



## Fact Finder

HRA Services, Inc.  
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"...helping organizations find solutions to people-related problems"

### **PAY PERFORMERS**

Salary administration programs are designed to provide leaders and managers a rational, systematic, unified approach to pay. Paying people for what they contribute is a fundamental principle of capitalism; yet all too often salary administration programs are used to provide consistent pay practices while failing as a platform to provide meaningful recognition to top performers. In response to client concerns for a young hard-working employee who decided to leave the company, we conducted an independent interview to determine why he was leaving. Not surprisingly, he had been provided an effective new employee orientation, adequate training and support, and sound supervision and management. His principal reason for moving on was to find an organization that really recognized hard work and dedication through its pay programs.

While salary administration plans are a key cornerstone in effective human resource programs, their actual management is sometimes skewed toward maintaining mediocrity rather than using such programs to send the message that top level performance is an organizational mandate. One approach you might try to move the fulcrum in the other direction is to do a gap analysis when considering individual pay increases. For example, we used to use dot charts when we installed client salary administration programs. A dot chart was simply a vertical salary range drawn in the form of a rectangle with the maximum at the top of the rectangle, the minimum at the bottom, and the mid-point in the middle, with the requisite thirds drawn in as dotted lines. The dots themselves (labeled "A," "B," etc) were superimposed on the chart depicting each individual's current pay in a specific salary level. It was easy to see that "A" who was in the top third of her range was a mediocre performer while "D" who was in the middle of the bottom third was clearly exceeding position requirements.

This kind of gap analysis—that is, the difference between where an individual is being paid in her level and the level of her current contribution—is an important perspective in rewarding performance. Newer generation employees seem to be especially aware of and sensitive to keeping pay in line with contribution and are increasingly less satisfied and tolerant of watching others get the expected three percent just to keep everyone happy. Of course, departmental and organizational budgets require leadership courage since giving larger increases to hard workers may mean giving little or nothing to those who are simply rising and falling with the tide. In any case, since dollars and cents are one of the tools organizations and

managers have to influence desired behaviors, it is important to convey consistent messages in communicating with employees and to be clear about who is rowing in the right direction as opposed to those who barely have their oars in the water at all.

### **BE FLEXIBLE—BE CONSISTENT**

A recent Wall Street Journal article highlights the measures innovative employers are using to attract and retain talent in various industries and business disciplines. The point of the discussion and examples provided is that the old adage “different strokes for different folks” still applies and employers and HR departments are implementing new strategies that break away from the traditional “one size fits all” approach to managing people. Of the 51 companies surveyed, employers were using four techniques to manage their programs: Segmenting the work force; promoting flexible; offering choices; and getting personal. Segmenting the work force entails identifying employee groups that have common needs and interests. The company sales force and the IT department might be two examples. Then the organization seeks to tailor work options that would address the needs of each group. In some cases, this might include offering different benefits options, different work environments (telecommuting versus working in the office), etc., as well as different management practices, where, for example, managers may have more latitude in how and how often performance appraisal is conducted.

While this new more flexible approach sounds appealing and is in some circumstances, it does require well trained managers and supervisors and attentive HR staff to be sure that flexibility does not create unfairness and inequities that present legal exposure to the employer.

### **PROTECTION OF GENDER IDENTITY**

Effective June 17, 2007, New Jersey employers are subject to a new law prohibiting transgender discrimination, adding “gender identity and expression” to the list of protected characteristics under the New Jersey Law Against Discrimination (“NJLAD”). The new law defines gender identity as “having or being perceived as having a gender related identity or expression whether or not stereotypically associated with a person’s assigned sex at birth, including transgender status.” While the law permits employers to use reasonable workplace attire and appearance standards, they must do so while allowing employees to dress in keeping with the gender with which they associate, not necessarily the gender of birth.

While this new law has implications that will be tested and articulated as a result of specific future cases, affected employers should revise employee handbooks and policies to add this characteristic to those already included under anti-discrimination and anti-harassment procedures. This is also a good time to be sure your handbook is up-to-date in light of many other areas of changing law, technology, and organizational policy and procedures.

### **INTRODUCING GENERATION X**

A recent Business and Legal Report article points out that 75 million Baby Boomers are now

starting to retire. The successor generation—Generation X (born between 1964 and 1977)—totals only 45 million. Economists and labor statisticians project a 30 million deficit and a worker shortage that will affect over 500 occupations.

The same article prescribes four strategies for a Gen-X friendly organization:

1. Focus on collaborative relationships. They need to be able to solve problems and build things with others.
2. Offer variety. Provide opportunities for different strokes for different folks, for learning new skills, for individual development. Products of the Information Age, they expect the latest technology to do their jobs.
3. Build teams. Create and emphasize individual and work group values where there are opportunities to build meaningful work relationships and develop esprit. Don't let organizational rigidity impede team effectiveness.
4. Keep a close eye on the quality of company communications. Emphasize appropriate openness, clarity, and role definition. Don't allow formal communication processes to choke timely action.

## **TRUST**

In reading the caption for this article, those of you working in financial institutions may think of the trust department. Trust in the human resource and organizational development world is being discussed and written about as a major issue impacting organizational effectiveness and profitability. In the “good old days,” managers, supervisors, and employees rarely raised issues related to trust head-on. To do so could raise questions about company loyalty or signal concerns related to attitude, etc. Today, articles like “The Enemies of Trust,” “Trust Your Gut,” and others from major business writers and thinkers are pointing to the critical role that trust plays in well led and managed companies.

Here are important considerations to keep in mind in promoting organizational trust:

1. Discuss what trust is and what it isn't. If you ask for a definition of trust, you will get varied answers, and most are fuzzy. Trust is something that must be earned and can't be granted.
2. Consider what organizational behaviors create suspicion and distrust. Are they intentional or coincidental?
3. Deal directly and openly with trust related issues and behaviors. Understand what kind of communications promote trust and distrust.
4. Train leaders and supervisors in the importance of engendering trust and how trust affects their ability to accomplish goals and get results. Train them in how to frame communication in ways that encourage trust. Consider what is said and what isn't. Consider that trust is really a function of capability and predictability. How do employee and supervisory behaviors measure up against those criteria?

## **GET'EM AND KEEP'EM—KNOWLEDGE, SKILLS, AND ABILITIES**

We are hearing more and more from clients about issues related to getting and keeping the right people. “We can’t seem to get it right.” “We are conducting multiple interviews, but it seems as though we spending more time repeating whatever we’re doing wrong.” “We’re trying to get the best and the brightest, but what’s the point if they leave in six months or so.”

Recruiting and interviewing are certainly not a science, but they are a well defined discipline to which some employers give little time, thought, and consideration. After all, getting it right the first time saves a lot of time, resources, anxiety, and legal liability down the road. The old adage “haste makes waste” comes to mind.

First, in the rush to get a warm body, job specifications are often not defined and tested to be sure the recipe is complete and correct. Without this single element, failure is a fair probability. Second, once the process is underway, there is a tendency to compare applicants without regard to the job requirements and then the winner of the personality contest prevails. Third, interviewing skills are often lacking. After all, how often do most managers interview. Sometimes they simply inform applicants about the company and the job and are reluctant to ask questions, especially clear, penetrating questions that go to critical issues: Will this candidate fit our culture? How do they make decisions? What is the most difficulty experience they encounter in managing others? What are the ir expectations of their future supervisor?

HRA provides a variety of options to help clients sharpen their recruiting and interviewing tools. Call us so we can talk about ways to make this a systematic, cost-effective process that yields the results you’re searching for.

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If you have questions or further interest in any of these subjects, please call us. 610-869-4494