THE MAGAZINE OF HUMAN RESOURCES THOUGHT LEADERSHIP | MARCH/APRIL 2012

HR PROFESSIONAL

STRATEGIES FOR TURBULENT TIMES

Winning That Top Table Role

Building Performance-Based Executive Compensation Programs

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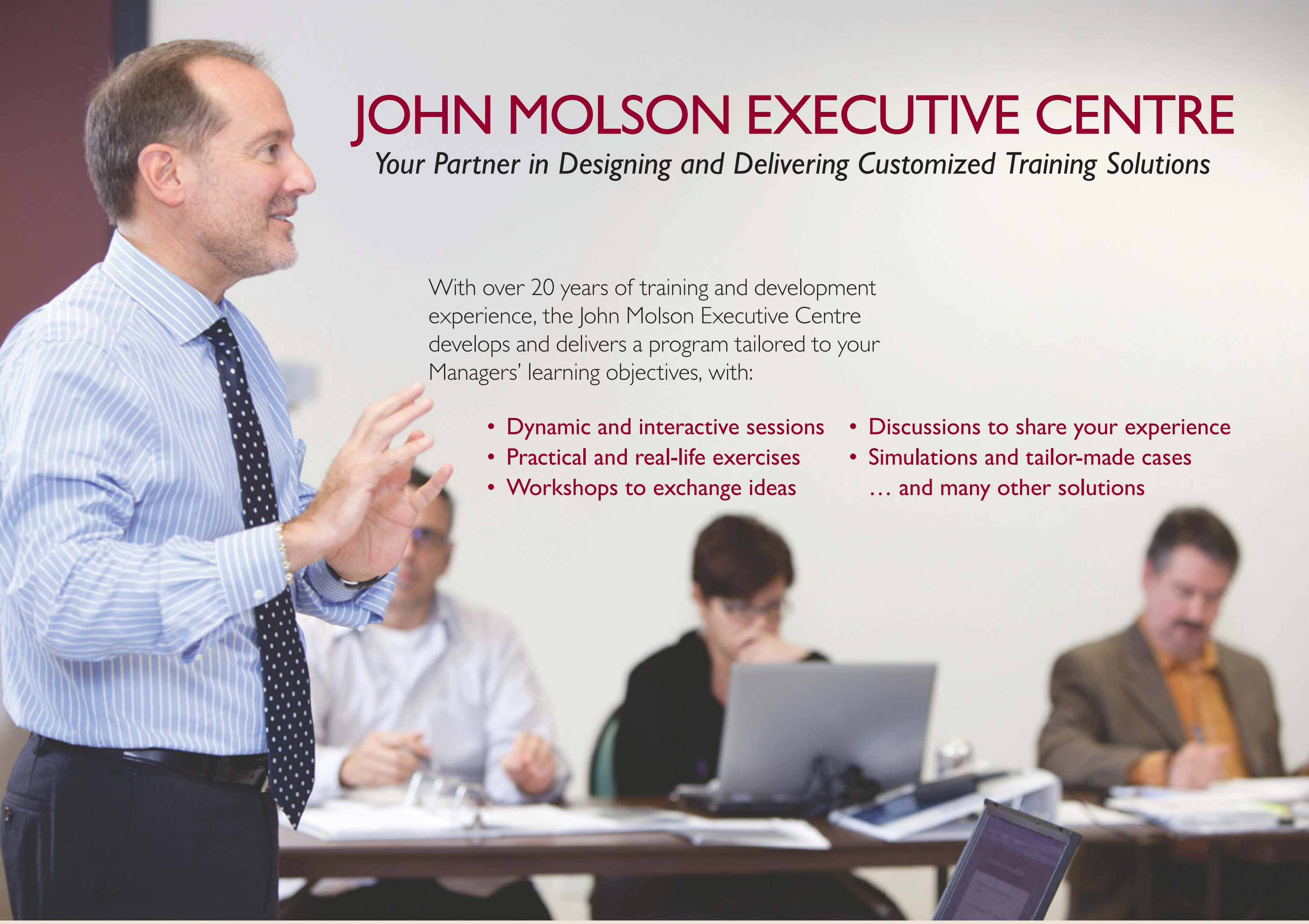

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EDITOR'S LETTER

NOW'S THE TIME ...

It's hard to know what to think about the Canadian, or global, economic situation. Report, study and survey findings disagree with each other daily, it seems. What is clear is that securing a seat on the management team becomes ever more crucial. When I sat down with HRPA chair, Daphne FitzGerald, at the conference in early February, she reminded me that a recent HRPA/Knightsbridge study proves that CEOs know the value of HR (which she discusses further in her column on page 11).

What's crucial now is that HR professionals themselves need to accept that "we are already there at the C-suite table," she says. HR professionals need to develop "sharper elbows" as they sit around that table and speak up to be heard, or at least to make the HR implications of business decisions heard, she insists.

In this issue, we've lined up some articles and tips to help you do just that. To start, consultant Peter Goodge offers practical advice for winning (and keeping) that "top table role." Our legal contributors look at two key talent management areas: keeping disability costs in line; and how to set up your cross-border work permits effectively. And, if your organization is looking at layoffs or staff reductions, Melissa Campeau discovered how downsizing can be done as painlessly as possible.

Since the high profile of executive compensation is unlikely to disappear anytime soon, writer Joel Kranc talked with a number of companies about how they've structured their compensation plans. Finally, check out our HR 101 section where Shabeer Ahmad offers positive tips for surviving these turbulent times.

As always, I'm interested in hearing your points of view and comments, so send me a note at lblake@naylor.com. Or, visit us on Facebook, at www.facebook.com/#!/HRProfessionalMag.

Cheers,

Correction: In the January 2012 issue, "upfront" included an article on Service Canada's Online ROE. This service has actually been running since 2003. We apologize for any confusion.

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BY DAPHNE FITZGERALD, CHRP, SHRP

THE VALUE OF A CHRP

A recent study confirms what many senior HR leaders have suspected about the Certified Human Resources Professional (CHRP) designation—earning one leads to increased career opportunities and greater earning potential.

The study, *The Value of a CHRP: More Promotions and Better Pay,* was produced by PayScale, on behalf of the Human Resources Professionals Association (HRPA). PayScale, which provides compensation data to clients based on its enormous employee salary database, compared results for HR professionals with and without a CHRP.

Looking at data over a five-year period, PayScale found CHRPs are promoted faster and earn more than their counterparts without CHRPs. The study also confirmed HR professionals with a CHRP tend to work at larger companies (where there are usually a greater number of entry level HR opportunities) more often than those without a CHRP.

In terms of pay, the study results were clear: CHRPs enjoyed more earning power over their non-CHRP counterparts. CHRP HR administrators earned a median annual salary of $44,300 (vs. $41,700 for non-CHRPs), CHRP HR generalists earned a median salary of $52,600 (vs. $49,100); and, notably, CHRP HR managers earned 16 per cent more than non-CHRPs with a median salary of $72,900 (vs. $63,100).

But while pay is important what I found even more encouraging were the opportunities the CHRP affords those who work to attain the designation and then maintain it. For example, the research compared the progress of CHRPs and non-CHRPs in various career stages moving into manager positions within five years:

- 45% of HR generalists with CHRPs became HR managers (vs. 21% of non-CHRPs)
- 26% of HR assistants with CHRPs became HR managers (vs. 8% of non-CHRPs); and
- 23% of HR managers with CHRPs became HR directors, (vs. 13% of non-CHRPs).

Similarly, in terms of overall promotions, CHRPs fared considerably better than non-CHRPs—especially among administrators, generalists and managers. Over five years:

- 47% of CHRP administrators were promoted (vs. 25% non-CHRPs)
- 51% of CHRP generalists were promoted (vs. 25% non-CHRPs); and
- 25% of CHRP managers were promoted (vs. 14% non-CHRPs).

The study also looked at CHRP frequency in management positions and CHRP/non-CHRP pay comparisons by Canadian city and industry. Across the board, CHRPs enjoyed a clear advantage over non-designated HR professionals.

I see a very definite connection to the results of this report and the HRPA/Knightsbridge CEO survey, I discussed in the July 2011 issue of the magazine. In the report, chief executives confirmed the importance of HR cannot be ignored and that HR's "seat at the table" is without question. The PayScale results bear this out; more organizations than ever before value the CHRP and are prepared to pay at higher compensation levels to ensure that those with the designation work in their enterprises.

For me, another interesting aspect to the PayScale results was the unanimous support for the CHRP by all industries. While it might seem to be easier and less expensive to hire and promote someone without a CHRP, the fact is, whether the enterprise focused on education, finance, manufacturing, or public administration (to name just a few) the median annual pay for HR job titles with a CHRP, exceeded the pay for the same title without the designation. And this includes non-profit organizations where some HR professionals would like to advance their careers while also contributing to a cause that has personal meaning for them.

The results of the PayScale study should come as good news to those in the profession working to attain the CHRP or working to maintain it. Canadian business leaders understand the important contribution HR makes to business success and they are willing to pay more for those who are Certified Human Resources Professionals. Clearly the CHRP is an important step for anyone interested in building an HR career in Canada. **HR**

Daphne FitzGerald is chair of the Human Resources Professionals Association (HRPA).

THREE QUARTERS OF CANADIAN SMALL BUSINESS OWNERS DON'T HAVE A SUCCESSION PLAN

ACCORDING TO A RECENT TD WATERHOUSE BUSINESS SUCCESSION POLL, CANADIAN SMALL BUSINESS OWNERS HAVEN'T FULLY PREPARED FOR THE DAY WHEN THEY WILL NO LONGER BE RUNNING THEIR BUSINESS:

76% OF SMALL BUSINESS OWNERS POLLED ADMITTED THEY DON'T HAVE A SUCCESSION PLAN.

45% SAY THEY ARE STILL TRYING TO FIGURE OUT WHAT THEIR PLAN WILL BE.

31% REPORT THEY JUST HAVEN'T GOTTEN AROUND TO IT YET.

23% PLAN TO CLOSE THEIR BUSINESS WHEN THEY RETIRE.

20% PLAN TO SELL THEIR BUSINESS TO A THIRD PARTY.

18% PLAN ON TRANSFERRING TO A FAMILY MEMBER.

27% WERE UNSURE ABOUT WHAT THEY WILL DO WHEN IT COMES TIME TO RETIRE.

46% OF THOSE WITH A PLAN DEVELOPED IT WITHIN THE FIRST 10 YEARS OF BUSINESS OWNERSHIP.

50% DEVELOPED THEIR PLAN BEFORE THEY STARTED PLANNING THEIR RETIREMENT.

45% SAID THEY PLAN ON SPENDING TIME WITH FRIENDS AND FAMILY AFTER RETIREMENT.

46% SAID THEY PLAN ON TRAVELLING.

Source: TD Waterhouse Business Succession Plan Poll

Feds Strike Down

Mandatory Retirement

The federal government recently repealed sections of the Canadian Human Rights Act and *Canada Labour Code* that permit employers to force employees to retire once they reach a certain age, regardless of their ability to do the job. The repeal of the mandatory retirement provisions in Canadian law was contained in the Budget Implementation Act, which has now received Royal Assent.

"We're not born with date stamps saying our fitness for work expires at 65," says David Langtry, acting chief commissioner of the Canadian Human Rights Commission. "Age discrimination is discrimination, pure and simple." The commission has been calling for a repeal of the mandatory retirement provisions of the Canadian Human Rights Act since 1979.

All Canadian jurisdictions, with the exception of the federal jurisdiction and New Brunswick, have since abolished mandatory retirement. Many federally regulated employers as well as the federal public service abolished it on their own initiative. To date there has been no evidence of any significant detrimental impact on employers, pensions, safety or job progression.

