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Managing Employees for Success

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Managing Employees for Success

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Course Content

The first step to effective employee management is hiring the right people to begin with; therefore, any discussion of employee management should begin with a study of effective hiring practices.

Key steps to finding the right person to fill a position in your company include:

- Determining your need to hire a new employee. Are you properly utilizing the skills and talents of your current employees? Do you know what needs to be done? Can your business growth support a new employee?

- Conducting a thorough job analysis. What are the job's essential functions and key performance criteria?

- Writing a job description and job specification for the position based on the job analysis.

- Determining the salary for the position, based on internal and external equity. Is the salary comparable and proportional with the salaries and responsibilities of other positions inside your company as well as similar positions out in the marketplace?

- Deciding where and how to find qualified applicants. What are the recruitment techniques to be used? What is the period for conducting your search? Remember, advertising is not the only, or necessarily the best, way to recruit.

- Collecting and reviewing a fair amount of applications and resumes and then selecting the most qualified candidates for further consideration.

Lets look at writing a job description in more detail, since it is one of the more important steps in this process, and if done properly will cause less headaches down the road.

Writing Effective Job Descriptions :

A job description describes the major areas of an employee's job or position. A good job description begins with a careful analysis of the important facts about a job--such as the individual tasks involved, the methods used to complete the tasks, the purpose and responsibilities of the job, the relationship of the job to other jobs, and the qualifications needed for the job.

It is important to make a job description practical by keeping it dynamic, functional and current. Do not get stuck with an inflexible job description! A poor job description will keep you and your employees from trying anything new and learning how to perform their job more productively. A well-written, practical job description will help you avoid hearing a refusal to carry out a relevant assignment because "*it isn't in my job description.*"

Realistically speaking, many jobs are subject to change, due either to personal growth, organizational development and/or the evolution of new technologies. Flexible job descriptions will encourage your employees to grow within their positions and learn how to make larger contributions to your company. For example: Is your office manager stuck "routinely ordering office supplies for the company and keeping the storage closet well stocked " or is she/he "developing and implementing a system of ordering office supplies that promotes cost savings and efficiency within the organization?"

When writing a job description, keep in mind that the job description will serve as a major basis for outlining job training or conducting future job evaluations.

A Job Description should include:

Job Title, Job Objective or Overall Purpose Statement - This statement is generally a summary designed to orient the reader to the general nature, level, purpose and objective of the job. The summary should describe the broad function and scope of the position and be no longer than three to four sentences.

List of Duties or Tasks Performed - The list contains an item-by-item list of principal duties, continuing responsibilities and accountability of the occupant of the position. The list should contain every essential job duty or responsibility that is critical to the successful performance of the job. The list should begin with the most important functional and relational responsibilities and continue down in order of significance. Each duty or responsibility that comprises at least five percent of the incumbent's time should be included in the list.

Description of the Relationships and Roles the occupant of the position holds within the company, including any supervisory positions, subordinating roles and/or other working relationships.

When using Job Descriptions for recruiting situations, you may also want to attach the following:

Job Specifications, Standards and Requirements - the minimum qualifications needed to perform the essential functions of the job such as education, experience, knowledge and skills. Any critical skills and expertise needed for the job should be included. For example, for a receptionist, critical skills may be having 1) a professional and courteous telephone manner, 2) legible hand-writing if messages are to be taken 3) the ability to handle a multiple-lined phone system for a number of staff members and 4) the patience and endurance to sit behind a desk all day.

Job Location - where the work will be performed

Equipment to be used in the performance of the job. For example, does your company's computers run in a Apple MacIntosh or PC Windows environment?

Collective Bargaining Agreements - agreements and terms that relate to job functions, if applicable, such as when your company's employees are members of a union.

Non-Essential Functions - functions which are not essential to the position or any marginal tasks performed by the incumbent of the position.

Salary Range - range of pay for the position.

Keep each statement in the job description crisp and clear.

Structure your sentences in classic verb/object and explanatory phrases. Since the occupant of the job is your sentences' implied subject, it may be eliminated. For example, a sentence pertaining to the description of a receptionist position might read: "Greets office visitors and personnel in a friendly and sincere manner."

Always use the present tense of verbs

If necessary, use explanatory phrases telling why, how, where or how often to add meaning and clarity. For example: "Collects all employee time-sheets on a bi-weekly basis for payroll purposes."

Omit any unnecessary articles such as "a", "an", "the" or other words for an easy to understand, to the point description. Using the above example, the statement could have read, "Greets all visitors and the office personnel to the building in a friendly and a sincere manner."

Use un-biased terminology. For example: use the "he/she" approach or construct sentences in such as way that gender pronouns are not required.

Avoid using words, which are subject to differing interpretations. Try not to use words such as "frequently," "some," "complex," "occasional," and "several."

Hiring the Best Person for the Job:

Hopefully, after reviewing all of the resumes, you will be able to choose a select number of qualified applicants to be interviewed. (If not, you may want to expand your period and re-write any ad copy and/or look at another recruitment technique)

Successful Interviewing:

Here are some chief reasons for why new hires are frequently misfires. First, knowingly or not, many interviewers are biased. The reason you like someone or something is rarely based on rational thought; instead, it is based on, "Well, I just prefer it this way." With candidates, you may like the way they look, smile, dress, act or speak. On the other hand, they may remind you of yourself or someone you like. They may have interests like yours or know people whom you know.

Alternatively, they may be good at one or two aspects of a job, and you eagerly assume or want to believe that they will be effective at other aspects. You may accept as honest and true something a reference said about the candidate. However, keep in mind it would be highly unlikely for a candidate to offer the name of a reference who would *not* offer positive information.

There are, of course, key methods for avoiding biases and making successful hiring decisions. First, identify the most important knowledge areas, skills and abilities the ideal candidate should possess. Human resources people call these "factors." Next, create the same specific questions that you will ask of all candidates that will clearly and behaviorally demonstrate to you that they have these critical factors. Nevertheless, do not simply accept the candidate's word that he or she possesses a certain skill or knowledge base. Ask that person to demonstrate the skill, solve a

problem, or write or create something that clearly and concretely provide you with the proof you need to make an informed decision.

Next, ask specific and measurable questions of the candidate. If you ask if this person considers himself a success or a failure, do not simply accept a yes or no response. Probe for specific examples of both successes and failures. The latter is especially rich in response material because you can then ask what the person could have done to turn the failure into a success. In the process, you are observing how the candidate analyzes situations, how rationally or logically the situation is presented, and whether or not, to the best of your judgment, the person is trying to cover something up or lie.

To ensure that you understand the individual as well as possible, involve one or two other interviewers in this process. In that way, you can all share your insights and impressions of the candidate. Furthermore, one interviewer can add an aspect to a question that another one may have overlooked. Two or three heads are often better than one.

Finally, make sure you know enough about a candidate before you hire that person, and never, ever hire even a moderately qualified person just because you need someone now. That rushed hire will likely become problematic. Moreover, you know how long and painful it can be to terminate someone and advertise, screen, interview and hire another person. So, take your time and make sure you have the best person possible for every position. You and your company will be pleased with the results.

How do you select the right person for your business? There is no perfect answer, but the interview process can be a tremendous help if you use it effectively. In other words, you must have completed all of the other steps in the hiring process in order to get the most out of the interview process.

Interviewing candidates for a position within your company is one of the final steps in the hiring process. Before you get to this step, you want to make sure that you have completed all of the preceding steps since each of these steps will have a direct impact on how effective the interview

process will be. Below is a list of the steps involved in the hiring process. Note that after you have completed the interviewing process, there are still two additional key steps that you need to complete. In order to achieve the best hiring results possible, just remember that all of the steps are important.

