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Fact Finder

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"...helping organizations find solutions to people-related problems"

THE LEADERSHIP BAILOUT

As much as most of us would like to ignore politics and focus on our everyday lives, the national and world scenes regularly remind us that we are unable to escape the ravages of ineffective leadership, ranging from irresponsible fiscal management to poorly crafted and unread legislation. While commentators lament the effects of the symptoms, it is patently clear that somewhere along the line we have failed to develop thoughtful, experienced, clear-headed leaders who understand America's distinctions and values and who have the capacity and insight to move us ahead.

Unfortunately, we have no one to blame but ourselves. While we work at sorting this out on a national and international level, you have the option of making sure your organization is prepared to move forward with leaders that understand and anticipate problems and plan ahead to provide clear insight, innovation, and direction.

Tough times of challenge and scarcity provide the seedbed for the future. There are many stories about successful companies born in times of downturn and general economic and business distress.

Resetting Your Sails: There's an old adage that says you can't change the winds and the sea, but you can reset your sails. Where is your organization headed and does your crew have the technical and leadership skill to get there? This sounds like a simple question, but for most organizations, getting the right answer is a difficult and demanding process that requires the full and dedicated participation of the management team.

Knowing and Doing: When we do team building and leadership development, we emphasize that knowing is one thing and doing is another. Knowing and understanding the principles

of organizational health and effective teamwork is great, but gets you nowhere unless there is a clear plan with timelines and a commitment to execute the plan and follow up as goals and objectives are met. Authority, responsibility, and accountability—are these really working in your organization or do things kind of slide sideways and decisions get made by default?

Doing the Right Thing: “Management is doing things right.” (Reasonably easy to teach and learn.) “Leadership is doing the right things.” (More difficult—experience along with coaching is often the best teacher.) When it comes to leadership, you need to know when to bob and when to weave. You need well developed diagnostic skills that operate quickly and effectively in the human dimension. You need to know when to push and when to back-off, when to direct and when to guide, when to assert and when to let go. Leadership is indeed hard and is its own reward when done well.

If you see evidence that your organization is not well focused and you have some nagging doubts about its effectiveness, talk with us about ways we can help you re-orient your compass and reset your sails and develop leaders that understand the subtleties of the leadership process and practical ways to optimize the strengths of the team as a whole.

COACHING THE COACH

Executive or management coaching is a subject of increasing popularity, especially with CEO’s and other senior managers who feel isolated and remote. Many organizations know there is an important need to nurture and cultivate management and leadership talent, but have many doubts about how to do it. Unfortunately at the end of the busy management day, there is simply no time left to engage in the activities needed to develop others. So development, among the most important function of leaders, takes a back seat to operational demands. So much for the importance of effective time management!

It is truly amazing the number of conversations that occur where the conclusion is: “Why did we expect her to know how to execute the leadership aspects of her job when she has had virtually no training or experience in that area?” Wow, sometimes we are just plain dumb when it comes to understanding that more often than not, people do what they do simply because they don’t know what else to do. Somehow we understand the need for knowledge and skill when it comes to the technical aspects of the job, but we miss it altogether when it comes to people management and leadership knowledge and skill. Strangely enough, more and more evidence points to the conclusion that companies that

understand the importance of leadership, organizational effectiveness, and team work are more profitable than those that don't.

If you have people who are not performing effectively as managers and leaders, be sure you've given them the knowledge and skill-set training to be successful. You wouldn't expect your son or daughter to excel at a sport without lots of training and practice under the eye of a qualified coach. Yet in business we often not only do not provide the training; more often we provide no opportunity for practice and coaching, the very process we know provides and re-enforces strong skill development.

HRA has the knowledge, skill, and tools to help you develop effective leaders. Give your current supervisors the training and development they need to enhance their management and leadership capabilities. The time and effort spent will more than offset the cost and time lost through turnover and turbulence.

PERFORMANCE AND PROFIT

Every first year MBA student knows the functions of management: Planning, Organizing, Staffing, Directing, Communicating, Coordinating, and Evaluating. While each of these is more easily said than done, evaluating is especially challenging; yet, evaluating is the most critical component in getting work done and building effective communication between the supervisor and the employee.