Director compensation

IN CANADA ROSE SHARPLY IN THE PAST TWO YEARS

Compensation for directors of publicly traded Canadian corporations rose significantly between 2008 and 2010, a trend that is expected to continue, according to the Conference Board of Canada's "2011 Canadian Directors' Compensation and Board Practices" report.

The average total compensation paid to outside directors for their regular board service is $112,651 per individual—a substantial increase from $84,452 in 2008. Eighty per cent of firms have adjusted director compensation since 2008.

The survey results show that large companies (defined as firms with more than $2 billion in annual revenue) and medium-sized firms ($150 million to $2 billion in revenue) paid their directors similar amounts. Total average compensation in large firms was $128,171; directors of medium-sized firms averaged $124,851. Small firms (under $150 million in revenue) recorded an average of $70,648 in total compensation per director.

Directors are increasingly extending the scope of their roles and responsibilities—requesting more information, analyzing more data, holding more meetings, and adding committees and board members. Responding organizations indicated that directors spent an average of 128 hours a year on board business.

Boards have made the most significant progress in areas related to independence. The percentage of firms where all outside directors are independent has risen to 71 per cent—up from 66 per cent in 2008 and 58 per cent in 2006. However, boards have made less progress in terms of diversity. The percentage of female directors is 10 per cent, an increase from eight per cent in 2008. Currently, 18 per cent of corporate boards have at least one director who is a member of a visible minority, an increase from 13 per cent in 2008.

The publication, "2011 Canadian Directors' Compensation and Board Practices," is available at www.e-library.ca.

Top 10 Business Issues WITH LEGAL IMPLICATIONS IN 2012

From the evolving class action lawsuit to changing Aboriginal consultation requirements and a harder hitting tax man, Borden Ladner Gervais LLP (BLG) predicts the 10 issues likely to impact the corporate landscape and dominate headlines in 2012:

1. Keeping the spark alive: ensuring foreign investors keep coming back for more—What can foreign investors and Canadian natural resource companies do to mitigate red tape and keep these vital projects on the move?

2. Financial institutions and the economic recession. It ain't over 'til it's over—Some say low interest rates, banks spreads, insurer liabilities and pension plan funding could create challenges for Canadian banks and insurers in 2012. How will banks and big businesses cope?

3. We can't predict what the plaintiff class action bar will do next, but at least we can prepare for it—Developments south of the border may limit the scope of the class action in the U.S., but companies operating in Canada will want to follow a series of decisions to be released here in the next 12 months to understand the risk facing their organizations.

4. You can't run or hide: why you must turn and face the tax man in 2012—From grading on non-compliance to assessments of reporting functions, Canadian businesses will feel the heat of the tax man.

5. Privacy in public forums, will we ever recover?—What will be the effect of anti-spam legislation, new advertising guidelines for online tracking, evolving rules surrounding Internet/social media defamation and employers finding out more and more about their employees' antics outside of the workplace?

6. What the frack?—Fracking, the use of highly pressurized fluid to fracture rock and release gas and oil from shale fields, is increasingly controversial. What changes to regulation and legislation are expected in response to community concerns? What direction is Canada going with respect to greater oversight and required consultation?

7. One for the history books: Social media mobilizes civil rights—What have we learned from protest movements and what can businesses do to protect themselves should a protest movement take place at their front door?

8. Saying sorry without fear of litigation?—Thanks to apology legislation, businesses in Ontario, B.C., Saskatchewan and Manitoba are more likely to come out of a crisis on top. Not only does this legislation allow businesses to express empathy for those affected, but there is growing evidence that apology laws actually reduce the number of lawsuits and the time required to settle them.

9. Overseas growth sounds attractive. But what about the tax authorities?—International trade and overseas expansion have never been more attainable for Canadian businesses. With continued scrutiny of transfer pricing arrangements, however, businesses must be prepared to meet the reporting and filing requirements of the relevant tax authorities. At the same time, growing businesses should be aware of the expanded exchange-of-information tax treaties and how these multi-jurisdictional relationships can contribute to profitable growth.

10. Canada's green economy: Set to stay the course?—The Green Energy Act will remain under the microscope as investors, consumers and governments examine the value of this program and the unconventional process of enacting it. How will this impact Canada's role in the global renewable energy space, the opportunities presented to Canadian and international companies and the Canadian economy?

IMMIGRANT WAGE AND EMPLOYMENT GAPS PERSIST

DESPITE HIGHER EDUCATION LEVELS, IMMIGRANTS EXPERIENCE HIGHER UNEMPLOYMENT RATES AND LOWER INCOMES THAN CANADIAN-BORN WORKERS, ACCORDING TO RBC'S, "IMMIGRANT LABOUR MARKET OUTCOMES IN CANADA: THE BENEFITS OF ADDRESSING WAGE AND EMPLOYMENT GAPS." IT ESTIMATES THE POTENTIAL INCREASED INCOME FOR IMMIGRANTS IF REWARDED SIMILARLY TO CANADIAN-BORN WORKERS IS $30.7 BILLION OR 2.1% OF GDP IN 2006 (LATEST CENSUS DATA AVAILABLE).

BY 2006, IMMIGRANTS HAD UNEMPLOYMENT RATES THAT WERE SIGNIFICANTLY HIGHER THAN THOSE OF THE CANADIAN BORN—6.9% FOR IMMIGRANTS, COMPARED TO 6.4%. IN 2005, THE ENTIRE POPULATION OF IMMIGRANTS WORKING FULL TIME IN CANADA EARNED AN AVERAGE OF $45,000/YEAR, WHICH IS ABOUT $700 (2%) LESS THAN THE AVERAGE WAGE FOR CANADIAN-BORN WORKERS; HOWEVER, THE MOST RECENT AMONG THEM EARNED JUST $28,700, ON AVERAGE.

THE POPULATION OF WORKING-AGE IMMIGRANTS IN CANADA IS MORE LIKELY TO HAVE A UNIVERSITY DEGREE AND IS OLDER, ON AVERAGE. THEY ARE ALSO MORE LIKELY TO LIVE IN LARGE CITIES, WHERE EARNINGS TEND TO BE HIGHER.

THE COMPLETE REPORT IS AVAILABLE AT RBC.COM/NEWSROOM/.

What Will the Workplace OF THE FUTURE LOOK LIKE?

"The workplace of today—and the future—is changing dramatically, driven by advances in technology, a shift in work patterns and a greater desire for work/life balance and living sustainably," says Kay Sargent, VP of architecture, design and workplace strategies for Teknion Corporation, a leading international designer, manufacturer and marketer of office systems and related products.

By 2015, workplace utilization is expected to increase to 85%, from levels between 35% and 50% today, as the desk-to-employee ratio is addressed and space is reapportioned. Strategies that companies are employing to accomplish increased space utilization include:

77% Open, collaborative workspaces with fewer offices.
62% Densification of workspaces.
54% Reduce square footage footprint through disposition.
46% More employees working remotely, from home, satellite or client sites.
31% Mobile working programs including desk-sharing, hoteling or coworking spaces.

Surprisingly, Teknion found 78% of the companies it recently polled have less than 10% of their employees working from home more than one day a week, but expect that to grow by 2015.

The most important strategies used to attract the new generation of knowledge workers include:

41% of Teknion survey respondents wanted to be able to access to flexible workplace options.
39% indicated that having the most leading-edge technology is the key.
89% of companies reported that they plan to increase their investment in productivity-enabling technologies such as voice-activation technologies and sophisticated video conferencing by 2015 beyond current spending levels.
46% of companies are currently employing cloud computing.
88% of the companies that aren't using cloud computing said they were unsure about its future application or use.

Workers' compensation boards

UNDER THE MICROSCOPE

New research, "A Small Business Assessment of Workers' Compensation," from the Canadian Federation of Independent Business (CFIB) reveals that workers' compensation boards in Canada are doing a poor job in meeting the needs of small businesses.

This comprehensive assessment of workers' compensation boards, through the lens of small business owners, focuses on all major areas: cost of premiums; claims management; experience rating; classification and assessment; coverage; long-term fiscal sustainability; and customer service.

On a scale of 0 to 10, not one single board received an overall score of seven or higher. PEI fares the best with an overall score of 6.9. The boards representing the largest share of employers in the country—Ontario and Quebec—both received the lowest scores at 4.0.

According to Doug Bruce, CFIB's vice-president, research, this is the first time workers' compensation boards have been subject to this kind of scrutiny and comparison. "Quite frankly, the results are unacceptable and the boards have much work to do to meet the needs of their small business clients," says Bruce.

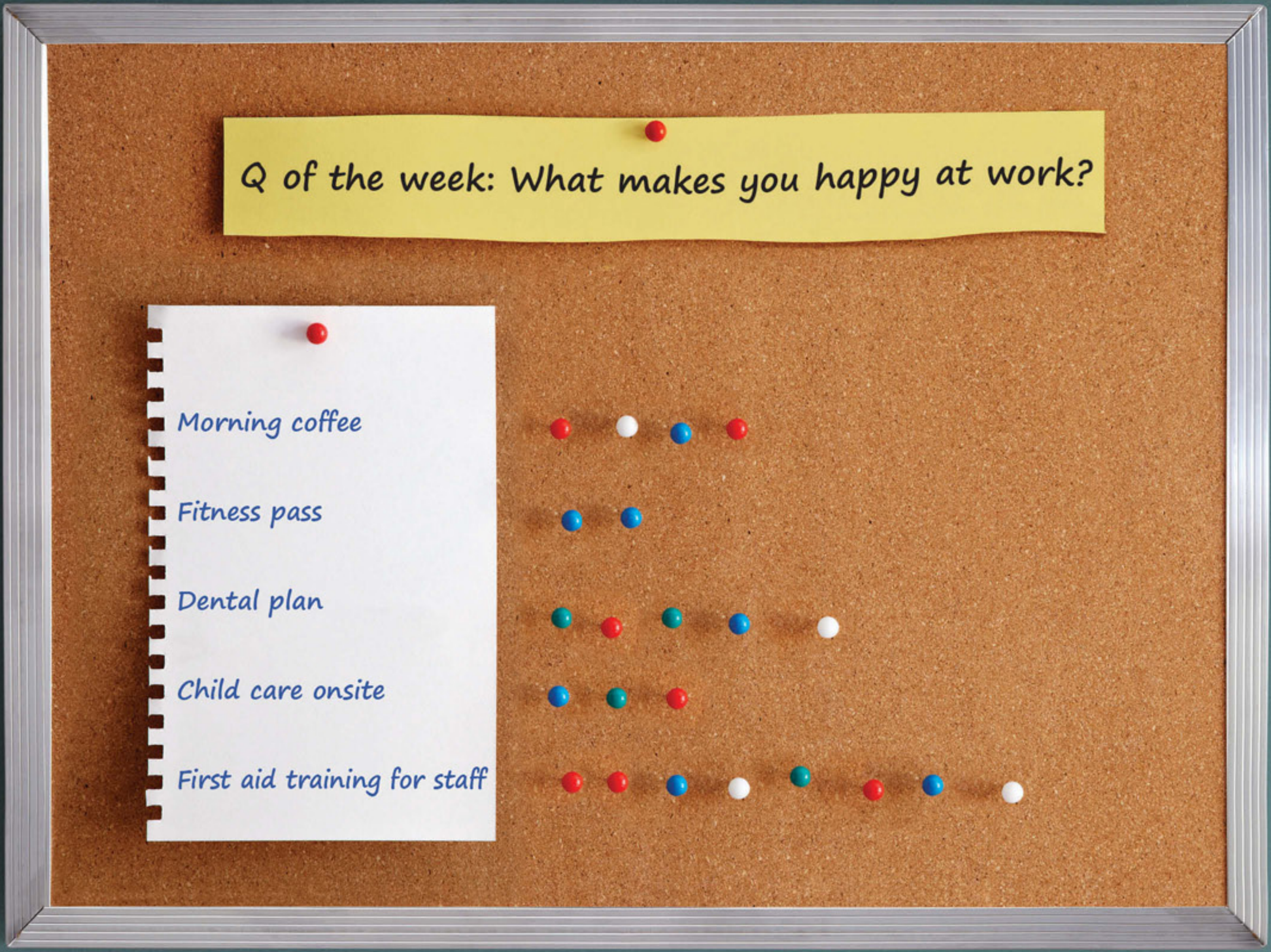
To view the full report visit www.cfib.ca.

