson and his team, the department works as a partner with business, labor unions, employees and other government agencies to help businesses improve their workplace environment."

The first steps taken by the Befitel team were simple but had enormous impact. All 600 staff members were set up with e-mail and the department developed a comprehensive Web site with links to Hawaii labor laws, unemployment forms and reports and other resources, which previously were accessible only through the Hawaii Legislative Reference Bureau or by joining a business association.

"I really appreciate their efforts to electronically advance themselves, and since my employee base is made up of more technical people, it has made a difference that the system is much more user-friendly," said Sunshine Topping, director of human resources for high-technology firm NovaSol. "I think it's been great because I can get quick answers to my questions and instead of having to pick up the phone or go downtown and sit and wait, the outreach and information is so much better than what it was before."

Clayton Kamida, general counsel for the Hawaii Employers Council, which represents some 800 member companies, said the department is "much more reasonable" to deal with because it is more focused on educating employers than citing them for violations of labor laws. For example, the department has conducted seminars and on-site visits to explain wage and overtime laws.

"Particularly with HIOSH, the department has made itself more accessible for employers to ask questions without making people afraid they'd be investigated by figuring out ways to be more proactive and preventative," he said. "Now, employers are getting educated because they really don't want unsafe conditions, because it increases their costs."

Even Audrey Hidano, office manager for Hidano Construction and former deputy director of the state Labor Department under Gov. Ben Cayetano, said the department is making great strides in workplace safety and workers' compensation.

"Befitel and his entourage have been very accommodating to meet with us to discuss our concerns through continuous collaboration," she said. "I think all of us think, when something's not going our way, somebody is against us, but the department has loosened up a little with more meetings and more outreach."

Despite the talk about a new era of cooperation, labor unions remain skeptical of the department's leadership under a Republican administration. They believe the changes are pushing the department away from its primary duty to protect workers.

"It has been a conscious shift in the department but the longer-term concerns of those of us in the labor movement is with the interpretation of the mission of the Labor Department, which is to protect the interests of workers," said Randy Perreira, deputy executive director of the Hawaii Government Employees Association. "I'm not so well-versed where I'd be aware of any changes that have been of great benefit."

The Labor Department scorecard

Workers' compensation initiatives have included instituting evidence-based medical treatment guidelines to treat injured workers and improving the hearings process to get injured workers the medical treatment they need and get them back to work faster. The Hawaii Occupational Safety and Health division increased the number of annual inspections and job site consultations, which the Labor Department says had a direct effect on the number of work-related injuries and illnesses.

Hawaii employer costs

- 2000: Employers paid \$2.99 for every \$100 of payroll and had the eighth-highest employer premiums in the country.
- 2002: Employers paid \$3.51 for every \$100 of payroll and had the third-highest employer premiums in the country.
- 2005: Employers paid \$2.89 for every \$100 of payroll and had the 15th-highest employer premiums in the country.

Source: State of Oregon Dept. of Consumer & Business Services national report

Number of work injuries

- 2000: 31,836
- 2002: 29,752
- 2005: 28,018

Source: State Department of Labor and Industrial Relations

[lchiem@bizjournals.com](mailto:lchiem@bizjournals.com) | 955-8042