



Employer's Advantage

AUTOMOTIVEHR

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SPECIAL POINTS OF INTEREST:

- We need to spell out for ourselves and our workers what the future will look like.
- Organizations are looking for ways to produce more results with fewer resources.
- Absent employees- A Costly Problem
- Do you know where the talent is in your organization

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Defining the Performance PREview

In 2009, well-run organizations must look unflinchingly at the future and plan for it the best they can. We cannot ignore business news for long and survive. The times demand regular adaptation and adjustment to survive.



So here are two thoughts for leaders as you begin the New Year:

- To survive, the very best workers available need to be running our organizations.
- We need to spell out for ourselves and our workers what the future will look like.

At AHR, we have begun a campaign we believe stresses these ideas. We are asking managers to think of employee performance in terms of describing what they want to

see instead of looking back on failures. This concept is behind the slogan "replace performance reviews with performance PREviews."

You may be asking just what we mean by preview, and how in the world an organization is supposed to get rid of performance reviews. What we mean is that organizations:

- should not be looking back, but forward;
- an employee's performance must always be noted but in a

way that achieves something positive for the organization;

- surviving and thriving organizations must recognize that employees will always be the heart of business.

Often when leaders and planners talk about getting rid of the performance review, their colleagues feel threatened and wonder whether they will be forbidden from noting behavior that does not benefit the organization. Indeed, some even think they won't be able to terminate poorly performing employees.

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Talent Comes from Inside and Out

eBay has over 60,000 independent software writers contributing to its platform. These 'contract' developers created over 9,000 applications that enable more than 25% of eBay's product listings to be featured online.

Realizing no firm is big enough on its own to satisfy customers searching for unique experiences, companies like eBay focus on access to, rather than ownership of, resources and talent.

In his book *The New Age of Innovation*, C.K. Prahalad touts the importance of finding the best available talent or resources from both inside and outside the organization to form competent and productive teams. He calls it developing a "Velcro Organization" in which teams

come together and disengage seamlessly.

The challenge is convincing organizations that follow the traditional hierarchical system of owning most or all of their human resources as employees to think differently. Instead of focusing on creating unique customer experiences, the old model places importance on the number of FTE's (fulltime equivalent employees), departments and job classifications within the company.

As a result, customers go elsewhere because of unmet needs. Market share and revenue go down and the likelihood of layoffs increases. Seeking to own employees under the guise of 'job security' actually creates the opposite: an atmosphere of distrust with employees feeling less secure and others out of work.

Instead, leaders and managers should make a point of knowing where talent is in the organization and where it can be accessed from outside. Focus on the skills of individuals and their attitudes toward learning and teamwork, not on their location, title or job grade.

Regardless of the size of your company or the nature of your business, strive to build your own "Velcro Organization." Follow eBay's lead and match opportunities with resources. Concentrate your efforts on finding and nurturing talent, fostering teamwork and achieving your organizational goals.

And instead of focusing on 'owning' employees, just buy something on eBay. It will cost you and your organization a lot less.

*David Mastovich, Pres.
Massolutions*



Be the
Dean of your
own College!

"e-Learning and on-demand training allows small and mid-sized organizations opportunities to remain competitive – and grow – in a down economy."



Improving Efficiency and Growing Your Business in a Down Economy

In tough economic times, many organizational programs are reduced – or eliminated – in an effort to conserve resources and ride out the storm. While savvy budgeting is necessary for the health of your company's bottom-line, studies have shown that abandoning your training programs will reduce efficiencies and allow for competitor gains.

e-Learning and on-demand training allows small and mid-sized organizations opportunities to remain competitive – and *grow* – in a down economy. Organizations are looking for ways to produce more results with fewer resources. Leveraging cost-effective technology-based training options such as online or on-demand courses, and utilizing in-house talent for mentoring and on-the-job training, are all cost-effective ways to strengthen your employees' skills, and prepare for changes and new challenges hitting the marketplace.

As technologies have advanced in the past decade, e-learning has become an increasingly affordable solution. Many of the most notable benefits of e-learning make it a natural fit for companies looking to do more with less.