Overall Index Scores, Workers' Compensations Boards[1] (10 is best; 0 is worst)

	OVERALL INDEX SCORES	COST OF PREMIUMS	CLAIMS MANAGEMENT	EXPERIENCE RATING	CLASSIFICATION & ASSESSMENT	COVERAGE	LONG-TERM FINANCIAL SUSTAINABILITY	CUSTOMER SERVICE
PEI	6.9	6.5	8.0	3.9	7.9	7.3	10.0	5.5
NB	6.4	5.0	4.2	8.6	7.7	6.8	10.0	6.4
BC	6.3	7.6	6.1	9.4	4.9	1.3	8.3	2.5
NS	5.9	5.8	6.5	7.4	5.8	7.8	2.0	4.2
AB	5.7	8.6	4.8	4.4	3.9	3.6	7.7	3.8
SK	5.6	7.2	5.5	4.0	4.2	3.0	9.4	4.4
NL	5.2	4.4	5.0	6.7	3.4	5.3	8.2	5.2
MB	5.2	7.1	4.0	6.8	2.0	1.7	9.4	2.6
QC	4.0	3.1	5.0	1.8	5.0	1.5	4.8	9.4
ON	4.0	6.5	5.3	1.4	3.9	4.4	0.0	1.0

[1] Given that both the Yukon and Northwest Territories/Nunavut workers' compensation boards serve a small number of clients, they are not included in this comparison. Refer to the Appendix for an analysis of these two boards based on the same methodology and indicators used to compare the provincial boards.

Source: CFIB, "A Small Business Assessment of Workers' Compensation."



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BY LAURA WILLIAMS

REDUCE DISABILITY COSTS WITH MEANINGFUL MEDICAL INFORMATION

A recent Statistics Canada survey indicates that slightly more than one in four Canadian workers describe their day-to-day lives as highly stressful. This problem is estimated to cost $20-billion a year in workplace losses and has prompted the federal government to fund the first-ever Canada-wide standards to deal with workplace mental health. These voluntary standards, which are scheduled for release in late 2012, are intended to establish a national set of best practices that could help Canadian employers support the psychological health and safety of their employees. The standards are timely considering that the Mental Health Commission of Canada estimates similar statistics approximating that one in five Canadians will experience mental health-related issues this year, with many of those issues relating to the workplace.

> “**Employers** should be aware that **legislative obligations** entitle them to request that the employee provide more detailed **medical information**.”

The realities of the above statistics are often experienced by employers and human resource professionals in the day-to-day employment context when an employee provides an inadequate, one-line note from a physician merely advising that he or she will be absent from work for a period of time due to illness. Such notes can be disconcerting where the reason for the employee's absence simply indicates "workplace-related stress."

Dealing with these one-line notes can be particularly challenging when employers receive successive unhelpful notes from the employee's physician, which appear to extend the absence on an indefinite basis. Because the notes come from a physician, many employers believe there is not much that they can do except wait out the period of absence and hope that the employee returns to work. However, employers should be aware that legislative obligations entitle them to request that the employee provide more detailed medical information. This means not only a medical opinion that justifies the absence from work, but one that also provides adequate prognosis information indicating when the employer can expect the employee to return to work on a full or modified basis, if possible.

This right to request more detailed information arises largely from the employer's obligation to accommodate as required by federal and provincial human rights legislation. Specifically, a one-line medical note, particularly when attempting to justify a long-term absence, cannot possibly provide enough information for an employer to assess whether it can accommodate an employee's return to work. To fulfill its accommodation obligation an employer needs, and is entitled to, a medical opinion from the employee's treating physician that adequately sets out prognosis information, including:

- the limitations that the employee is experiencing;
- how long the employee is expected to experience any identified limitations;
- an assessment of what duties he or she is capable of performing;

- whether the employee is receiving treatment for his or her medical condition;
- whether the employee is capable of returning to work on a modified basis to perform duties within his or her restrictions; and
- when the employee can be expected to return to work to perform his or her full duties.

It should be noted that employers should not seek information about an employee's medical diagnosis in response to inadequate medical information. The focus of the employer's inquiry should be restricted to prognosis information and, specifically, when the employee can be expected to make a return to work on a full or modified basis.

Employers may find it helpful and expeditious to provide the employee with a medical authorization form for his or her physician, which consents to the release of necessary medical information to one designated employer representative. However, the employer should take care to ensure that the medical request is restricted to information that is required to facilitate the accommodation process; that the information is kept confidential; and that it is used only for the purpose for which it was disclosed.

Insisting on sufficient medical information is a key first step in effectively managing attendance in the workplace. With the increasing trend in workplace-related mental health issues, and the corresponding rising costs associated with disability management, it is more important than ever to establish methods of dealing with vague or incomplete medical information. Ensuring that you receive adequate medical information from the outset is an effective way to set employee and physician expectations that unhelpful one-line prescription pad notes will not be acceptable. Including in company policies the specific scope of information that will be required to justify an absence and to determine accommodation possibilities is also an effective strategy to ensure compliance with the requirement to provide adequate medical information. HR

Laura Williams is a human resources lawyer who has extensive experience providing strategic advice and representation to employers on a full range of labour relations and employment law matters. Contact her at lwilliams@williamshrlaw.com, or 905-205-0496 ext. 226.

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BY MICHELLE MORRA

PSYCHOMETRIC TESTING: PEERING BENEATH THE SURFACE

For the most accurate job match, include psychometric testing with your reference checks

Normally, getting to know a person takes time. It's why marriage proposals rarely happen on day one. Employers, however, are in the position of having to fast track the get-to-know process. In hopes of entering into a working relationship that will be mutually worthwhile, they must be thorough.

Learning about a job candidate is a bit like assembling a jigsaw puzzle. During the interview, the candidate describes him- or herself while the reference check gives the former supervisor's point of view. While these are essential, they don't complete the picture. Employers now recognize the value in finding the final missing piece of the puzzle—the objective piece.

"That's where psychometric tests can be helpful," says Francois Matte, advisor, executive search, at CFC-Dolmen a partner of Garda, a global provider of security solutions, cash logistics and global risk consulting.

"When a candidate presents himself for a job, he will present himself in the most positive way. He will know what the job entails and what skills it requires. Fair enough. But what psychometric tests will give you is balanced, objective information."

"They give you the details," says Nadine Lecomte, vice-president of pre-employment and HR solutions at Garda. She says the industry is seeing an increasing interest in using psychometric tests in tandem with reference checks. It doesn't matter which comes first as long as they are part of the same process. "Reference checks can confirm the results of the psychometric test, and vice versa," she explains.

How it works

Let's say you are looking for a person with great organizational skills. At the interview the candidate might say, "Of course I'm organized." During the reference check the former supervisor confirms this.

The psychometric test (a.k.a. personality/aptitude/ability test) probes further. It can demonstrate the exact degree of those organizational skills, and perhaps reveal that the person, though organized, tends to complete tasks at the last minute. Any discrepancy between the reference check and psychometric test results is an opportunity for clarification during a second interview.

Based on the principles of psychology and developed by industrial psychologists, psychometric tests can reveal more than even the candidate might understand about his or her own abilities, interests, personality traits and career potential. They have become invaluable in HR for their proven accuracy and results. A study from the Harvard Business Review of a high turnover industry found that after 14 months almost 60 per cent of employees are no longer with the company in companies that don't use psychometric tests. But in those that did use the tests, that number was reduced to 30 per cent.

Quality varies among the hundreds of psychometric tests available today. Matte recommends choosing one that includes a technical manual that helps the user understand the results, as well as background information about how it was developed. He stresses that the interview is still the main part of the hiring process. Psychometric tests should never be the entire basis of the hiring decision.

"The tests work best in a context," Matte says. "If you were to meet me on the street and find out the results of my test, it wouldn't tell you much because you wouldn't know what job I'm applying for or what kind of interview I did. The deeper the context, the more the test will tell you."

Completing the puzzle

Here's why reference checks are so invaluable: only a former supervisor has the advantage of having worked with the candidate, gotten to know him or her over time and formed a working relationship with the candidate. Yet, these checks have limitations. Every supervisor has biases, whether intentional or not; and the reference check could be based on routine, if the supervisor only knew the candidate in the context of a particular task.

Nor is the interview flawless. Some "professional interviewees" are so great at making a first impression it's difficult to tell what lies deeper. A quality psychometric test, in contrast, is impossible to manipulate.

"When a good test is paired with background checks," Lecomte says, "you've got a lot of hidden information riding up to the surface." She likes to compare the hiring process to an iceberg. "When a candidate presents himself, what you see is the top of the iceberg, all nice and shiny. The more of the person's background you find out, the more you know how deep the iceberg is, how dangerous it could be, where it goes and where it comes from."

Unlike the mysterious iceberg, however, a properly executed pre-employment strategy is a "win-win" that ensures a worthwhile investment for the employer and a successful career move for the new hire. Having all the puzzle pieces greatly improves the likelihood of an informed hiring decision with no unpleasant surprises. HR

WINNING A TOP TABLE ROLE

If almost everything you do is operational, you are missing opportunities to make big differences to the business

BY PETER GOODGE

Strategic HR changes and develops your business—it delivers the talented, motivated and well-managed people that business plans assume. Very few things are more important. However, we cannot be strategic if we are on the sidelines of the business, watching executives make the big choices. We have to be proactively engaged in business decision-making, influencing business strategies as they develop. We have to have a voice at the executive table.

Many of us have to win that top table role, change how executives think about HR and change how we see HR. In too many organizations, HR is considered an entirely operational, service function, engaged in:

- Individuals' issues, such as discipline and poor performance.
- Advising and supporting managers on people questions, such as hiring, rewards, etc.
- Compiling and using people metrics, e.g., absence, costs.
- Recruitment and selection.
- Improving HR's policies, procedures and intranet.

All of those, and many other day-to-day tasks, are essential, they keep the business running; however, if almost everything you do is operational, you are missing opportunities to make big differences to the business. And, there will be some worrying signs that you are disengaged from strategy, such as:

Business leaders make big decisions without you. You find yourself playing "catch up," i.e., explaining to executives the HR implications of decisions they have already made.

HR's costs and contribution are often questioned—much more so than other functions such as finance or IT. The problem here is that HR is not valued. Research suggests that only strategic success raises HR's perceived value; operational efficiency is taken for granted.

Managers expect you to do tasks they ought to be doing, such as interviewing, researching and having tough conversations with people—all of which probably means your diary is full, and you have no time to think, find out more or discuss things.

When you meet managers, you only discuss HR topics. In business meetings, you have almost nothing to say about profitability, technology, markets, etc. Similarly, meetings of the HR team only consider HR issues; commercial issues are not routinely on HR's agenda.

Most important of all, it is now obvious business decisions and plans could have been much smarter. Problems were created and then you had to find ways around them. And, the business probably missed important opportunities, too.