Now that you know where the interview process fits into the hiring process, let us look at the "dos" and "don'ts" of conducting a Successful interview.

Conducting the Successful Interview - What to DO

1. Prepare in Advance for the Interview

Know what you want in a candidate before you begin the interview. Review the job specifications and requirements that have been prepared.

Know the job and its responsibilities. Review the job description.

Prepare a list of standard questions concerning the candidate's skills, abilities and past work performance that you want him/her to answer.

Prepare a list of prioritized and measurable criteria, either in the form of a worksheet or other method, for analyzing and comparing the candidates.

Review the candidate's resume before the interview.

Set specific appointment times and reasonable time limits.

Be prepared to justify the use of any required employment test. Typically, the most legally defensible tests are those that involve a "piece of the job."

2. Collect Pertinent Information During the Interview

Since past behavior predicts future behavior, look for the candidate's behavior "patterns" as you collect information. For example, has the candidate enjoyed "big picture" work or

detailed analysis more? Is he/she more of a generalist or more of a specialist? Oftentimes, by listening to how the candidate responds to your questions about previous jobs, you will be able to get a very good idea of what their behavior will be like in the future.

Try not to offer too much detailed information up front so that the candidate will be able to formulate answers that exactly fit your company's needs. Do not put the right words in his/her mouth! Remember, the candidate (hopefully) wants the job and will be looking to say the right thing to impress you.

Ask questions that focus on the candidate's past performances. For example, if the job, such as an office manager, demands an individual who is well organized and handles paperwork easily, you may want to ask, "How do you keep track of your own schedules and desk work in your current position?"

Ask specific, structured questions in regards to specific problems that the jobholder may face. Focus on past behavior and the results of the candidate's actions in a particular situation. For example: "As the customer service representative, you may encounter a few unhappy campers who will yell and scream at you over the telephone or in person. Have you had any experience dealing with difficult customers? Who was the most difficult customer you had to deal with? What was the situation? How did you resolve the problem?"

Notice how well the candidate listens and responds to the questions asked.

Note the candidate's choice of words and non-verbal behavior. Are they answering your questions clearly?

Listen to the questions the candidate asks. Clarify the reasons why the questions are being asked. Notice which questions he/she asks first as they may be his/her primary concerns.

Take detailed hand-written notes concerning job related topics that will help you distinguish the candidates from one another (especially if you will be conducting several interviews).

Help yourself remember each candidate and each interview clearly.

Record information pertaining to the set criteria that will help in the evaluation of candidates.

Organize and analyze the information immediately after the interview when memory is fresh. Do not try to remember everything, it is impossible. One idea is to "rate" each candidate on each of the criteria immediately following the interview.

3. Look and Act Professionally During the Interview

Dress appropriately.

Avoid appearing bored and fatigued.

Set a businesslike atmosphere.

Structure the interview and inform the candidate of the structure. Let the candidate know you will be focusing on past results and that you will be taking many notes.

Provide information on the company and the job to each candidate.

4. Treat All Candidates Fairly

Use your list of standard questions during each interview so that you treat the applicants the same and so that you can compare apples to apples.

Refer to the criteria for analyzing candidates. Ask questions in regards to the job criteria.

Keep all questions job-related.

Do not ask discriminating questions.

Show a genuine interest in every candidate you interview.

If possible, have at least one other person meet and/or interview candidates who are "finalists." They should also "rate" the candidates on each of the criteria; ultimately, all

interviewers should compare their "ratings" and discuss any discrepancies. Having more than one interviewer helps control for personal biases.

5. Be Courteous and Respectful

Conduct the interview in a private place away from distractions.

Begin the interview on schedule.

If possible, conduct the interview without interruptions.

Allow sufficient time for the interview.

Appreciate the candidate's accomplishments.

Do not patronize the candidate.

Do not argue with the candidate.

Thank the candidate for his/her time and interest.

6. Facilitate Open Communication

Immediately attempt to establish a rapport with the candidate by breaking the ice; for example, ask about their experiences in a particular industry or geographical location (refer to his/her resume).

Promote a relaxed environment with free-flowing conversation.

Do not dominate the discussion by talking too much. Many experts use an 80/20 rule - you talk 20% of the time and the candidate talks 80% of the time.

Politely probe the candidate for information by asking open-ended questions that will provide insight into the candidate's values and traits.

Ask structured questions that will require some thought on the part of the candidate.

Listen carefully to the candidate's answers. If they do not provide you with specific results, probe until they do.

Explain the selection process to the candidate. Offer realistic periods and stick to your word!

The Successful Interview - What <u>NOT</u> to DO

The following list is comprised of subject matter that is widely regarded as "off-limits" for discussion in an interview by employment experts. Most of these subjects relate directly to federal and state employment laws. Legislation covering equal employment opportunity is extensive and complex. Check not only federal laws, but also your own state's laws and guidelines. Remember, state laws vary! Consult an attorney for legal advice (before you begin the search process for a new employee).

In an interview, or on an employment application, do not ask questions...

. concerning the age of the candidate. Be careful using the words "over qualified" with older candidates.

..about their arrest record (this is different from convictions - in most states, it is permissible to ask if the candidate has ever been convicted of a crime).

..about race or ethnicity

..concerning the candidate's citizenship of the U.S. prior to hiring (It is permissible to ask "Will you be able to provide proof of eligibility to work in the U.S. if hired?")

..concerning the candidate's ancestry, birthplace or native language (it is permissible to ask about their ability to speak English or a foreign language if required for the job).

..about religion or religious customs or holidays.

..concerning the candidate's height and weight if it does not affect their ability to perform the job.

..concerning the names and addresses of relatives (only those relatives employed by the organization are permitted).

..about whether or not the candidate owns or rents his/her home and who lives with them. (asking for their address for future contact is acceptable).

..concerning the candidate's credit history or financial situation. In some cases, credit history may be considered job-related, but proceed with extreme caution.

..concerning education or training that is not required to perform the job.

..concerning their sex or gender. Avoid any language or behavior that may be found inappropriate by the candidate. It is his/her standard of conduct that must be met.

..concerning pregnancy or medical history. Attendance records at a previous employer may be discussed in most situations as long as you do not refer to illness or disability.

..concerning the candidate's family or marital status or child-care arrangements (it is permissible to if the candidate will be able to work the required hours for the job).

..concerning the candidate's membership in a non-professional organization or club that is not related to the job.

..concerning physical or mental disabilities (asking whether the candidate can perform the essential job duties is permitted.) The ADA allows you to ask the applicant to describe or demonstrate how they would perform an essential function (s) when certain specific conditions are met . Check the law or consult with an attorney before moving forward.

Remember--When in doubt, ask yourself if the question is job-related; if not, do not ask!

Once you have the right employees, keeping them happy and performing at peak levels is your next challenge.

Employee Compensation

Your employee compensation and benefits package can be the deciding factor for many potential employees. And it is not just the money. To make your company competitive and attractive to job candidates, you have to offer an exceptional total benefits package. That makes it a very important part of your business planning and management process if you hope to hire (and keep) top employees.

So how do you make your benefits package attractive and competitive without financially jeopardizing the success of your business? How do you get the best deals on insurance? What rewards can you offer that won't cost you additional money, but will mean a lot to your employees? Are stock options the way to go? How do you set salaries? What benefit costs are tax deductible? There are probably 100 more questions popping into your head as you start thinking about how to set up and manage these policies.