Many performance management systems tend to emphasize the forms and procedures used in the evaluation process. The real money to be made in performance improvement and strengthening the supervisor-employee relationships comes with well conducted performance management interviews. These are characterized by proper preparation by the supervisor and the employee; written performance standards by which to measure change, quantitative and qualitative; clear, open two-way communication in the interview; and complete closure and follow-up. Much of the to-do today about performance management failures does not recognize that performance management is but one essential subset of the general management, supervision, and leadership process. The cycle should start when the new employee begins his or her job and concludes when the employee and supervisor meet to assess what has changed during the performance cycle.

Instead employees often begin the cycle with only vague, if any, expressions of expectations, compounded by periodic recurring messages that often are inconsistent and

driven by random circumstances that arise in the course of work.

To build effective, practical knowledge and skills in this area, supervisors and managers need time to discuss and understand basic behavioral considerations and the opportunity to practice preparing for, conducting, and following up the performance management interview. These skills are not created by an authority demand by senior managers; they are carefully developed by on-line, real-time practice, supported by clear personal coaching and re-enforcement to build confidence, comfort, and flexibility.

DO YOU HAVE A COMPENSATION PHILOSOPHY AND A PROGRAM TO PROVE IT?

If you're an organization without a Salary Administration Program, you will want to give serious thought to the idea of getting one. While such programs have always been the key building block to solid Human Resource management, recent legislative changes make them indispensable.

The recent Lilly Ledbetter Fair Pay Act and the introduction of the Employee Free Choice Act (EFCA) underscore the importance of employers having well-thought-out salary administration programs, policies, and procedures.

The Lilly Ledbetter Fair Pay Act puts new emphasis on employer exposure because of potential allegations of unfair pay practices. Under previous provisions, employees had 180 days during which to file a complaint after discovery of an alleged discriminatory pay practice. Under the new provisions, the 180 time limit no longer applies. In fact, every paycheck restarts the clock. The new time clock puts a serious burden on employers to review pay practices regularly and to be sure their policies and procedures are fair and competitive. In addition, the implications for past pay-related liabilities such as retirement plan benefits, 401(k), life insurance, etc., will no doubt be determined and refined via case law. Past pay practices should be re-examined to determine if any remedial action is needed. Proactively correcting questionable past pay practices will mitigate both legal and financial exposure.

"For employers, the law creates the possibility that actions from years ago could lead to a rash of new discrimination claims. 'This represents an unprecedented extending of the statute of limitations,' says Denise Bleau, a partner with law firm Buckingham Doolittle & Burroughs in West Palm Beach, Fla. 'It is renewed every time an employee receives a paycheck.' As a result, employers could be subject to lawsuits as a result of recent pay

decisions as well as those made many years ago.”

“This law is likely to light a fire under many employers to identify and eliminate any potentially discriminatory pay practices. ‘I expect to see a big change going forward,’ says Rich Guzzo, a principal with Mercer in Washington, D.C. ‘Employers are likely to be more proactive in identifying and eliminating pay inequities.’”

In a similar light, efforts to unionize your workforce, under some form of EFCA, will likely concentrate the attack on raising questions about your pay practices, implying that the union will negotiate higher pay rates to be sure employees are paid fairly and not exploited. Your best defense is to proactively develop pay structures that are systematic, rational, fair, and competitive.

Your best bet is to initiate the process sooner rather than later when such action may be viewed as simply a reaction to efforts to establish bargaining units within your organization.

For over a quarter century, HRA has been assisting organizations, large and small, public and private, in developing exempt and non-exempt salary administration programs that meet these objectives:

- Establish a basis for recognition and reward;
- Enhance planning, budgeting, and control capabilities;
- Increase the ability to comply with wage and hour, equal pay, and other government regulations;
- Determine competitive salary structure and merit pay guidelines; and
- Implement performance management strategies that focus on results and promote communication and employee development.

Our HRA ComprapAY Program is designed to focus maximum objectivity on jobs and job values in the context of your company and to determine appropriate pay structures related to your competitive labor market.

If you are not confident your pay practices will pass muster in light of recent labor law changes, we urge you to call to explore ways to reduce your exposure to past, present, and future unfair pay claims.

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