TALK BUSINESS, NOT HR

The key to changing executives' expectations of HR, and winning that top table seat, is to talk business with business managers. Talk about business plans, performance, opportunities...and excutives will not only listen, they will want to know what HR can do for them.

Right now, you might know little about your business; you do not talk business well. If so, you need to do some research. Try:

- Really getting to know how your organization works by speaking to people arears such as in sales, finance, IT, about their business (not HR) problems and successes. Every meeting about an HR issue is also a chance to ask about business.
- Obtaining a copy of the business plans, and working out their HR implications. What people, capabilities and rewards do they assume?
- Finding out how the business measures its performance, what trends are, and why. Ask senior managers in other functions, such as finance, what the figures mean.
- Asking to sit in on presentations, conferences, etc. And, ask what other helpful sources of information are coming up.
- Working as an HR team on this; ask your HR colleagues for information, ideas, answers, etc.

NOW ASK FOR A SEAT

Good research makes it easy to ask for a seat at the table; just ask if you could discuss a hot business issue. If it is a pressing, big issue, executives will want to talk. Everyone wants answers to their problems.

But, make sure it's an issue with a few HR solutions; for example, where current work practices create problems. If you feel the need to add emphasis, mention the adverse commercial impacts of the issue. For example, you might say: "Could we meet to find a solution to falling service levels? Last month we missed the target for the third time."

ASK QUESTIONS, GET EXECUTIVES WORKING

Watch out for meetings where you are expected to present a great proposal. They often go wrong because the meeting itself produces a great deal of new, important information. This is often key information about executives' priorities, ideas, preferences. They go wrong because the executive has not been engaged in developing a proposal, so they are less likely to understand it and to accept it.

So, take things cautiously and ask many questions. Initially, I like to provide a brief summary of what the business is planning to

"Talk about **business** plans, performance, opportunities, etc., and then **executives** will not only **listen**, they will want to **know** what **HR** can do for **them**."

do, because that checks my understanding and demonstrates my knowledge. Then I ask about:

Problems associated with the plans. To get buy-in to an HR solution you have to show you can fix commercial problems, i.e., show how you can make things better, easier, quicker, simpler. So, ask what is obstructing business plans, or might do so. What are the big challenges? You can bet some of the big problems will be people issues, and you will then know how HR can really make a difference.

Performance implications for the business. This is the crucial step—ask about the performance consequences of the problems. What are (or will be) the adverse impacts of the problems on the business? Impacts on costs, sales, growth, delays, quality, and customer service? It is the step that makes problems bigger, urgent, visible, consequential. It is the step that creates the motivation and commitment to finding a solution.

Proposal—what would work? Ask what a great solution to the problems would be—get the executive to describe what HR needs to do. This step links HR's proposal, the problems and his/her plans together in the mind of business leaders. It makes HR's proposal relevant and realistic and owned by the executive. It makes it their proposal, rather than HR's.

BUILD YOUR INFLUENCE

HR teams that publicize their successes build their credibility and influence. That is no surprise and the research on HR's effectiveness is pretty conclusive about the importance of publicity. But, HR's modesty is a global phenomenon; we are universally bad at demonstrating what we have achieved.

Try agreeing on clear, achievable success measures for every HR project at the outset. Get executives to take some responsibility for delivering successes, then things are likely to work out well. Watch out for projects where HR does everything. Then, at then of the program, run a concerted program to show what you have achieved.

Finance, IT, sales, customer service will all be demonstrating the value they have added. You ought to compete with them!

KEEP THAT TOP TABLE ROLE

The biggest threat to your role at the top table is simply time. Everywhere, able HR professionals say they want to be strategic, know what they need to do, but just do not have the time. Operational HR, the endless list of routine tasks, takes up all the day, and then some more. Every HR team I have worked with has had to be smarter and more ruthless at managing what they do. Here is my guide to managing your workload and keeping that strategic role:

Publish clear objectives: As an HR professional, several people might add to your workload—business managers, HR's leaders, your HR colleagues and the people in your team. Make sure they all understand your objectives and then they might think carefully before giving you additional tasks. Clear objectives also help you decide what you should and should not be doing. Struggling HR professionals often have objectives that are so vague much of their time is wasted on marginal tasks.

Get *everything* into your calendar/smartphone: Your calendar is the only tool that tells you what you need to do, when you need do it and whether you can do more. Put everything in it, not just operational tasks and holidays, but time for learning more about your business, relationship building and networking, thinking things through, producing ideas and, of course, publicity.

Say sorry you cannot do something that is unimportant to you and explain why it does not matter to you. A task is unimportant if it will not make a real difference to achieving your objectives. The same ruthless decision needs to be made if it is you who plans to add to your own workload. The person most likely to give you too much to do is yourself!

CHECK YOURSELF

Everyone few months take a careful look back, and ask how often you have been involved with:

- Understanding how the business is performing, e.g., its profitability, market share, etc.
- Convincing managers HR has great solutions to big business challenges.
- Building great relationships with influential stakeholders in the business.
- Contributing to new business plans from the beginning.
- Integrating HR's interventions so they support one another—creating a joined-up HR.
- Challenging managers' thinking; making a convincing case for business change.
- Using meetings and workshops to change people and their performance.
- Publicising HR's commercial contribution, e.g., cost savings, improved service.

If you have been strategic, won and kept your place at the top table, you will have done quite a few of those.

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BUILDING PERFORMANCE-BASED EXECUTIVE COMPENSATION PROGRAMS

Navigating the potential minefield of executive compensation can be tricky for HR managers. Newer transparent, performance-based plans are making headway

BY JOEL KRANC

> **43 per cent** of companies are expecting to **increase** equity compensation levels to **executives** and **senior management** in the coming year.

A volatile economy means many things to many people. For investors it means swings in their portfolios. For real estate investors it might mean fluctuations in the cost of financing. For human resources professionals, it means managing resources in the most effective and efficient ways possible in order to maximize the talent pool they have to work with.

At the very top of the talent pool are the C-suite executives that lead and manage an organization. The compensation packages created and offered to these executives have been controversial at times and have created animosity for a great deal of people in society. In fact, the "Occupy" movement that swept North America toward the end of 2011 made the case against largesse being given to executives while others were still looking for work.

HR managers and professionals have been hearing the drumbeat loud and clear for some time (as have the executives being given these compensation packages). Many are instituting better plans that work well and provide a more fair compensation allotment that is in line with company and strategic business goals.

THINGS TO CONSIDER

In order to create executive compensation packages that work well for both the executive in question as well as the company in general, a number of variables need to be considered. There is a trap, according to Amanda Voegeli, director with Towers Watson Executive Compensation Practice in Toronto. She says that HR professionals must take into account myriad voices and opinions when designing a plan. For instance, there must be a balance found among the needs of public shareholders and large institutional investors with the competing wants for compensation of the executives.

"But on the other hand, all the factors make a difference—the size of the company, the ownership of the company, the strategic plan of the company, the nature of the business, the cyclicality of the business—whether you are a commodity-based business or a manufacturer, how the economy and other prices either impact your share price or financial results," says Voegeli.

She adds that the design of the plan is something that needs to be revisited regularly in order to be effective and current. "It's a circular process that you continue to revisit and revise; you will be informed by the changes that are happening in the marketplace. So I think in anything we do from a design perspective [we have to be] looking at the company strategy, what are the new and latest governing rules within the industry, and then what are the market trends and what does the market pay similar individuals in similar industries."

Of course, transparency has also been one of the key drivers for HR managers to consider in their designs of executive compensation packages. This has been driven, in part, by financial scandals and fraud, as well as by a growing trend of accountability: the public wants to know as much information as possible about the companies they do business with.

Executive compensation has evolved from a secretive **"old boys,"** decision-making **pay scheme** to a transparent process that directly **aligns** company **goals** with **performance** and **compensation.**

Louise Wilson, director of people and change with PricewaterhouseCoopers (PwC) in Calgary, says the game of executive compensation has changed quite dramatically over the years. "Historically executive compensation was a private matter between the executive and the organization and that gave HR departments and company boards a lot of freedom to really tailor those packages to the demands of the individual with little constraint.

"That has changed dramatically and there is the disclosure component that changed it," she notes. "But also what has changed in addition to that is this notion of value—value in relation to the size and nature of the compensation package. Now shareholders feel that those decisions are in their purview as opposed to just the board's purview. So, of course, they want to see how those compensation packages are creating a return for them."

BUILDING A BETTER COMPENSATION MOUSETRAP

Given the change in attitudes toward transparency and the need to align with business goals, HR managers must be equipped to create a better executive compensation package.

"One of the first things to do is look at other peer groups to ensure your packages are on the right footing. You want to choose a similarly sized company given all the data that exists in the market. Choose the same sort of industry. Choose to benchmark with groups where you are competing for the same talent. You just want to make sure you are comparing against the right peer group," notes Raj Uttamchandani, human capital consultant with Deloitte Canada and a former senior HR executive with two financial services companies in Toronto.

Voegeli notes many compensation committees are looking for balance between short- and long-term incentive pay. "You want there to be balance on their short-term deliverables and then on long-term objectives which are related to share price or dividends." Ultimately, she adds, this provides a more equal weighting between those two things so the executive has the same goals both short and long term.

Also many companies cannot design long-term incentive plans without at least one component reflecting performance.

Both Voegeli and Wilson agree that performance is part of the linkage to compensation; however, Wilson says strict share payouts can also have its own set of problems. "There are some financial implications that go with that like share dilution," she says. But what we are seeing is the use of performance-based share units or phantom shares to avoid dilution in the company. Usually we see a combination of share units and actual equity in the company that form the basis of those packages."

According to a 2011 Global Equity Incentive Survey released by PwC, the conservatism left over by the financial crises has increased the usage of performance-based equity compensation for companies. The report notes that 43 per cent of companies are expecting to increase equity compensation levels to executives and senior management in the coming year; 28 per cent of companies expect to increase equity compensation levels for middle management through vice-president levels as well.

Wilson says there is even a movement toward non-monetary rewards becoming part of the packages as well. For example, she sites career opportunities, such as international experience, broad-based functional experience and the ability for executives to expand their social support to the community as a whole (such as leading a charity or contributing to social issues) that are becoming part of the incentive programs.

THE U.S. INFLUENCE

Although regulations and practices may differ between the U.S. and Canada, some of the U.S. practices have made their way north of the border. Voegeli says one trend making its way here is the disclosure of the riskiness of compensation plans. Many companies in the U.S. are assessing their plans and making the public aware of that assessment. She adds that Canadian companies are just starting to look at this and are creating processes to conduct risk assessments of their own plans.

Executive compensation has evolved from a secretive "old boys," decision-making pay scheme to a transparent process that directly aligns company goals with performance and compensation. Amid that backdrop, HR managers have had to revisit pay plans especially in light of the volatility of the economy and the uneasiness of investors by the value they are receiving from their executives.

Bill Sutherland is a senior consultant at Towers Watson and works with Voegeli in the executive compensation practice in Toronto. He says, "Compensation professionals need to rely more and more on internal partnerships with tax and treasury, finance and accounting. It's a far more complicated calculation and is under much more scrutiny. The true experts in that domain need to be part of the team that manages and reviews compensation."

In many respects, despite events like the "Occupy" movement and some of the scandals that have rocked the business community, HR managers are hearing the calls of the investment community. These days, compensation packages are less about compensation and the executives and much more about the overall goals, achievements and values represented by the companies employing them. **HR**

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 BY ROSA S. SVISCO

GETTING FROM HERE TO THERE: WORKING IN THE UNITED STATES

Ask any immigration lawyer what the word "work" means and you are guaranteed at least a half dozen answers! Immigration laws in the United States authorize the issuance of temporary work authorization in many different forms and contexts; however, work authorization available to professionals and other business individuals falls into some very basic categories.