Although money is not everything, it certainly is one of the top issues potential employees look at when interviewing new companies. (Yes, face it, they are interviewing YOU.) Whether you are offering a straight basic salary structure or an incentive-based pay structure may make or break you in the eyes of top job candidates. Let's look at how each system works.

Standard Salary Structure

A standard base pay program offers fixed salary ranges for each position type for employees performing the standard duties of their jobs. Set up minimum and maximum levels within those pay ranges to account for variations in experience and skill levels. When setting the base pay structure, determine where your company falls within your own industry as well as competing industries that may also offer job opportunities for your employees. Set up your pay levels to be competitive, or else you risk losing employees. You can use the Internet to find industry-standard salary levels for specific jobs in specific geographical areas.

Once your base pay structure is in place, most companies then set up a merit pay program that will take the employee through the salary range for their position at a performance-driven speed.

This comes into play when the employee's managers do annual employee performance reviews. The downside of this is that employees may begin to see it as a given that they will get a salary increase after each evaluation, and it ceases to be a motivation to perform better in their jobs. For this reason, more companies are moving toward more of a reward-based compensation style, also called Incentive Compensation.

Incentive Compensation

Incentive-based compensation is becoming much more common because of the increased emphasis on performance and competition for talent. This type of compensation structure significantly helps motivate employees to perform well. Hiring bonuses are also frequently used now, even for new college graduates. However, you might want to tie in a specific time period prior to the employee collecting this bonus -- for example, one-half after six months and the remainder after one year of employment. Otherwise, you could run the risk of the employee departing after that first check, which would defeat your purpose. So does that mean incentive compensation is the way to go? Maybe so, if your business is in an industry where you really have to compete to get good employees.

Setting up an incentive-based compensation program requires the same research into your industry as the base pay program. You will still establish base pay levels, but it may be slightly lower and you will build into that base the annual or quarterly (or any other interval) bonuses, commissions, or other types of shared cash compensation.

Tips About Bonuses

Your bonuses, should be based on achievement, and should include all of your employees. Do not limit your incentive program to certain employees, or you will limit your company's potential. You will also lose the benefit of the team-building effects of incentive-based

compensation. If everyone is going after the same goal, they will have a better chance -- and your company will have a better chance -- of succeeding.

Your rewards should also be based on results and not simply the activity level of the employee. Just because they try does not mean they should get the bonus that those who actually produce results get.

Do not put a limit on the amount of the bonus; you will only limit the effort your employees put into the job. Once they reach the limit, they will feel they can kick back and relax. Keep it open and they will continue to produce.

Tying your employees' compensation to the results they produce will help them focus on the company's bottom line. You can also tie in long-term incentive compensation in the form of stock options and deferred compensation plans (more about stock options later in this article). These types of plans not only compensate your employees for good work, but also help retain them.

Paid Time Off

You will spend about 10% of your payroll on paid time off. Paid time off is a very highly rated benefit, especially with so many workers trying harder to balance work and family life.

Most companies provide paid holidays for all of their employees. The national average is 10 paid holidays per year. These are typically New Years day, President's day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Eve, and Christmas day. In addition to standard holidays, some companies also provide one to two floating holidays or personal days. These days can be used whenever the employee would like to use them and often make up for religious holidays that are not part of the company's standard paid holiday schedule.

The average number of vacation days provided for new employees is 10 per year, with increases to 15 after five years and 20 after 10 to 15 years. Vacation time is accrued on a monthly or quarterly basis, and most companies use a calendar year to make their record keeping easier.

When cold and flu season strikes, your employees will begin taking advantage of the paid sick days you are offering. Most companies provide 6 to 9 sick days. Unlike vacation time, the number of sick days companies offer typically doesn't increase as the years go by, and if you set a policy of not carrying over unused sick leave to the following year, be prepared for a lot of sniffles in December. Some companies allow employees to use their paid sick days to also take care of family members who are ill. Make sure you set a policy and stick to it.

Some companies (about 25%) offer one larger lump of paid time off (PTO) that can be used however the employee sees fit. A typical scenario might be to provide three weeks of paid time off for the first five years, then step up the amount to four weeks after 10 years, and so on.

In either the paid vacation or PTO situations, employees would have to request the time off in advance, except for emergencies. The time can typically be taken in half-day increments. The time is accrued on a monthly or quarterly basis and banked until the employee uses it. If the employee leaves the job, the employee is usually paid for the banked time.

Whether you allow unused vacation days or PTO to carry over to the following year is up to you. Some companies allow a certain number of days to carry over, but any days over that number are lost. Others allow employees to get special permission from their managers to carry over days with the stipulation that they be used by a certain date the following year. Carrying over sick days from one year to the next is another issue to wrestle with. Take into consideration the impact it would have on your company to have employees out for extended periods of time with full pay because of stored sick or vacation pay, this in addition to having to cover for the loss of their productivity. Also, remember that carrying forward these banked days to another year can create headaches for your bookkeeper, accountant, or controller.

Other Leave
Do not forget to include policies on jury duty, military leave, and bereavement. These situations may come up more often than you think, and even if yours is a small company, you need to have policies in place to address these so that you know you are handling them consistently.

Typically, companies allow up to two weeks per year for jury duty or military leave and up to three days per year for bereavement.

You will also need a policy on maternity and/or paternity leave. Whether this leave is paid or unpaid is up to you (more on this later).

Cost-free Benefits and Perks

Sweetening the pot with some additional benefits may swing a job candidate your way and cost your company next to nothing. We're talking about flex time, direct deposit of paychecks, having good policies on personal leave that fit in with employees' goals, employee recognition programs, holiday parties, etc.

Flex Time

Allowing flexible work schedules in your business is very often the most strategic thing you can do from a hiring standpoint. Often companies that offer flextime find that their employees are more productive, motivated, and loyal. And why wouldn't they be? Employees can alleviate quite a bit of stress from life just by coming in to work an hour earlier and leaving an hour earlier to miss the interstate parking lot scene, *and* it can also give them more time with their families.

But how do you structure it so that you do not have disgruntled employees whose jobs really cannot be flexible? There are ways you can adjust to make the majority of your employees happy. For instance, let your employees come up with creative ways to do it themselves. If they are more empowered to find a solution then they will probably come up with one they would like. If it is agreeable to management then everyone is happy and more productive. Try out the flex solutions your employees come up with on a limited basis and try to measure your results. Also, make sure your employees keep your clients in mind when they devise their plans. Any plan that hinders client contact probably isn't one you want to adopt.

Telecommuting

As I sit here with my laptop on my screened-in porch with the birds singing and early spring sun

shining, I would be hard pressed to come up with a reason for why telecommuting couldn't work for your company. But of course, there are always situations where telecommuting simply will not work. You obviously cannot let your receptionist telecommute, because who would be there to receive! And, chances are that many of your employees are not even interested in telecommuting. For those that are, however, think about the benefits to both them personally and to the company. The company can use the office space for other employees, storage, equipment, or a break room. You can simply set aside an area to be used by your telecommuters when they do venture into the office. You can experience the benefit of added productivity by your telecommuters. Lack of interruptions is one of the biggest benefits of telecommuting. How many times have you had a tight deadline and an endless parade of co-workers stopping by your office to tell you the latest joke from the water cooler? More than you can count probably. You will also benefit from the increased loyalty and boosted morale of your telecommuting workforce. Face time in an office is very overrated. Today, you have to measure an employee's worth by what they produce, not by how many hours you see them sitting at their computers (or in the break room, or at their co-worker's desk).

The benefits for your employees who telecommute can also be quite substantial. They can save time since their commute is only a brief stroll to their home office (or porch). They also benefit from a quieter and less interrupted environment. They can work whenever the inspiration hits them, too. Or, if they have an appointment in the afternoon, they can make up the time later that night.