- **Eliminated travel.** A recent study by ASTD showed that travel and other expenditures often account for as much as 40% of the total cost of training. e-Learning eliminates this expense, and is ideal for geographically dispersed employees.
- **Access.** Your organization will enjoy the convenience of round-the-clock access with e-learning. e-Learning is available anytime ... anywhere.
- **Just-in-time training.** e-Learning provides opportunities to immediately fill in the gaps, as soon as you realize there is a skill deficiency that is affecting workplace performance. With a lean workforce, people are

often stepping into roles they aren't prepared for – e-learning will help to get your employees up to speed quickly.

Automation of administration, tracking & reporting. e-Learning eliminates the cost and time associated with manually administering, tracking & reporting on learning activities. Everything can be automated ... freeing up your employees' time to focus on your organization's strategic objectives.

Today's economic climate forces us to look for ways to cut costs and improve efficiencies. e-Learning is a great tool for improving your organization's bottom-line, and reducing costs associated with training and development. Most importantly, investing in and growing the skills of your valued employees will help you to come out on the other side of this financial storm ahead of your competition!

ABOUT E-LEARNING FOR EMPLOYEES

E-Learning for Employees provides affordable training solutions for small and mid-sized organizations nationwide. Unlike other training solutions built and priced for large organizations, our e-learning system was designed specifically to meet the needs of smaller businesses. The solution includes a state-of-the-art Learning Management System, over 4,000 world-class online business and computer training courses, as well as services to assist our clients in the marketing and implementation of its e-learning program. E-Learning for Employees offers high-quality e-Learning that is cost-effective, easy to use, and results-oriented.

Learn more at www.elearningforemployees.com or call us toll free at 1.888.202.1112

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Let's try to put those misconceptions to rest. Performance previews, with emphasis, on the *pre*, are designed to get the manager to talk about what he or she wants to see. They are a crystal-ball look into the future, if you will. They are important because talking about what we would like to see happen offers a more constructive approach than discussing what has already happened that we disliked. Describing what we want requires us to discuss ideas, not just behavior.

Ideally, this look into the future must occur before poor performance happens, and the discussion of ideas requires the participation of both manager and employee. This behavior also occurs regularly – unlike the performance review, which occurs annually (if even then).

The concept is not a new one for forward-thinking organizations that want to retain high-performing workers and rely on a collaborative model, thrive on teamwork and know that one person cannot stoke a powerful engine. Forward thinking organizations are ahead of the game. They focus on coaching and forming teams that work together synergistically instead of relying on top-down directing to build, at best, mediocre teams.

Using our crystal ball, let us imagine how such a preview would unfold

Manager: Melinda, let's talk about how to handle the new

client. They are a company with a reputation moving fast, and the management team expects attention to detail as well as great ideas. What are your thoughts on getting started?

Melinda: I'd like to put Josh and Carol on the project. Carol has great big-picture ideas, and so does Josh. But he is strong on the details, too, and I will need him to double-check me as I plan the rollout.

Manager: Yes – all of you worked well together on the project you just finished. I wonder if you would also consider bringing in Katy on the financials. She has strengths that we need. And let me have a look at the proposal, too, at regular intervals. I need to build up the team as much as possible. What else do we need to talk about before we get started?

Melinda: You know that juggling multiple projects might get in the way of meeting deadlines. Could we set some priorities and plan our deadlines from back to front so that we can break this project into pieces?

Do you see how a forward-looking approach that requires contributions by both the manager and Melinda can get this project off on the right foot? Meanwhile, the manager is spelling out exactly what behavior this project requires while asking Melinda for her thoughts. For the relationship and the company, this is much more productive than rehashing what did not work six months ago.

Of course, it's also useful to bring in what you would like to see in the future in terms of what did not happen last time. Imagine the manager above Melinda asking how she should have avoided the issue of the final product being completely opposite of what the client wanted. That would not be nearly as effective as having Melinda might create a draft six weeks before the final deadline to

make sure everyone is on the right track.

The point is to direct behavior and actions by visualizing what you want to see, and it's more effective than haranguing an employee about what went wrong. If the manager had told Melinda that her team had botched a project six months ago and that such errors could not happen again, what would the outcome have been? We can all imagine a number of scenarios. Perhaps we can envision Melinda's furrowed brow as she tries to remember the project, exactly how it was botched, and wonders why the matter did not come up at the time. Then we can imagine her disappointment at her paltry raise, which probably was not dictated by her performance anyway. Finally, we can imagine her walking out the door to a new job a few weeks later.