Human resources directors will find it helpful to know which types of temporary work permits may be available for foreign citizens to help assess when and how a person may obtain work authorization in the States. It is also most helpful, if not crucial in some cases, for the American employer to be able to plan on the availability of the foreign worker for specific business purposes and operations. Especially in the case of intra-company transferees, it's the HR professional who will need to know when that transfer to the U.S. will need to occur, whether the transferee will work part time or full time in the U.S., whether the salary will continue to be paid by the foreign company or be undertaken by the American employer and whether that transferee will be leaving a gap in the home employer's operations such that the prior position may need to be filled.

Intra-company Transferees (L-1A and L-1B)

Intra-company transferees are those individuals who, for one year out of the last three years prior to transfer to the States, have been employed in an executive, managerial or specialized knowledge capacity and who the employer wishes to temporarily assign to the United States in one of those same capacities. This form of temporary work authorization is referred to as "L-1A" (for executives and managers) and "L-1B" (specialized knowledge persons). The company in the States to which the transferee is destined must be a parent, subsidiary, affiliate or 50/50 joint venture to the transferring company abroad.

Treaty Traders and Treaty Investors (E-1 and E-2)

Treaty traders and treaty investors comprise another category of individual for whom work authorization is required in order to be legally employed in the United States. Treaty investors can be either individuals, or companies, who have made a substantial investment in the United States, which employs Americans.

A treaty of friendship and commerce, or a bilateral investment treaty must exist between the United States and the country whose citizen seeks to enter the States to work. "E-2" status (treaty investor) will be granted to both owners of the investment as well as managerial level employees and essential skills employees who will be coming to the States to develop and direct the operations, assume a managerial role in the business or provide those essential skills to the U.S. investment enterprise. By law, the U.S. investment cannot be a marginal enterprise that generates only enough income to support the investor. Similar considerations apply to treaty traders, classified as "E-1" visa holders, where substantial trade exists between the United States and the treaty country.

H-1B Specialty Occupations and TN Status

University-educated professionals may enter the United States to provide temporary services in a specialty occupation, that is, those occupations that require the attainment of a college degree or higher. Classified as "H-1B," these individuals must have attained a bachelor or higher level from a foreign educational institution in order to be considered for this type of temporary work authorization. Because educational institutions differ around the world, the immigration service will accept an assessment that evaluates the foreign education to be equivalent to the completion of a four-year bachelor's degree program in an American educational institution.

That temporary job offer in the United States must be in an occupation or profession either the same as or reasonably related to the education received abroad.

Canadian citizens have a choice to accept temporary professional work in the States either in the context of H-1B status or under the provisions of the North America Free Trade Agreement (NAFTA). Commonly referred to as "TN" work permits, a Canadian citizen who has a bachelor's degree may accept employment in the States under a streamlined, expedited process available under NAFTA. Application is made at a border or preflight inspection and a decision is issued after adjudication of the submitted package. As with the H-1B work authorization, the U.S. job opportunity must require a bachelor or higher degree. Also, the Canadian citizen must have an occupation that is listed on the schedule on professions under NAFTA for classification as TN professional.

Unlike intracompany transferees, treaty traders, treaty investors and TN professionals, the immigration service places a cap on the number of H-1B visas it will issue during any one given immigration calendar (October 1st to September 30th) year. That cap is set at 65,000 per year.

Other Work Permits (P-1 and O-1)

Temporary work authorization is also available to professional athletes or persons of extraordinary ability in the sciences, arts, business and education. Hockey players, for instance, are classified in "P-1" status. "O-1" status is issued for those who have extraordinary ability in the sciences, arts, education, business or athletics and are internationally or nationally recognized in their field of expertise. Other qualifying criteria apply.

Family Members

Working in the States can often involve the entry of family members. Spouses of intra-company transferees as well as treaty traders and treaty investors may apply for a form of temporary work authorization by way of an application for an employment authorization document (EAD), once admitted to the States as the dependent of the primary worker. Spouses of other temporary workers, such as those who hold TN status under NAFTA, are simply not eligible for temporary work authorization. While these spouses (and children under 21) can be admitted to the States as dependents, they are not allowed to work unless they qualify for a form of employment authorization on their own credentials.

> "**Business needs** and **time constraints** will determine the applicable form of temporary **work authorization**."

The Process

Issuance of temporary work authorization can be achieved fairly quickly for Canadian L-1A and L-1B applicants since the application is submitted by the applicant at a border point close to the date when the employment in the States is slated to begin. Applicants for TN work authorization under NAFTA similarly apply at either a land port of entry or pre-flight inspection at an airport.

Canadian citizens and treaty traders/investors who are citizens of countries other than Canada must apply for E-1/E-2 status by using a different method. For Canadian treaty traders and treaty investors, the application package is submitted to an American consular post in Canada for adjudication and approval. This is the only form of temporary work authorization for Canadian citizens that requires a "visa" in order to be able to work in the States. Treaty-based applications for employment authorization are similarly processed through the applicable foreign consular post.

Petitions for H-1B status originate by submitting the proper petition and supporting documents to a regional processing center inside the States and processing for actual visa issuance at the consular post nearest the applicant's town in the home country. Expedited requests are available by paying an increased filing fee. Obtaining H-1B status for a Canadian citizen however, does not require the second step. Upon approval of status issued in the States, the Canadian H-1B applicant will simply present the approval notice and proof of Canadian citizenship at a land port of entry or pre-flight inspection at an airport.

Possible Entry Issues

Meeting the eligibility criteria for temporary work authorization is only the first half of legal entry to the States. Whether that temporary professional worker will enter the States under NAFTA or be required to obtain a visa abroad before entering, issues may exist involving the admissibility of that person, which may, in some cases, delay his or her ability to work in the States according to the time guidelines of the American employer.

Admissibility issues are those that arise when that temporary worker said or did something in the past that may now prevent them from working in the States. Common among these types of events would be overstaying a visa, having committed a criminal act, drug smuggling or alien smuggling, or having made a fraudulent statement in connection with entry to the States. Potential applicants for temporary work authorization need to be screened for anything in their background which might hinder or delay their ability to work in the States as planned.

Business Entries

A different slant on work authorization comes into play when the entry sounds like "work" but is actually determined to be of a temporary business nature. Certain well-carved exceptions exist under immigration laws, whereby specific categories for what could otherwise be deemed "work" in the States allow the foreign citizen to enter a temporary business visitor.

For example, under NAFTA, Canadian or Mexican citizens only, having an occupation or profession in delineated categories (research and design; growth, manufacture and production; marketing; sales; distribution; after sales service; tourism and interpreters, to name a few) may be classified as temporary business visitors to the States.

Contact a Lawyer

More than one form of temporary work authorization may be available to any given applicant too. *No two situations are the same.* Both business needs and time constraints will determine the applicable form of temporary work authorization. Consult with an immigration lawyer at the first possible indication that a work permit might be needed. **HR**

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 BY SHABEER AHMAD

TOP TIPS FOR SURVIVING TURBULENT TIMES

How to hone your survival strategy when the only constant is uncertainty

The recent financial meltdown in the U.S., the tsunami-induced crisis in Japan and revolutions in the Arab world are reinforcing the notion that turbulence is here to stay. So, too, is the financial crisis in Greece and the danger of Eurozone collapse. As a professional, how do you survive and help others in such difficult times? Here are some tips that will help.

1. Control your emotions, stay calm

During turbulent times, bad news just keeps streaming in—job terminations, office closures, plants shutting down, companies merging. The first important point is that you must stay calm. Anger or fear puts the body in "fight or flight" mode where blood is pumped away from the brain to the lungs, heart and muscles, which impairs logical thinking and reasoning. Staying calm will help you think better and plan well. This frame of mind is critical for survival.

2. Convert negatives into opportunities

During turbulent times, the statement that "every cloud has a silver lining" is exceptionally true. There are always abundant benefits but you have to seek them out. Look for the positive aspect or opportunity in any situation.

I once worked in a Middle Eastern country where management of people was very poor, to say the least. Employees

were demotivated most of the time, there were authoritarian rules and no effort was made to develop people. Instead of leaving my job straight away, I decided to delay my departure and write a short handbook on management because there was so much in front of me to write about. In another company, most of the senior salespeople resigned when a new country manager was appointed. Shareholders and employees began to question the future of the company when revenue declined sharply.

I took this as an opportunity to lead from the front and built a new sales team to reconnect with customers. However, I often found myself in front of C-level executives and realized that our company had long been seen in a poor light, even when the previous salespeople were around. I repaired the relationship with many of our customers by promising an honest, trustworthy and transparent relationship. My approach led to a million-dollar opportunity with one customer.

3. Project your real self

In turbulent times, good managers are always scanning for new ideas and improvements. This is an opportunity to show your real self—document your ideas, produce an action plan and get talking to your manager. You'll be surprised how good a reception you can get during tough times.

In one organization I worked for, the archaic management structure prevented me from projecting my real value. Suggestions for improvement were always acknowledged but nothing was implemented. When turbulence hit the organization, I ended up with a new manager and used this opportunity to promote my ideas—I put my recommendations in a document to my manager and found myself promoted to team leader within weeks.

4. Display confidence and optimism

A wave of negativity and pessimism hits everyone during turbulent times. You can survive this period by remaining confident and optimistic. Dr. Martin Seligman, director of the Positive Psychology Center at the University of Pennsylvania, discovered in his research with 99 Harvard University students that optimism reduces stress, increases

ILLUSTRATION BY MICHAEL EDDENDEN

productivity and improves health. Not surprisingly, good organizations tend to retain confident and optimistic people.

I've been on the firing line when sales revenue slowed and milestones were missed. A display of confidence and optimism, backed by a plan of action for revenue generation, steered senior management toward granting me respite. Thankfully, I made the numbers in the end.

Whoever projects confidence and optimism will also create leadership opportunities for themselves.

5. Use cultural awareness to your advantage

Frederick Herzberg's two-factory theory states that enriching work brings about effective use of people—and one way to design policies that enrich work is to use your cultural/people awareness to ensure people play to their strengths. Increasing productivity in this way can help organizations pull through turbulent times. Let's take a few examples.

Some people possess strong social skills because of their extended family structures. So they work better in teams where high levels of communication are required and collaborative participation is important. Others value financial incentives, so respond well to reward systems that encourage better performance.

Many people respond positively to trust, sincerity and loyalty. The opportunity to develop strong personal links in the workplace and to display sincerity will boost their performance.

Religion often plays an important part in many employees' lives. So, instituting practices that allow them to observe important rites, such as Friday prayers for Muslims, will remove barriers to greater participation.

Members of some cultures tend to value prestige, status and dignity and, therefore, may prefer to avoid any embarrassments. These employees often excel in roles where confrontation is unlikely.

6. Demonstrate ethical behaviour

During turbulent times, people may behave unethically. This could be well intentioned but the ends do not justify the means—and adopting ethical behaviour yourself, and promoting it in the organization, has many advantages. By "ethical behaviour," I mean being honest, being clear, ensuring fairness, observing organization rules, safeguarding employee rights and meeting obligations.

Ethical behaviour aligns with corporate policies, which is vital for meeting the organization's goals. In turbulent times, everyone has to be "rowing in the same direction" to win.

An ethical approach also helps to avoid legal issues. As an individual, you have the security of knowing that you haven't violated any organization rule or flouted the law. For the organization, lawsuits will be minimized or even eliminated—which avoids costly financial settlements at a time when cash in the account matters the most for survival.