It is quite possible you will get more work out of employees that you allow to telecommute than the ones that you do not. You do need to investigate potential problems such as liability insurance, workers' compensation issues, office equipment, and confidentiality issues. These may bring to light problems for telecommuting in your line of business. You also need to make sure you have a written policy about how your telecommuters need to operate. For instance, you may make it a policy that your telecommuters have to be accessible during regular office hours even if they're working schedule is slightly different. You may also want to set up a reporting

schedule to replace your usual eyeball-to-eyeball meetings to make sure you know at regular intervals where your employees are with projects, or other work. Some other key issues to consider are the relationships you have with your telecommuting employees. Make sure you are not leaving them out of meetings and decisions they should be involved in just because they did not happen to be in the office at the time. Continued communication is crucial. Think through the process and make sure you cover all bases. If you have to get a proposed telecommuting program approved by upper management, it also helps to have statistics from similar companies that have successful telecommuting programs.

Discounts for Your Employees

If your business offers a commercial product or service that your employees would otherwise have to pay for, then it may make sense to allow them the perk of getting it for free, or at least at a reduced cost. Your company can get a tax break, the employee gets a good deal, and good will abounds for all.

Working Condition Benefit

Known as the working condition benefit by the IRS, you can also gain some mileage, benefit-wise, by allowing your employees to use their company cars, computers, PDAs, etc., for personal as well as company business. Make sure you have a written policy and have checked your insurance coverage before granting this benefit.

On-premises Exercise Facilities

A fit employee is a healthy employee, and a healthy employee is a productive employee. Or so it would seem. If you have on-site exercise facilities that your employees can have access to free of charge then you've got a good perk waiting to happen. If you don't already have the facilities as part of your business, then perhaps you should consider setting up a small workout room with some basic equipment, or put in a shower and set up some running/walking trails around your business's property. Exercise not only relieves stress and improves health, it helps clear the mind and fosters creativity. Your employees may even acquire some team building skills if you start a company softball team.

Sure compensation packages can affect employee morale, but what other issues can affect the morale of your employees?

Employee Morale:

You know about morale—we all do. It is that certain esprit de corps, mood of the company, willingness to exert one's self on the job, or feeling of victory or contentment. Morale can be fatal or helpful in determining your company's overall viability and financial success.

Should you be concerned about morale? Yes, and here's why: Simply stated, when morale decreases for whatever reason, productivity usually tumbles right along with it. Costly employee absenteeism, accidents, turnover and dissatisfaction increase. Without your concern and action to attack the causes of decreasing morale, the mood, motivation and activity levels of your employees may be at risk.

So, what can you do about it? How can you assess it? What are the signs or indicators that things are going wrong, and employees are unhappy? Short of giving your employees a formal questionnaire or hiring a consultant to survey your employees, there are many symptoms to look for and actions you can take.

First, leave the protective walls of your office and walk around. Open your eyes and ears. Get a sense of the levels of employee energy and contentment. Do they look productive? Do they interact with each other? Take a look at management and non-management. Are they doing what you think they should be doing, or are they sitting around, seemingly apathetic or unmotivated, perhaps even doing busy work or playing computer games? Are they silent, or is there an appropriate level of noise or buzz in the atmosphere?

Next, take the simplest route to determining the morale level: Ask! Convene a random sampling of employees from different units, sectors, teams or divisions. Invite them into an informal office or conference room, preferably with snacks to lighten up the atmosphere. Make it hospitable enough to encourage people to open up and share their experiences, thoughts and feelings. Let

them get to know you. Ask what motivates them; if they can be as productive as possible; what their goals are and if they achieve them in your organization; what their expectations and hopes are for them and your company; what the obstacles to success are; what ideas of theirs haven't been expressed or heard; what they believe is causing the current malaise.

After just a handful of these informal sessions, you should have enough information to begin your next steps. First, gather your key direct reports and core believers. Work with them to identify actions everyone can take to invest themselves in morale improvement.

Next, create a positive atmosphere that encourages and allows employees to address issues with management without fear of reprisals for surfacing negative issues or limitations. Convene regular, interactive sessions where employees can meet with colleagues in other departments. Encourage them to express positives about work and the potential for more effective and satisfying experiences. Let them air complaints as well. Increasing and improving interaction with others can have a very positive impact on sharing ideas and receiving different perspectives. The very fact that employees can meet each other, interact and voice feelings can improve morale.

Most people have something to say, and many want to say it. Unfortunately, many companies erroneously believe that they do not have mechanisms or opportunities for self-expression. Even if they do not, these opportunities can be easily created. Once thoughts are expressed and employees contribute, they will feel heard and valued that the boss is listening. When action is taken on their ideas, even if told that their ideas are good but too costly or not possible to implement, most employees will still have experienced the boss listening to them. This can influence an individual in positive ways. In addition, if the idea is actually acted upon, the employee will feel that he or she has achieved a goal. In addition, achievement is a major source of motivation, and motivation leads to productivity.

The boss listens and learns. The employee expresses herself. Both gain something. Morale improves as a result, and everyone wins. What is not to like?

Other ways to boost morale.

Rewarding Employees:

Every company needs a strategic reward system for employees that addresses these four areas:

 compensation, benefits, recognition and appreciation. The problem with reward systems in many businesses today is twofold: They're missing one or more of these elements (usually recognition and/or appreciation), and the elements that *are* addressed aren't properly aligned with the company's other corporate strategies.

A winning system should recognize and reward two types of employee activity—performance and behavior. Performance is the easiest to address because of the direct link between the initial goals you set for your employees and the final outcomes that result. For example, you could implement an incentive plan or recognize your top salespeople for attaining periodic goals.

Rewarding specific behaviors that made a difference to your company is more challenging than rewarding performance, but you can overcome that obstacle by asking, "What am I compensating my employees for?" and "What are the behaviors I want to reward?" For example, are you compensating employees for coming in as early as possible and staying late, or for coming up with new ideas on how to complete their work more efficiently and effectively? In other words, are you compensating someone for innovation or for the amount of time they're sitting at a desk? There's obviously a big difference between the two.

The first step, of course, is to identify the behaviors that are important to your company. Those activities might include enhancing customer relationships, fine-tuning critical processes or helping employees expand their managerial skills.

When business owners think of reward systems, they typically put compensation at the top of the list. There is nothing wrong with that, since few people are willing or able to work for free. But the right strategy should also include an incentive compensation plan that's directly linked to the

goals of your company for that period. You might want to include some type of longer-term rewards for key individuals in your organization. Historically, this has often included some form of equity ownership.

Benefits are another type of reward in a strategic reward system, and your employees are definitely going to notice the types of benefits you provide. Companies that don't match or exceed the benefit levels of their competitors will have difficulty attracting and retaining top workers. This is one reason an increasing number of businesses are turning to professional employer organizations like Administaff to gain access to a broader array of company benefits.

However, you can't diminish the importance of recognition and appreciation as integral components of a winning strategic reward system. These two elements rarely receive the attention they deserve from business owners, which is amazing because they're the low-cost/high-return ingredients. Employees like to know whether they're doing good, bad or average, so it's important that you tell them.

Recognition means acknowledging someone before their peers for specific accomplishments achieved, actions taken or attitudes exemplified through their behavior. Appreciation, meanwhile, centers on expressing gratitude to someone for his or her actions. Showing appreciation to your employees by acknowledging excellent performance and the kind of behavior you want to encourage is best done through simple expressions and statements. For example, you might send a personal note or stop by the employee's desk to convey your appreciation. Another approach is to combine recognition and appreciation in the form of a public statement of thanks in front of the employee's co-workers or team, citing specific examples of what they've done that has positively impacted the organization.