Unfortunately, all of those scenarios are byproducts of a system which relies on a an annual review where one person holds all the power and the other says what he or she thinks she is supposed to in order to get a raise or a pat on the back.

This concept of the Performance PREview is not new at AHR. We have focused on this topic often in different ways; it includes all the caveats that bear repeating here: one size does not fit all where employees are concerned; coaching, not directing, is the most productive way of obtaining the work performance your organization requires; job fit is crucial to good performance; the annual performance review is an ineffective, one-sided game with one person holding all the marbles.

Think of the preview as two minds – the employees and managers – working in sync. Think of this as the gift that will keep on giving in 2009 and beyond.

“job fit is crucial to good performance; the annual performance review is an ineffective, one-sided game with one person holding all the marbles.”



AHR Helpline



Absent Employees – A costly Problem

Jim and Ann were discussing a common problem, employees who miss work. During the holiday season they just completed it seemed like someone was out every day. The result was that they ended up paying overtime to the employees who did show up. Not everyone was just “skipping” work, they had experienced a flu bug followed by a bad cold that it seemed everyone caught. People were off because they really were sick in many cases. But they suspected that some people might have been quicker to get back to work.

The problem of lost work days is particularly bad when we are facing a recession since profits are lower and often employers don't hire as many workers so that they can keep their overhead down.

According to a 2007 survey by CCH, Inc. an HR research firm, 300 of US largest employers estimate that unscheduled absenteeism costs their businesses, on average, more than \$760,000 a year in direct payroll costs –and even more when lower productivity, lost revenue and the effects of poor morale are considered.

“In an effort to improve its numbers, Plano, TX-based Penney's Stores started a program two months ago that is staffed with workers who gave up their daily customer service responsibilities to work solely on reducing absenteeism.

If you're sick and can't work for more than three days, you call the company's PowerLine. The PowerLine team, based in Salt Lake City determines the type of benefit, if any, you receive—workers' compensation, short term disability or a leave of absence.

The team notifies the store where you work, along with the appropriate insurance carrier and sends you any necessary forms to complete.

The PowerLine employee follows up with absent workers, repeatedly checking on their condition until they return to work.

“I've found that when someone goes out on disability, that person undergoes a significant event in [his] life, and if no one checks....to see how [he's] doing, [he] could stay out longer than necessary,” Jim Cuva, Penney's benefit manager. “It's letting [him] know we care.”

So far the program is working, Mr. Cuva said.

“We're not even 90 days into it, but we're as good as we can be,” said Paul Landry, a consultant with Watson Wyatt who is working with Penney on the absenteeism program.”

This program of keeping in touch with the employees who were off seems to be a good strategy but may not be viable or affordable for smaller employers like Ann and Jim. But if you require the employee to call in each day they are off or you

contact them several times during the absence (particularly if they have a long absence) they may feel more connected with work.

You can also encourage attendance by offering incentives or awards for good attendance. Some small employers provide a certain number of “sick” days each year and if the employee doesn't use the total or a percentage (say 70% or more) then the employer pays them a bonus amount for those days in January. The logic is that it saves money in terms of less overtime and better morale overall.

“I think a lot of managers, when people are absent, just write them off. Then as time goes by they say Gee, this person has been out a lot,” said Nancy Glube, a human resources executive in Atlanta. “If they're good managers, they'll be in touch with what's going on in their lives.”

Ms. Glube said company rules can encourage absenteeism if you count “occurrences” instead of days absent.

If I'm out three days I a row, I may try to sneak in a few extra days because that's still one occurrence,” Ms. Glube said.

AHR is a work force improvement company with 40,000 clients, using an assessment which helps to determine which employees are more likely to miss work. The Step One Survey uses a questionnaire to find out whether a job applicant might have a problem with absences. Applicants are asked whether they agree or disagree with statements such as:

- I have asked a friend to punch my time card when I was late.
- If you're at work and just don't feel like working, it's OK to say you're sick and go home.

It's OK to get around rules, as long as you don't break them.

This kind of assessment allows you to choose not to hire someone who seems to have a negative attitude.

No matter what you do to encourage attendance or control absence, if you try to create a good work environment where people enjoy their work, they are more likely to come to work when you need them. Showing respect for your employees and taking an interest in them goes a long way to building the loyalty you need for a successful company.

*Phyllis Hartman, HR Consultant
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