Ethical behaviour also prevents "social loafing." Making people responsible and accountable for their actions or contributions increases their performance, as studies show. Max Ringelmann's 1913 research on a group of men pulling a rope, and other more recent studies, have shown that people working collectively and without clear accountability tend to work less hard.

Furthermore, ethical behaviour increases shareholders' confidence in the organization. If individuals in the organization are seen to be honest, fair and hardworking, shareholders are more likely to provide moral and financial support during troubled times.

7. Set your radar working, overtime

During turbulent times, switch on your information radar. Gather and examine all information, whether it's gossip from the boss's PA in the break room or an off-the-record comment from a senior executive.

Read the newspapers, especially the financial pages. They can provide early warning about impending bankruptcies, a new angle on take-over stories and other information about the well-being of markets and organizations.

What most people would regard merely as information represents intelligence for you, and might provide the prompt for an early change of direction.

8. Be prepared to adapt

Being able to adapt is the key to survival in turbulent times, both for you and for your organization.

If you are faced with redundancy without a golden handshake, think about negotiating with the organization to reduce your salary—if only to get you through the rough period. Explore the possibility of moving sideways to another role within the organization if the offer comes up.

Consider, too, any options to move out of town, or even out of the country, to secure a job. The BRIC countries (Brazil, Russia, India, China) offer great jobs and a decent lifestyle for those with high-end specialist skills. The energy-rich Middle East Gulf area offers a wider scope of jobs for most people and international experience may prove valuable in the long term.

Sadly, I know people who never managed to adapt to changes in their workplace—their ego, pride or laziness getting the better of them—and ultimately they found themselves out of a job.

Organizations that have learned to adapt will survive. Take IBM as an example. It ditched many of its inventions when markets were depressed. It changed its course from producing typewriters to producing computer hardware (it invented the compatible PC), then sold PC hardware to the Chinese and has now moved into enterprise software and services. No wonder it's reached $100 billion in revenue and celebrated its centennial in 2011.

9. Improve your skills and tap into professional networks

If job termination is in the cards, think about improving your skills. Perhaps this is the time to jump on a course that you always wanted to do but didn't have time for. Certification from training may provide the key to getting a first interview and a short break can be useful to recharge your batteries if you have been working continuously for many years.

Tap into your network of friends—they may have sound advice, leads or opportunities. Speak to your business partners, suppliers, sister companies or even competitors about potential vacancies.

Get a LinkedIn account and subscribe to some social networks—they'll provide plenty of business connections and give you access to recruiters. **HR**

Shabeer Ahmad is a sales manager at GBM, a spin-off company of IBM in the Middle East. He is author of the book The Inspired Manager. *Email him at shabeer@management-theories.com.*

The Human Resources Research Institute (HRRI) and TD Insurance Meloche Monnex congratulate the

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HRRI Human Resources Research Institute

BY AIMÉE ISRAEL

24/7 EMPLOYEE HEALTH AND WELLNESS PROGRAMS

The war for talent is an ongoing one in the corporate environment. While recruitment efforts take centre stage, retention has become an equally important driver in developing benefits programs. Beyond the benefits basics, there are a number of supplementary programs that can be put in place to support a healthy and successful work environment. Wellness programs for one have proven to play a key role in improving employee retention.

Mental health and well-being is an especially important part of a successful work environment. At the same time, it can be challenging to introduce wellness programs that address the needs of all staff members. Companies have come to recognize that beyond potential workplace stress, life's challenges do not stop at the end of the day. Many factors outside the workplace can affect productivity, from a child keeping you up at night with a fever to lack of time to work on professional development skills.

Portable technology enables 24/7 wellness programs

Mental health and wellness can easily and effectively be supported through technology. With the proliferation of portable devices, organizations can enable access to wellness offerings in the form of on-demand video content, for example. The benefits of this are twofold: employees and their family members can have 24/7 access to workplace programs, while employers can ensure widespread delivery of wellness initiatives, without the need to invest in onsite training. In addition, it demonstrates to your staff that you recognize their challenges and are willing to put supports in place to help them thrive personally and professionally.

On-demand video is particularly effective because it provides a safe and confidential way to seek help when exploring personal issues. Employees are guaranteed complete confidentiality when accessing the expertise they need.

Wellness in the workplace

According to Muna Al-Joulani, manager of HR Programs, with CIBC Mellon "Online wellness videos are ideal because they provide employees with around-the-clock access to experts. They watch the short video clips and walk away with information and practical suggestions they can trust and use immediately. It's also a huge benefit that online videos can be shared at home with family members, since many topics are relevant to more than just the employee alone."

CIBC Mellon's library has been tailored to address a broad range of interests, and is especially useful for employees who are unable to attend live workshops. Current popular topics include dealing with difficult conversations, nutrition and fitness.

Elana Ravas, human resources assistant manager with Norton Rose Canada notes that one of the greatest benefits of online wellness videos is the impact that credible information from industry experts has on the personal and professional lives of firm members and their families. "Participant rates show that this resource is being well used. We know that people these days lead very busy lives and are looking for work/life balance. Our internal surveys support this. We also recognize that our staff and professionals are working hard to achieve success in both their personal and professional lives. Overall this truly is a benefit that we can leverage in both our recruiting and on-boarding initiatives." **HR**

Aimée Israel is CEO of LifeSpeak, a company delivering information from acclaimed experts to workplaces to assist employees in better managing the demand of both their personal and professional lives.

ONLINE LIBRARY PLANNING TIPS

When developing an effective online library, there are several factors to consider:

Depending on an organization's budget a library can be anywhere from 5 videos to an extensive library of over 500.

Refresh content on an annual basis based on available metrics to ensure topics are current.

Communicate with employees on a regular basis to encourage uptake. This might include email notifications, employee events or company newsletters.

Collect information from benefits programs on drug, disability and employee assistance costs to get an understanding of current trends affecting your staff.

DOWN WITH LESS STRESS

HR expertise can guide the planning, decision-making, execution and next steps of this tough process

BY MELISSA CAMPEAU

SIZING

Several turbulent economic years have forced the hands of many organizations, sometimes resulting in substantial cost-cutting measures including layoffs. While much HR strategy has traditionally been focused on helping organizations build during times of growth, HR expertise during downsizing is critical to ensure the right decisions are made, carried out ethically and the business is well positioned to move into its next stage of development.

With a comprehensive view of the talent on hand, HR is in an ideal position to help steer an organization through this tough process. Rhys Spencer, a Toronto-based senior HR professional with 15 years' experience, was part of the divestment of a company of national scope in 2010. "HR as a division led the development of the strategic organizational design," says Spencer. "I won't say we owned it 100 per cent, but HR as a team was deeply involved in every part of the process."

"I believe that in HR, because of our unique role, we know what's going on in the organization as a whole," says Antoinette Armenio, director of HR for Whirlpool Canada. "Next to the GM, we probably have the broadest view of the organization when it comes to the talent pool."

COLLECTING PERSPECTIVES

To begin, HR needs to guide the assembly of a team to help develop a new structure for the organization. Ensuring people with the best view of a particular area's resources are part of that decision-making process and will create better decisions and better buy-in, says Tara Versey, career solutions consultant with Knightsbridge Human Capital.

Once the team is in place, HR can help it keep focus. When Whirlpool Canada recently underwent a reorganization, HR facilitated a working session with leaders of each function to help develop the new structure. "One thing HR can encourage managers to do is keep people and roles separate," advises Armenio, whose group spent the first part of that working session discussing and deciding on roles and optimal structure—without any discussion of people. Once a structure was outlined, HR then contributed information from performance reviews and talent pool sessions to help assign appropriately skilled talent to roles.

HR AS TRUSTED ADVISOR

The leadership team at Whirlpool also hand-picked 15 senior managers in "matrix" roles (with ties to many different areas within the business) for candid and confidential interviews about their perspectives on the workings of the organization and their views on its optimal future state. Because HR is viewed as a trusted advisor, Armenio feels they were able to get feedback that was honest and informative.

MANAGE THE DETAILS TO KEEP ANXIETY TO A MINIMUM

For the good of employees and the business, the time between the initial communication about downsizing and notifying affected staff

"For the good of employees and the business, the time between the initial communication about downsizing and notifying affected staff members should be as short as possible."

members should be as short as possible. "If you're talking about a national organization, I'd say somewhere between two to three days and two to three weeks would be preferable," advises Knightbridge's Versey. "As soon as the hand is tipped that changes are coming, it's going to put everyone in a very tense situation and you're going to lose productivity across the board."

On the day—or days—of layoffs, HR should be part of the conversation with affected employees along with the section manager, says Versey. "HR is a neutral third party," Versey points out, and can manage tough questions.

Once those difficult meetings begin, organizations are best served to complete them as quickly as possible. "We really believed that people were going to be anxious as soon as the first conversation happened," says Armenio. "We didn't want to keep them waiting for a week."

Because the team decided these conversations should happen face to face, a few members of Armenio's small team flew all over the country in a short timeframe, with one staff member visiting three cities in one day. "That may not be the only way to do this," says Armenio, "but we asked ourselves how we'd want to be treated and decided we wouldn't want to get a phone call."

OFFER NEW ROLES

In Armenio's case, the new organizational structure involved the creation of several new roles, proposed to a few selected staff members during the meetings. "So we'd say, okay Mary, unfortunately your job has been eliminated," says Armenio, "but we've identified this other role we think you'd be very successful at and we hope that you'll accept." The team would have the employee's potential new manager on stand-by, ready to speak with the employee if she was interested in the position and had any questions.

PREPARE FOR FOLLOW-UP QUESTIONS

Spencer's team created a 1-800 number for affected staff members to call the day after layoffs, offering FAQs and answers not always covered during the meetings. The number was busy for a few days, says Spencer, and then the quantity of calls dropped sharply. "I think that was because the organization prepared well and did everything they could to do this respectfully," says Spencer.

In addition to a 1-800 number, Versey suggests in many situations it's appropriate to give the employee a business card and ask him to call if he has any questions. She says, "If you do that in a compassionate manner, as an unbiased neutral third party, you hope that the call coming in the next day is from the employee, and not from their lawyer."

FOR THOSE WHO STAY

Keeping retained employees well informed is critically important as well. As part of the broader communication plan at Whirlpool, the GM called a town hall meeting for all remaining staff to share new org charts and offer some of the high level objectives for the changes. The meeting was somewhat informal, says Armenio, so that staff members would feel comfortable asking questions. "Our GM knew what his message was and he was very approachable," says Armenio. "It was really important that they heard the news directly from him."

Versey emphasizes the importance of guiding all levels of leadership—not just the CEO—when it comes to post-layoff communication. "As the HR professional, you're providing the managers with certain points and coaching them on what they're going to say immediately thereafter, and that's very important because the team will take their cue from that manager."

MAINTAINING INTEGRITY

Ultimately, a company's values should remain intact, even through something as challenging as downsizing. "If an organization is striving to be an employer of choice," says Versey, "they shouldn't compromise this when they're letting people go."

People who are let go from an organization can be ambassadors of a brand as much as those who remain. But if the process is handled poorly, negative impressions during those critical moments in a meeting can be magnified. "It might just be five minutes of one day of someone's five-year tenure, but they will never forget it," says Versey.

"The biggest lesson I've learned with downsizing is to never ever do anything that you feel compromises your integrity," says Spencer. "If you keep that thought first and foremost in your mind, then every instinct and decision you make should be the right one." **HR**

Melissa Campeau is a Toronto-based freelance writer.

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BY DR. SHELAGH CAMPBELL

PROFESSIONALS AND THE NEW COLLECTIVISM

It is valuable from time to time to step back from the operational aspects of HR management to consider broader trends and the strategic implications these might have for human resource management. Two major social developments in the world of work are of particular note. These address relationships between individuals and the various groups to which they form allegiances and can have an important impact on management of HR in organizations.