Now that you know what it should include, it's time to review your strategic reward system. Does it address compensation, benefits, recognition and appreciation? Is it aligned with your remaining business strategies? Is it driving the right behaviors for your company, as well as your performance goals? If it needs fixing, don't wait. It can mean the difference between your

business' success and failure.

Here are some tips for rewarding employees even on a tight budget:

1. **Personally thank an employee for a specific job well done.** Specify what was good about it and why you appreciate it, which tells the employee you do pay attention. For example, say: "Thank you, Jim, for organizing that project so well. You made it very clear what should happen, when and why."

2. **Put that specific praise in a letter or thank-you note.** When you take the time to write something down, you clearly value it. This makes the praise even more meaningful. When appropriate, copy the employee's manager on your praise letter. Sharing the praise with management lets the employee know you support his or her success at your company.

3. **Provide as much information as possible about the company.** Share as much as you can about how the company is doing, where it is making money, where it is losing money, how its products are doing in the marketplace, what new initiatives are being considered and why, and how the employee can best contribute to these efforts.

4. **At every opportunity, include your employees in the decisions you make.** In many cases, your employees understand a side of an issue that you may not. If you need to create a more efficient delivery system, ask your deliverymen and women how they would improve the current system. If you want to improve workflow for support staff, discuss with your secretaries and clerical workers how to best keep the work flowing. Use their ideas, and give them credit for them.

5. **Give employees the opportunity to learn as many new skills as they are able to.** Most people like to learn, to grow, and to improve their marketability, and the more skills you enable your employees to learn, the more they will value their position with you. Cross-train whenever possible so employees know each other's jobs. An added benefit is that

employees who understand the realities of one another's positions are more willing to cooperate and feel more like members of the same team.

6. **Celebrate successes.** Celebrate an employee's successful completion of a project, a salesperson's landing a big client, your company's improved sales figures, your organization's successful year-end. After a particularly tense week, bring donuts and coffee and gather everyone together to applaud a hard-working team. Provide balloons and noisemakers for a rousing chorus of cheers for the completion of a difficult project. Buy a plastic crown at a party store to place on the head of an employee who mastered a difficult skill or finished a course of study. Mark the successes of your staff and celebrate them. Don't be afraid to be goofy in your celebration; it's a refreshing change from hard work.

7. **Provide free time and flexibility.** Set aside an hour here and there for employees who have delivered an extra level of work. Make it clear that the free time is a reward for a specific accomplishment, such as finishing a challenging project or delivering month-end reports early. Alternatively, you can reward all your employees together, for example, by letting them leave an hour early to miss rush-hour traffic on a day of expected heavy traffic. Give extra time for lunch to an employee or team who has worked through lunch to deliver something to a client. Allow time off for personal or family responsibilities.

Admittedly, these rewards are not entirely free. They require time and energy to implement, sometimes a few dollars for donuts or a plastic crown. However, your investment will be rewarded by happier, more dedicated employees who make it their job to make you and your company more successful. It's a classic win-win situation.

Employee Raises:

Almost everyone needs more and more income to deal with the realities of today's economy. However, before you rush to your checkbook to increase an employee's income, consider these factors:.

1. Why does this employee want or deserve a raise?

Aside from the fact that most people want to increase current spending or savings levels, you should not increase a salary based solely on the need or desire. Of course, if great need is the case (and if you can afford to increase the salary), then, of course, allow your humanism to shine through. Otherwise, ask your employee to present significant information and examples to convince you of his value to the company and therefore substantiate the reasons for the raise.

Make sure you know all key facets of that person's job description and the supervisor's interpretation of it as reflected on the employee's performance appraisal form. Since this document reflects management's evaluation of employee productivity, this form should serve as the basis for your review of the salary increase request.

2. Ask yourself how valuable this individual is to your company.

Objectively evaluate how she has contributed to the success of the team, department or business. Analyze how she has grown through any additional training, course work or achievements in key areas or projects. Think about the amount of additional time she typically spends on projects or assisting others. In other words, exactly how and why is this employee valuable to your company?

3. Compare this employee's salary to others in the industry.

Find out the range of what similar colleagues in your business (and any competing companies) are earning. Look for similar backgrounds, responsibilities, experience and expertise. Based on this information, you can consider the percentage increase of the request. Sometimes, if the

percentage is high, you might balk. However, you need to delve further into the situation to determine if the current salary is below par or below the equity level. Most importantly, this knowledge will provide you with rational data with which you can compare the equality of the current pay with that of others. Armed with this crucial information, you add significant power and substance to your response to the salary increase request.

What happens if you conclude the request is unwarranted? Do not stop there. Use this opportunity to discuss the employee's career path. First, explain exactly why the request was rejected. Common excuses are: "We're at the end of the budget cycle," "We don't have much money left in the budget for unscheduled raises" or "You don't deserve a raise." If your response happens to be, "You don't deserve a raise," discuss frankly and specifically with the employee, what he can do during the next assessment period to improve.

Whatever the reason, use it as crucial information for this employee to plan for his next request. Timeliness may be the answer in the future. Often, promotions and salary increases are discussed only during the performance appraisal time, the end of the fiscal year or the start of the next.

Help your employee understand what additional experiences, knowledge, skills, abilities or responsibilities she must gain to be in a better position to request a salary increase next time. Be concrete. When the employee grows and develops in almost any area, you and your company grow and gain also. So, understand that this partnership benefits both management and non-management.

When you objectively discuss your thoughts and evaluate the individual, you are demonstrating a realistic and rational plan the employee can follow to succeed. Most importantly, you are also showing concern for the well being of this individual. Whatever the outcome, the employee should feel that she has experienced an objective process where she was listened to and responded to, and developed a clear plan of how to get her needs met in the near future.

Communication Effectively with Your Employees:

Everyone wants to feel acknowledged and recognized in the workplace. The operative word here is *feel*. Professional people should attempt to rise above their feelings and work toward accomplishing the tasks related to their job. However, if a manager, supervisor or officer of a company has mastered the leadership skills to become trusted and well liked by their employees, their employees will go out of their way to exhibit higher levels of productivity and remain loyal to them and the company.

Do you consider it manipulative to practice high levels of rapport skills related to verbal and nonverbal communication for effective leadership? It is a fact that businesses spend billions of dollars each year to equip their employees with the necessary skills and qualities to help them become more productive. For example, just because you tell someone the complete truth doesn't mean they'll believe you, but there are easily learned skills that will help you create immediate and high levels of credibility.

Here are some suggestions for creating good relationships, loyalty and rapport in the workplace.

1. Watch how you are standing. Men enjoy standing side by side when speaking to one another. Women enjoy facing each other while talking to one another. Women: When approaching a man, slowly position your torso at an angle to his torso to make him comfortable. Gentlemen, to make a woman comfortable, slowly move your torso so you are standing face to face with her to make her comfortable.

2. In your mind's eye, picture a spotlight on anyone you are speaking to. Every time you speak, the spotlight turns off them and on to you. So, do your best to keep them, not you, in the spotlight. Do not regale them with your tales of your experiences. Instead, use active-listening skills--stay with them and explore their comments.

3. Avoid touching yourself when speaking to others. Do your best to keep your hands still. Do not play with your hair or jewelry, wring your hands or touch your face. By touching yourself,

you are indicating your need to comfort yourself, and unconsciously that makes the other person feel you are not paying attention to them.

4. Smile while you are talking. It is great to smile when you are listening to someone, but it is equally powerful to smile at someone while you are speaking to them.