Today's workplaces are becoming increasingly "professionalized." An increasing number of occupations are organizing their members to provide consistent training and certification, to support professional development and to lobby for varying levels of autonomous self-governance. One need only look to the HR profession as a case in point; project management, respiratory technology and a host of information technology and other occupations also come to mind. This emphasis on professionalization is present among emerging occupations as they seek to establish credibility and competitive advantage for their members. It is also present among the long-established occupations that may be feeling competitive pressure and a need to specialize to control a market niche; as is the case with the medical profession, electrophysiology cardiologists, for example.

At the same time, as individuals are joining professional associations and pursuing credentials, employers are requesting evidence of these credentials and selecting employees on the basis of specialized skills. Employers, assisted by human resource professionals, thereby reinforce the importance and status of professionalism. Professionals have traditionally been closely aligned with the interests of the employer, and thus increased levels of professionalization may indicate the potential for increased employee commitment to the workplace and possibly improved productivity through better training and skills certification.

Contrasting with the movement to greater professionalization is a corresponding decline in union density across Canada. As work has shifted from industrial undertakings to the knowledge economy, the traditional form of employee representation in a large industrial union has struggled to maintain its relevance and level of support among a new generation of workers. On the surface it might appear that one form of collective representation—the union—is being rapidly replaced with another, the profession. Perhaps workers are replacing mechanisms for job control at a single worksite with mechanisms that address a broader spectrum of issues that carry through an entire career as they move from one employer to another, and which emphasize an individual, self-directed approach to work rather than a collective one.

Recent research, however, points out the complexity of relationships between individuals, their colleagues, their employer and their professional representatives (Campbell and Haiven, 2012). These relationships are critical to determining what form professionalism in the workplace takes and whether professionals are likely to seek collective bargaining.

For it's clear that professionals do bargain over terms and conditions of employment and are often represented by a union. Teachers, nurses, medical doctors (though they do not call it collective bargaining) and actors all negotiate with an employer or public sector representative. And these are not merely mild-mannered discussions; all these professions have staged strikes in the recent past, with dramatic effect.

A recent case study of crown prosecutors, members of another well-established profession, describes their struggle for collective bargaining and sheds light on the way professionals reconcile their loyalty to their profession with their desire for collective representation at the workplace (Campbell, 2010). Crown prosecutors in Nova Scotia went on strike in 1998; Quebec prosecutors did the same in 2011. Prosecutors in particular are united by the intensive training and certification process of their profession. They are further united by a sense of shared working conditions and to some

extent marginalization from the rest of their profession.

An occupational community has emerged among prosecutors, creating a sub-specialty of the profession, and giving its members a new identity as upholders of fairness in the treatment of citizens before the law. A strong sense of identity and fairness, essential for the effective operation of a prosecution service, also resonates with these employees, and highlights aspects of their worklife that they perceive to be unfair. The common thread of fairness generates momentum for prosecutors to seek collective bargaining to redress perceived inequities at work. Collective bargaining also improves the prosecutors' ability to achieve professional goals, by increasing compensation, tolls and equipment and professional status and legitimacy.

The large industrial workplace, and its corresponding large industrial union, is a thing of the past. We are now seeing a movement in another direction—to smaller, powerful professional elites dispersed geographically, linked to a common employer and sharing a set of interests and professional needs. This movement lends itself to the development of a strong sense of collectivism that is interestingly not at odds with professionalism. These new collectives are not necessarily called "unions" and many do not fit under existing labour legislation, in either the public or private sector.

The *BC Health Services* and *Fraser* decisions, which address the access to collective bargaining for previously excluded workers, may result over time in the inclusion of a greater diversity of workers under labour legislation. More immediately, however, emerging forms of work, in the performing arts and video game development industry for instance, generate new forms of networked employment and network solidarity. These new forms of collective action unite workers based on shared interests and are a product of the communities that shaped them. Understanding these communities and how they function will be critically important for human resource professionals.

Preparation for collective bargaining with new forms of association will surely be similar to what it has been in the past, at least on preliminary matters, such as pay. Yet, working to maintain a positive workplace climate and proactive employee relations will require HR professionals to rethink the traditional roles and goals of labour-management relationships. The professional worker representatives across the bargaining table share many of the interests of management, and indeed of the HR professionals themselves. These workers' demands for greater control over workplace issues address professional autonomy—an issue that has been reserved as management's prerogative until now. Dialogue of a different kind will be needed to address the bargaining demands of professionals and achieve mutual gains in the workplace. There is a new form of unionism emerging, where it takes us remains to be seen. HR

Shelagh Campbell, Ph.D. (in management at Saint Mary's University, Halifax), is currently a post-doctoral fellow at the Université du Québec à Montréal. Campbell has presented and published her research on professionals and collective bargaining internationally.

BY KIM SHIFFMAN

MICHELLE VENTRELLA: AN INSIDER'S VIEW OF OUTSOURCED HR

What are the benefits of working for an HR consultancy rather than in-house at a company? What's it like being in HR during these turbulent economic times? And why is it that when you're in HR, nobody wants to eat lunch with you? We asked Michelle Ventrella for her take on these questions and more. Ventrella is HR director at Pivotal Integrated HR Solutions, a Mississauga-based human resources consultancy that provides HR management services to small and mid-sized companies in Canada.

IN A NUTSHELL

First Job: My first job was working at a fast food restaurant in the food court at Square One mall. I was 14, and I made $4.50 an hour!

Childhood ambition: I loved my kindergarten teacher and wanted to be a teacher for a long time.

Best boss: The best bosses are those that let me work independently but are there for support. The current president of Pivotal, with whom I work closely, is exactly like this. He has created a team characterized by trust, flexibility and support.

Mentor: I feel truly fortunate that mentoring is built into my everyday work experience. My team at Pivotal, along with our president, provide advice and guidance on a regular basis—it is part of our culture. I truly never have to figure anything out by myself, and when it comes to the field of HR (where theory often needs some translation into practice), it really helps to have this type of mentorship.

Source of current inspiration: Plain and simple: my kids. Every day they inspire me to be resilient, patient and kind. I'm also a big believer in Law of Attraction and in consciously choosing how to think.

Best piece of advice I ever got: To value time — the time of others and my own time.

Next move: I would like to move into a role that allows me to manage people.

Ideal retirement or vacation destination: I'd love to retire in Europe—perhaps Rome or Paris. I envision myself reading books in a cafe all day. It's a nice fantasy!

Last iPod download: The new Coldplay song.

> "The **generalist role** appeals to me because of the **diversity** of things **you** can be **involved** in."

HRP: How did you decide you wanted to go into HR?
MV: It wasn't the most straightforward path. I started out doing an undergrad degree in psychology. Then I did a masters in social psychology, but I decided it wasn't for me. So I switched over to industrial organizational psychology. Looking at how people behave in the workplace fascinates me.

I began a Ph.D program, but quickly realized that I didn't want to go into academia, so why was I doing a Ph.D? I was in my mid-20s and needed to pay the bills, so I started doing contract work in HR departments—mostly data entry and research projects. I didn't complete my Ph.D; instead, I started growing my career inside HR.

HRP: What was your first job?
MV: One of my first jobs was covering a maternity leave at Cara Foods out near the airport. I basically got thrown in. I was doing safety training, interviewing for the Swiss Chalet restaurant at the airport and even got behind the counter at Tim Horton's. It was not glamorous stuff.

HRP: What's your job now? What are your main areas of responsibility?
MV: I'm an HR director at Pivotal Integrated HR Solutions. At any of my given clients' companies, I'm called HR manager or vice president of HR. I am their internal HR: I operate exactly like an HR person within a company. I have accountability and objectives that we set for the year, for example doing performance reviews, examining compensation structure or working on policy manuals. I am at different companies for different amounts of time. I'm at one of my current client's office one day per week, and at another two days per week. I've had clients where I'm there only once a month, and others where I'm never actually on site.

HRP: What do you love about your job?
MV: What excites me the most is the diversity. It's one of the reasons I stay with Pivotal and this outsourcing model. I literally learn every day through the diversity of experience across my different clients. What's more, there are 12 of us at Pivotal doing what I do, so we share our experiences and learn from each other. So, even if I have a client where there's nothing interesting going on, one of my colleagues probably has a more interesting situation. We have amazing intellectual debates about how to handle situations, and my clients benefit from that.

A generalist role has a lot of diversity. Sure, sometimes you're reviewing benefits, but other times you're thinking strategically about what benefits should be. There's a place for admin, and that can actually be enjoyable, but there's also a place for higher-level strategy. The generalist role appeals to me because of the diversity of the things you can be involved in.

HRP: What are the challenges in your job?
MV: One of them is: Is my client my customer or my employer? This challenge actually applies to most HR people. When you're providing an internal service, you're treating the employer like a customer. It can be tough, because you sometimes have to tell people what they don't want to hear. I feel like buying a T-shirt—or maybe a bullet-proof vest—that says, "Don't shoot the messenger!" People often confuse recommendations with HR telling them what to do.

Of course, another challenge is when people go too far the other way. You can have people who don't listen to you, don't include you, and you're just pushing paper.

Finally, a challenge I confront often is when people within the company expect you to do their job for them. Every employee relations issue becomes my problem. I can coach managers and I can speak to the employee, but I can't resolve every people issue.

HRP: What's the benefit of working at an HR consultancy and not in-house at a company?
MV: My great team of peers, which have made me a much stronger HR person. You can be strong if you don't work under this model, but I feel like my 15 years of experience is more like 30 years because of the number of companies and scenarios I've been in.

Also, people don't outsource their HR to have you push paper. So if you choose to work full time at one company, you have to be comfortable with the amount of HR you're actually doing. There is always going to be an admin side—I still do filing—but if you love HR and you're trained in it, you need to make sure you'll be actually doing it.

What's it like being in HR during these turbulent economic times?
MV: It's tough. In fact, we just did a reduction in workforce at one of my current clients. I did all the terminations. Morale could not be lower. Nobody wants to eat lunch with me because they

want to be able to talk about HR stuff. I know what other employees don't know, and that can make HR not such a social job. I usually eat lunch alone—and I get that.

To get through these times, my advice is to connect with other people in HR. And partner with the management so you're not trying to survive by yourself on decisions that were not actually yours."

HRP: Where do you think HR is going? What's the future of HR?

MV: I think outsourcing is something that more and more companies will be doing. It's a more flexible model and flexibility is what a lot of corporations are looking for.

I also think HR is becoming more technology-based. Some tech-savvy companies are tweeting to employees, for example, and HR won't be able to escape things like wikis and Twitter forever. It's not like we're tweeting performance reviews, but who knows in 10 years? When it comes to technology, you're either keeping up or you're left behind. This is an area where recent grads can be of value; they teach us so much about using technology.

HRP: What's next for your career? Where do you see yourself in five or 10 years?

MV: I'd like to get staff reporting to me. I think I'd be good at it. I take every opportunity I can to show some leadership and management, but I'd like someone reporting into me who I can mentor and develop. And I'd like to get more into budgeting and provide that type of HR department leadership as well.

HRP: What advice do you have for students or recent grads in HR?

MV: Get out there and talk to people currently in HR. Reach out to people doing different things to get a sense of what it's like. You don't even have to get out of your pyjamas if you don't want to; you could join a LinkedIn group. Having realistic expectations about jobs in HR will help guide you as to what you want to be doing. **HR**

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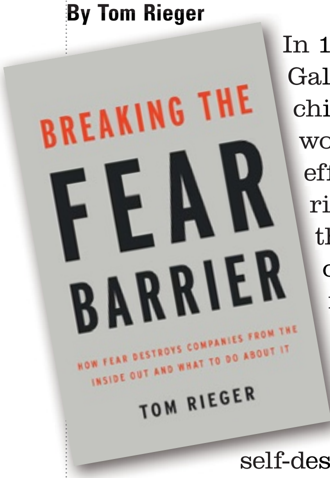
WHAT'S WORTH READING

Breaking the Fear Barrier: How Fear Destroys Companies from the Inside Out and What to Do About It

Gallup Press, 2012

By Tom Rieger



In 1994, Tom Rieger joined Gallup as the leader and chief architect of Gallup's worldwide consulting efforts regarding barriers. Rieger pioneered the study and science of organizational barriers and is an expert in applying behavioural economic principles to help understand how large complex systems self-destruct.

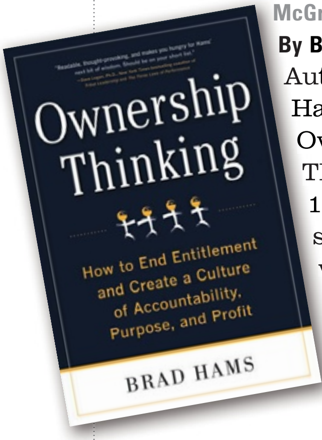
The impetus for the book arose out of research from various companies such as banks, manufacturers, retailers and call centres, who reported that despite sound strategic moves, they could not stop the slow downward slide. Rieger's team found that all of the policies, procedures and practices put in place hindered success and created a barrier, helping one group while harming another. One root cause emerged: fear of loss. What drives that fear of loss is an endemic sense of entitlement. Using Kahneman and Tversky's Prospect Theory, Rieger's team identified that the value of an outcome depends on what a person expected, so any outcome lower than that feels like a loss.

This fear leads to three specific barriers in what he calls the pyramid of bureaucracy. It's a leadership imperative to successfully balance the survival instinct of the individual versus the operational needs of the greater good. Unchecked, this leads to:

1. **Parochialism**—functional silos that create protective policies and rules, with success based on what happens within that silo.
2. **Territorialism**—hoarding or micromanaging internal headcount, resources or decision authority to maintain control.
3. **Empire building**—the most extreme level of the pyramid of bureaucracy, where one group attempts to regain or enhance its self-sufficiency by encroachment or by expanding its span of control even when it is not in the best interest of the organization.

Successive chapters outline how to overcome each barrier. Offering leading research on hope and courage, Rieger presents four actions that leaders in organizations can take to dismantle internal barriers: align moral courage (what's best for the organization) with vital courage (what's best for the employee); match responsibilities with strengths; engage employees; and reward courageous behaviour. In doing so, leaders can build a culture of confidence, engagement and long-term success.

Ownership Thinking: How to End Entitlement and Create a Culture of Accountability, Purpose, and Profit



McGraw Hill, 2011

By Brad Hams

Author Brad Hams founded Ownership Thinking in 1995 and has since worked with more than 1,000 companies. Prior to founding Ownership Thinking, Hams was president of Mrs. Fields Cookies in Mexico and held executive posts in PepsiCo.

Ownership thinking is described as a belief that employees (or anyone for that matter) are somehow owed something, that they should get things simply because they exist. In a business context, this happens when managers do not hold employees accountable for achieving results. In many organizations, however, the results are not defined and "busyness" is held in higher regard, with rewards tied to activity rather than performance. For an organization to achieve excellence, Hams asserts, all of its organizational members must be engaged and held accountable. By building a culture of high visibility and high accountability, people will not be able to hide in "busyness."

Ownership Thinking argues that employees need to think and act like owners; that owners need to "share the insomnia" with their employees. Employees, it follows, need to have some understanding of how the company operates, makes money and how their jobs affect the company's operational and financial performance.

Hams looks at incentive plans and argues that most incentive plans are ineffective and damaging to the company because they are far too complicated. Incentive plans are usually tied to financial performance, but employees are not typically taught about finances or how they are supposed to fund their plan. Ham devotes several chapters to incentive plans, demonstrating how they can be self-funded and tied to what he calls the "right measures."

One chapter, called "Your Employees Think You Make Wheelbarrows of Money," would make for an interesting exercise for HR and financial professionals to undertake with their employees. Some of the right measures Ham outlines are key performance indicators, scoreboards and rapid improvement plans and how they can be designed to foster engagement. **HR**

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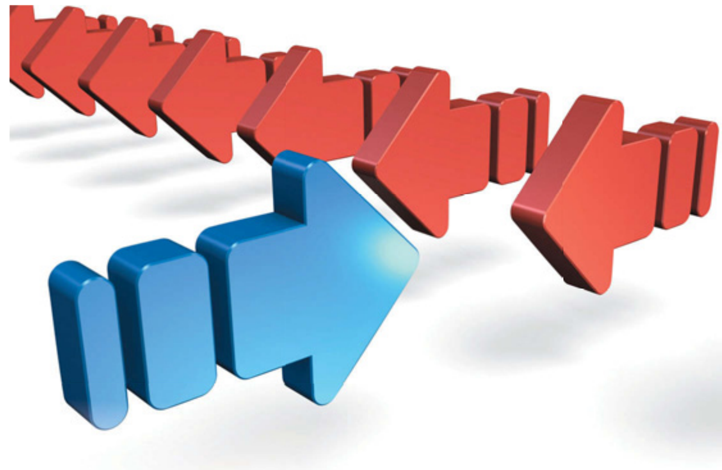
BY RANI ZAHED

RECOGNIZING HR RESISTORS AND SUPPORTERS



Have you ever wondered why people's attitudes in organizations fluctuate? One day, they were supporting you and raving what a great a job you're doing, only to see them behave differently on another day, totally confusing the understanding you gained? Well, the good news is that this is not uncommon in today's work environment and the sad news is that we still don't have a clue how to deal with it.

Reviewing a career that is filled by engaging with diverse people, industries, cultures and environments in existent, start-up and pseudo existent HR departments in the Middle East and Canada, I have witnessed common behavioural trends among senior professionals and their acceptance of the HR role in their business. Let's explore the various characters that HR professionals may face in a typical organization.

We can break them down to two predominant types: supporters and resistors. Believe it or not, but the resistors are the easier and more manageable bunch, as we understand where they stand and can work out solutions for their fusion. The difficulties lie with the "supporters." This group varies in levels, for while they claim to support the HR role and its importance to the business, many fall short of living up to its working mechanism.

Evidence has shown that there is a massive difference between the motivation decision-makers have for introducing a HR function to their business and allowing it to function efficiently. This is not true for all decision-makers, however, there are levels that I have identified within each category (which adds to the complexity of the matter).

The committed or supporting professionals can be classified into:

1. **The Gung Ho enthusiast** initially supports the role of HR wholeheartedly and believes that HR can be a major contributor to the business. He/she is the main advocator to introduce this function; however, they later lose the enthusiasm.

2. **The Realist** understands the benefits of HR to the business but is also realistic about its effectiveness in the organization. They understand the culture of the organization and the types of managers they will encounter in the organization. They want it to work but are cautious.

3. **The Committed** supports the role of HR, understands the impact on the business and has a firm grip on the complex function of HR. They will stand by HR as a strategic function for the best interest of the organization—not too many exist mind you.

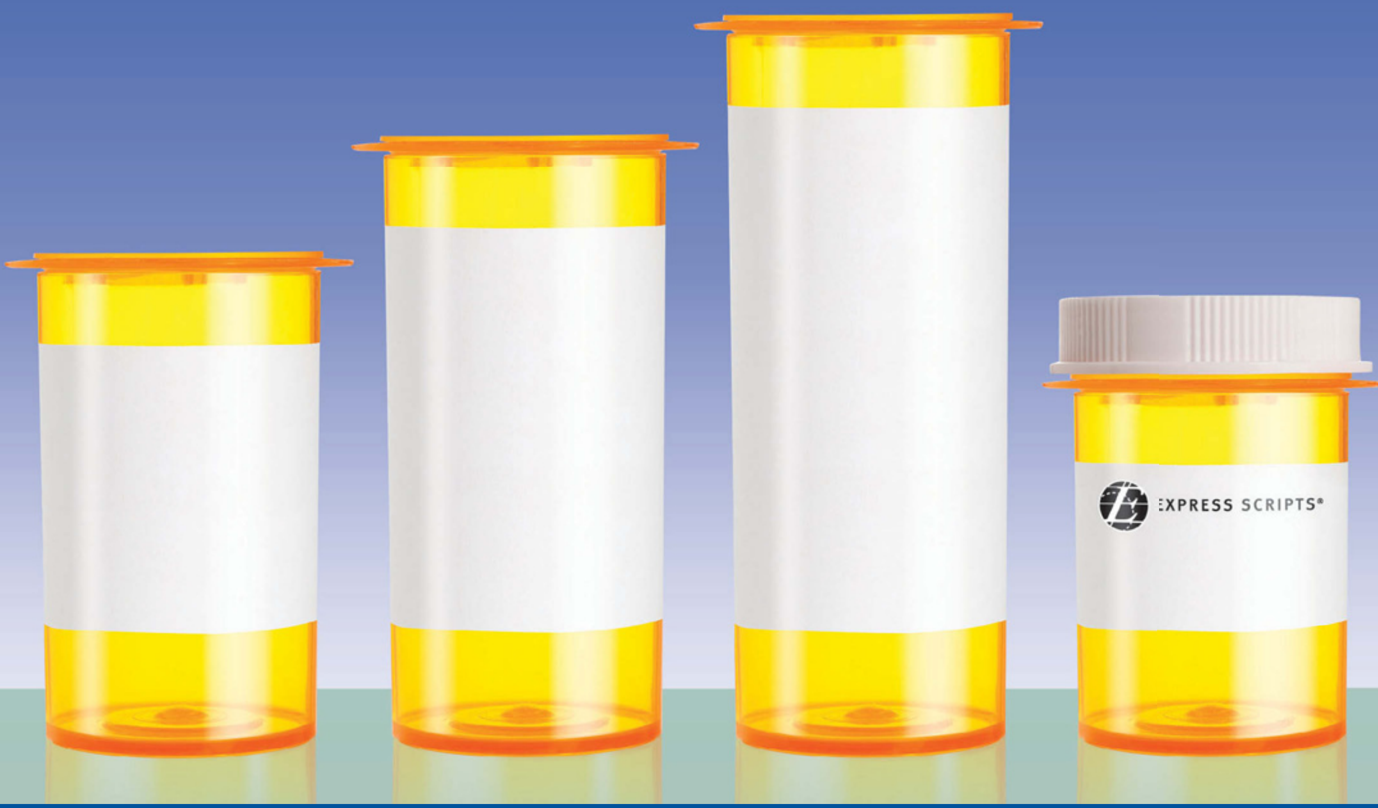
4. **The Skeptic** supports the role of HR (mainly because the majority support it) but is highly skeptical of how HR can contribute to the business. They will tend to cause issues on every occasion, unless HR becomes a truly trusted ally.

5. **The Careless** accepts the role of HR, so long as it is a secondary department and is limited to sorting CV's, organizing parties and filling out documents that they don't want to be bothered with. They will play along but are emotionless whether HR exists or not.

The "resistors," on the other hand, have declared their position of resistance to the HR function and are therefore predictable. The HR professional needs to be prudent and deal delicately to win them over and find methods to integrate the understanding. **HR**

Rani Zahed is a senior level business professional specializing in the business of people management. His experience has extended globally with assignments in Canada, the Arabian Gulf and Lebanon. Contact Zahed at rani@ranizahed.com.

PUT A LID ON RISING PRESCRIPTION COSTS



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*Source: Group Health Care Cost Control in Canada: Survey Results 2010