5. Subtly mirror people's gestures when you are speaking to them. If they sit back in their chair, sit back in yours. If they fold their hands, fold yours. You must be subtle, or you will get caught. Learn to be very graceful in your mirroring, and move very slowly, as if you are making natural movements and not copying them.

6. Talk 20 percent of the time and listen 80 percent of the time. Let people talk about their favorite subject: themselves. When someone is speaking, ask them questions, nod affirmatively as they speak, and avoid interrupting them until they've finished talking and then ask them another question. When you're listening, you're in control of the conversation because you can guide the conversation anywhere you want it to go without volunteering anything about yourself or your own opinions.

7. Avoid offering unsolicited advice in public or in private. Generally, people will become defensive and stop talking when you offer them advice they didn't ask to hear. Offering advice makes a listener think they're wrong and that they've made a mistake by volunteering their viewpoint. Instead, say, "That's one way of looking at it," or "Let's take the learning experience from that and take it to the next level."

8. Offer sincere flattery every day to work associates, clients and vendors. Most people enjoy being thanked for a job well done, but only comment on their behavior and not them personally. Be specific with your flattery, or it will fall flat. For example, "Good job on the graphics on the front page," or "You did a nice job of finding that customer's lost baggage from Atlanta." Give flattery in a timely manner--don't wait too long to deliver it. Be sensitive to the fact that some people like public flattery and some prefer to receive theirs privately. Some people need frequent flattery, and some have difficulty with hearing any flattery at all.

Effective Delegation:

Do you need more hours in your day? Do you have so much work you're not even sure where to dig in? If so, you're like hundreds of other entrepreneurs who say they're overwhelmed with work. However, why is that? Some of the most common excuses include these:

•You're too busy to take the time to delegate or train someone else.

•You don't have the time to explain tasks or projects.

•You're the "best" or "only" person who can do the job right.

•No one else is available or responsible enough.

•If you delegate responsibility, you'll lose control over the project.

And here's the result: Projects get backed up, and you get too busy to fulfill other important responsibilities. Other people wait, sometimes without enough work to do, while important skills and challenges aren't addressed. Employees who are interested in the growth and development of their interests, skills and responsibilities go unsatisfied. And inevitably, productivity and profitability suffer.

Delegation can be your answer, especially when employees feel they're being given an opportunity to learn new skills, gain more knowledge and feel more connected to the organization. But not if they feel the boss is simply "dumping" extra or unwanted tasks on them. The simple yet most powerful key in the delegation process is to remember that delegation and added responsibilities are important tools for motivating employees. Furthermore, motivated employees are most often the most productive employees in any organization. Don't you want them in yours?

Just how do you go about handing over some of your tasks?

First, identify the best person for the job. Ironically, the best person isn't always the most

experienced or the most knowledgeable. The best person is the one who's eager to learn, motivated and demonstrates the potential to assume greater responsibilities. The best way to find this person is to get out of your office and get out among your employees on a regular basis. Get to know your people. Find out what challenges them and what their interests are.

Next, clearly and logically identify the goal of the project as well as the key steps involved. Check that the employee you've selected to hand this over to understands and can implement each step. Be very careful not to ask these two useless questions: "Did you understand me?" and "Did you hear me?" The answers to these questions are almost always "yes," whether or not that response is true. Simply stated, no one wants their boss to know they didn't understand instructions lest they appear dumb or incompetent. You can ask such questions as: "What part of this process will you implement first, second, etc.?" "What part will you need additional resources for?" "What part will be most challenging or easiest for you or others?" "What part seems unclear or needs further discussion?"

Third, establish clear milestones and deadlines. Most entrepreneurs are used to "running with the ball" and doing a good job on their own. However, your employees may not be as skilled as you are. Be careful to lay out some clearly understood milestones and the times and dates by which the employee will have accomplished a certain part of the task and will report back to you on their progress. In this way, you can be assured the project is being done accurately and on time. Additionally, you'll maintain overall control of the project--which is ultimately your responsibility even when you're delegating it to others.

Be sure to provide frequent feedback. Someone who's a novice needs to hear well-balanced feedback--both positive and negative--to understand how they're doing and whether they're meeting your expectations regarding the project and its timeframes. Without this feedback, employees can easily assume they're focused and headed in the right direction. But this may or may not be true, and you don't want to discover too late in the process that the employee has erred.

Finally, after the project is complete, review the process with the employee you delegated to. Taking this extra step allows all the people involved in the task to identify what they would repeat, modify or change next time around. This review process also gives you the chance to see what was learned, who learned it and whether or not you can assign increasing levels of responsibility and authority to the project manager.

The following points may help you in delegating jobs:

- *Deciding what to delegate:*
  One way of deciding what to delegate is simply to list the things that you do which could be more effectively done by someone either more skilled in a particular area, or less expensive. Alternatively, you may decide to use your activity log as the basis of your decision to delegate: this will show you where you are spending large amounts of time on low yield jobs.

- *Select capable, willing people to carry out jobs:*
  How far you can delegate jobs will depend on the ability, experience and reliability of your assistants. Good people will be able to carry out large jobs with no intervention from you. Inexperienced or unreliable people will need close supervision to get a job done to the correct standard. However, if you coach, encourage and give practice to them you may improve their ability to carry out larger and larger tasks unsupervised.

- *Delegate complete jobs:*
  It is much more satisfying to work on a single task than on many fragments of the task. If you delegate a complete task to a capable assistant, you are also more likely to receive a more elegant, tightly integrated solution.

- *Explain why the job is done, and what results are expected:*
  When you delegate a job, explain how it fits into the overall picture of what you are trying to achieve. Ensure that you communicate effectively:

o   the results that are needed

o   the importance of the job

o   the constraints within which it should be carried out

o   the deadlines for completion

o   internal reporting dates when you want information on the progress of the project

- *Then let go!*
  Once you have decided to delegate a task, let your assistant get on with it. Review the project on the agreed reporting dates, but do not constantly look over their shoulders. Recognize that your assistants may know a better way of doing something than you do. Accept that there may be different ways of achieving a particular task, and also that one of the best ways of really learning something is through making mistakes. Always accept mistakes that are not caused by idleness, and that are learned from.

- *Give help and coach when requested:*
  It is important to support your subordinates when they are having difficulties, but do not do the job for them. If you do, then they will not develop the confidence to do the job themselves.

- *Accept only finished work:*
  You have delegated a task to take a work load off you. If you accept only partially completed jobs back, then you will have to invest time in completing them, and your assistant will not get the experience he or she needs in completing projects.

- *Give credit when a job has been successfully completed:*
  Public recognition both reinforces the enjoyment of success with the assistant who carried out the task and sets a standard for other employees.

HWhy do people fail to delegate?

Despite the many advantages of delegation, some managers do not delegate.
This can be for the following reasons:

- *Lack of time:*
  Delegating jobs does take time. In the early stages of taking over a job you may need to invest time in training people to take over tasks. Jobs may take longer to achieve with delegation than they do for you to do by yourself, when coaching and checking are taken into account. In time, with the right people, you will find that the time taken up reduces significantly as your coaching investment pays back.

- *Perfectionism - fear of mistakes:*
  Just as you have to develop staff to do jobs quickly without your involvement, you will have to let people make mistakes, and help them to correct them. Most people will, with time, learn to do jobs properly.

- *Enjoying 'getting my hands dirty':*
  By doing jobs yourself you will probably get them done effectively. If, however, your assistants are standing idle while you do this, then your department will be seriously inefficient. Bear in mind the cost of your time and the cost of your department's time when you are tempted to do a job yourself.

- *Fear of surrendering authority:*
  Whenever you delegate, you surrender some element of authority (but not of responsibility!) This is inevitable. By effective delegation, however, you get the benefits of adequate time to do YOUR job really well.

- *Fear of becoming invisible:*
  Where your department is running smoothly with all routine work effectively delegated, it may appear that you have nothing to do. Now you have the time to think and plan and improve operations (and plan your next career step!)

- ***Belief that staff 'are not up to the job':***
  Good people will often under-perform if they are bored. Delegation will often bring the best out of them. People who are not so good will not be effective unless you invest time in them. Even incompetent people can be effective, providing they find their level. The only people who cannot be reliably delegated to are those whose opinions of their own abilities are so inflated that they will not co-operate.

It is common for people who are newly promoted to managerial positions to have difficulty delegating. Often they will have been promoted because they were good at what they were doing. This brings the temptation to continue trying to do their previous job, rather than developing their new subordinates to do the job well.

What should not be delegated?

While you should delegate as many tasks as possible that are not cost effective for you to carry out, ensure that you do not delegate the control of your team. Remember that you bear ultimate responsibility for the success or failure of what you are trying to achieve.
Effective delegation involves achieving the correct balance between effective control of work and letting people get on with jobs in their own way.

Employee Satisfaction:

How should you respond to the impending exodus of valuable workers?

First, it's important to understand why your employees might be dissatisfied. Over the past two years, as business budgets have tightened and remaining employees have been forced to take on larger workloads, employees have experienced significantly added stress without receiving compensatory rewards.

Could it be that the 163-hour rise in average annual work hours over the past two decades has

finally started to take its toll?

One solution is for you to implement what's typically called a "work/life balance program." Moreover, it doesn't have to be elaborate. Even simple changes will have your employees feeling a greater balance in their lives. Consider what happened recently at Hewlett-Packard's Customer Engineering division, which provides on-site hardware support for HP customers. To fulfill HP's promise of a rapid response, customer engineers were forced to wear pagers 24/7. No problem at first. But as customers' operating schedules increasingly broke the boundaries of the normal workday, HP's overtime costs soared and morale suffered, with employees typically losing sizable chunks of their evenings and weekends to service calls.

HP's response? Even without a formal policy, managers allowed employees to create their own work schedules. Some volunteered for three-day, 12-hour schedules, with four hours of work on Monday, enabling those employees to be involved in family and school activities during the week. This change allowed weekday customer engineers to make personal plans for the weekend, knowing that others were covering those shifts. The benefit to HP? Overtime costs fell by 36 percent, and the dozens of customer engineers who were thinking of leaving stayed on the job, holding recruitment and training costs down.

Flexible work hours aren't the only way to increase employee satisfaction. Here are some other steps you can take to boost your workers' loyalty and dedication while reducing turnover:

Provide workers with responsibility—and then let them use it. Most surveys show that the greatest source of employee pride and satisfaction is the feeling of accomplishment that comes from having—and exercising—responsibility. Yet, many business owners, consumed by fears of a shrinking bottom line, have turned micro-management into an art form. Unfortunately, few things employers do cause more employee dissatisfaction. Here's the real bottom line: If you can't trust your employees to be able to think and act on their own, you probably shouldn't have hired them in the first place.

Show respect. Frustrated by a faltering economy, diminishing markets and meddling investors,

many business owners look close to home for someone to blame—all too often, that's their own employees. The result? A growing number of employees feel like they're being viewed as the enemy, not as loyal partners. It's little wonder so many workers seem ready to jump ship at the first sign of opportunity. On the other hand, companies that truly value their employees earn more than gratitude—they win enhanced dedication and productivity as well. So be sure to show your employees how much you respect and value them—tell them how much you appreciate them, throw them a pizza party, recognize an employee of the month, do anything you can to show them how much you care.

Recognize the whole person. Employees are more than 9-to-5 robots who turn off at night and can't wait until the starting bell rings the next morning. All workers have lives, interests, and friends and family outside the office—and most are constantly struggling to balance increasingly hectic schedules. While companies can't sacrifice unduly to the whims of a single individual, making concessions where possible—allowing a long lunch break to attend a child's school event, for instance, or permitting a sales executive to fly out on Monday morning instead of Sunday night—can pay huge dividends in the long run.

Mark out a clear path to growth. Some employees are content to remain where they are in an organization, but most want to grow in their careers over time. While annual performance reviews were originally designed to promote this goal, too often they have become empty, "Dilbertized" rituals, more embarrassing than ennobling. By contrast, business owners who wish to increase worker satisfaction tend to look past formalities and establish genuine growth paths for all their employees, not just their senior executives.

When implemented throughout an organization, common sense practices like these can have profound effects. Ernst & Young, for example, realized savings of more than $40 million over several years from reduced turnover. First Tennessee Bank boosted profits by $106 million within just two years and, in one division, increased productivity by 50 percent. And a survey of technology companies by business consulting firm in Momentum found that more accommodating business cultures helped propel annual average sales growth of more than 140

percent, compared to 10 percent in less accommodating cultures.

The bottom line is this: Trends toward increasing job dissatisfaction can be reversed, and even employees with low morale can become motivated and enthusiastic again. But it takes work—and creativity—on the employer's part. According to Jill Casner-Lotto, vice president of the Work in America Institute, for work/life programs to succeed, there must be both bottom-up and top-down support. "[Support from the top] is critical—senior-level management sets the tone, creates the environment in which these initiatives can happen, and then provides the resources," says Casner-Lotto. "But this top-level commitment must be combined with mid-level and front-line managerial support and grassroots employee involvement if it is to be truly successful."

Managing Problem Employees:

How to handle employees who lie to you:

Employees tell lies. Let's get that straight right out the chute. And, oh yes, employers lie too. In a perfect world, everyone would be truthful all the time. Unfortunately, every employer will confront an employee who has lied; some will even have serial liars on staff. You had better have a plan to deal with it.

If an employer harshly punished every time a lie was told, he or she would have a small staff in no time at all. Therefore, first, we'd like to suggest that some lies aren't worth a second thought. Let's call them fibs. Who hasn't listened to an employee use the "I had a flat tire" excuse for being late for work. In a sense, some lies are a perverse form of flattery. An employee is late for work, but rather than throw it in your face by saying "Yeah, I'm late--it's no big deal," they take the burden of remedial punishment off the table. After all, if they did indeed have a flat tire, you'd understand and forget the incident.

Regrettably, not all lies are so harmless. There are two types of liars who have to be dealt with seriously: the employee who is indeed a serial liar (even though the lies taken alone may seem

inconsequential) and the employee who tells the big lie.

Have you ever noticed the employee who is constantly giving you problems yet always has an excuse? Yes, we're talking about the person with the routine flat tires or the alarm clock that seems to fail on a regular basis. If this person isn't taken to task, his or her lying may graduate to matters of importance. The work output that was ruined by carelessness will soon be blamed on faulty equipment or a faulty co-worker.

Employers have responsibilities that take courage. In my view, an employee who tells even one big lie should be severely reprimanded--suspended, demoted or even terminated. But, before taking such severe actions, you must be certain you were lied to. It may take time and it may take resources, but suspicion of a lie and all its consequences, demands that you find out the whole truth. When you suspect a lie of large magnitude, perform a complete investigation of the matter--before pointing fingers.

Then, once you know all the facts, you must confront the employee. The confrontation is going to result, as we said, in severe punishment, so you will want to persuade the employee to own up to it. Present the employee with the uncovered facts. When both parties, with a witness present, have finished the discussion, advise the employee of the punishment and don't look back. Be confident you made the right decision. Be sure to maintain complete documentation in the event of a lawsuit. Even consult your attorney beforehand so you have guidance from a legal perspective.

Lies are difficult to deal with. You can call someone a murderer or an adulterer, yet calling someone a liar seems to hit at the core of who they think they are. So, be careful, but have courage. In addition, if you want to minimize employees lying to you, follow two simple rules: Never lie to your employees, and deal with lies when they come your way.

Employee Theft:

Smart entrepreneurs focus their primary efforts on preventing internal crime, however you should also get a good small-business insurance policy covering outside crime, employee theft and/or computer fraud.

Create a culture of honesty by establishing a written code of ethics and conduct. Train your employees in how to spot a problem and what to do about it. If your corporate culture is one where people work hard and enjoy being a team, that's subtle social control, If someone is doing something wrong, others will exert pressure on him to stop or will tell someone in authority. If, on the other hand, your culture is one of 'Get what you can get while you can get it,' there are going to be problems. Make sure managers lead by example and maintain a high level of integrity.

Institute an excellent employee-screening program that will weed out potentially troublesome candidates.

Do criminal background checks and drug testing on potential hires.

Administer a standardized paper-and-pencil test (the kind available from career counseling centers) that will indicate the respondent's level of integrity.

Require keys and access cards to certain areas and limit the number of employees who have them.

Lock up laptops, cell phones and other valuables at the end of the day.

And what about outside theft?

Minimize the money in the cash registers, and put excess cash in a safe.

Vary the time you make bank deposits, and alternate your route to the bank.

Brighten up the place. Burglars like darkness; good interior and exterior lighting deters them. If

it's within your budget, install burglar alarms or a closed circuit TV.

Place electronic tags on merchandise.

Never schedule an employee to work alone.

Let the local police department know your business hours, and ask them to put your company on its beat.

If you don't have the money to hire a loss-prevention consultant, use this checklist to make your own assessment.

Demographics: Where is the business located? How close is the business to "hot spots" with a great deal of transient traffic, such as an interstate ramp, a bus stop or a bar?

Building size: How large is the building, and how many entrances are there to the street and to parking lots?

Employees: What is the average length of tenure? What are their overall attitudes toward work? How safe is their behavior?

Employee Procrastination:

What do you do when an employee always does tomorrow what could be done today?

One thing is for sure, nagging is not the answer. "Putting pressure on procrastinators only backfires," says Neil Fiore, president of Self-Leadership Seminars in Berkeley, California, and author of *The Now Habit: A Strategic Plan for Overcoming Procrastination While Enjoying Guilt-Free Play* (Putnam-Tarcher). "You need a strategic plan."

We all procrastinate sometimes, and for different reasons. That procrastinator in the corner cubicle may be a poor time manager. However, procrastination can also be a mind game some employees play to literally psych themselves out until an assignment looks too intimidating.

Then there are employees who feel burned out or frustrated and do busy work-cleaning their desks, surfing the Web and so on-for immediate gratification and a feeling of competency.

No matter the cause, procrastination is a big productivity drain that you have to deal with. Habitual procrastinators "have a planning disability," says Saul E. Rosenberg, a psychotherapist and executive coach in Corte Madera, California. "Entrepreneurs have to do a lot of organizing, structuring and planning for them, much more than they would do with an ordinary employee."

So how do you get a procrastinator moving? The first step is to focus on starting. After all, a procrastinator cannot finish what he or she has not started yet.

Finding a start time based on the employee's schedule that offers 30 uninterrupted minutes to build momentum. Ask the employee to send you an e-mail afterward, just to let you know he or she got the ball rolling.

Prodding procrastinators, however, does not stop with getting them started. Today, Synergy's employees meet with managers in weekly one-on-one sessions where they offer progress updates and list five things they want to achieve in the coming week. "You can coach at this point," he says. "Everyone can use a carrot or a stick, or just some advice." In fact, coaching is critical to getting the procrastinator to the finish line, because they desperately need a sense of direction, a series of short, easily attainable deadlines and lots of feedback.

Before you lower the hatchet, however, take a look at your own management style. What you see as an employee procrastination problem could be your own failure to set realistic goals and deadlines. Are you overburdening employees with too many "urgent priority" projects? Not giving them enough time to finish, given everything else they have to do? If so, cut some slack and figure out a new system for assigning work.

Finally, it never hurts to learn which task employees enjoy and which ones make them procrastinate. You will learn who your go-to people are for certain tasks, and this will help employees see assignments as a reward rather than a punishment. With some strategic thinking,

you will find that your employees will be doing today what could have been put off until tomorrow.

Surviving Hard Times

Even if you've stumbled onto hard times, the last thing you want to do is lay off your hardworking and dedicated employees. The good news in this not-so-good economy is that layoffs are no longer your only option. Here are a few increasingly popular alternatives employers are adopting to ease the payroll burden:

Cut salaries. This one's a gamble: While an across-the-board salary cut can hurt morale and may cause some employees to look for greener pastures, it can also keep your company afloat. Be sure to first check any bonus or compensation agreements you've entered into with employees.

Offer early retirement packages. You can give people a chance to voluntarily leave your ranks, but you can't slant your retirement roster along gender, age or department lines.

Connect performance with salary. If you structure employees' compensation to reflect their performance, you'll have a built-in adjustment when the business isn't doing so well. Employees automatically are paid less.

Shorten the workweek/offer unpaid days off. These strategies have been tried with limited success, in both France and the United States. If you have no contractual agreements with employees. Sending nonexempt or unionized employees home can be tricky, though—check with the specific laws of your state before proceeding.

Train a flexible staff. Running a versatile ship, where employees are cross-trained in various jobs, can help during tough times. Then you can reallocate resources when you need to.

Whatever option you choose, conserving cash and avoiding legal land mines are your primary goals. Consult a lawyer or HR expert before putting your plan in motion.

Can you handle criticism?

Criticism can tell you how to improve your performance, what your weaknesses are, how you are perceived by others, where you need to tighten up your standards. It can alert you to shortcomings you didn't dream you had. You have every reason to be grateful for the criticism you receive, whether it is intended to help you or put you down. Take what you can from it, and let the rest of it go.

Criticism can also be a direct path to praise--it's all in how you respond to it.

1. Consider criticism part of the process of doing your job.
2. Understand that it is very possible you have been misunderstood. That is not a tragedy.
3. Use your listening skills to fully understand the criticism.
4. Don't defend yourself.

Here are five more tips for responding to criticism:

1. Remember what it's like being on the other side of criticism. When you must step out on a limb and share a well-intended criticism with someone, how do you want that person to respond to your critique? What do you wish he or she would do or say? Picture the ideal response to a criticism you might offer, and make that your response the next time you are on the receiving end.

2. Ask questions to clarify your critic's position. Don't assume you know exactly what your critic means until you have asked questions. For example, if your boss complains that you didn't provide enough background on your recent project proposal, don't assume that you just need more details. Ask your boss what kind of additional background he or she needed. When you believe you have a complete picture of what your boss wanted that you failed to provide, say, "If I understand you correctly, you needed to know..." and see if your boss confirms your understanding. Asking questions not only helps you understand what the person is saying; it also indicates that you want to understand.

3. Acknowledge whatever truth there is in the criticism. There will almost always be some truth to what your critic is saying. Make sure you hear it and respond to it. For example, if someone has complained that you are rude and abrupt, and you've learned through questions that your one-word answers strike this critic as rude, you might say, "I can understand how one-word answers could be construed as rude."

4. Problem-solve with your critic. After listening fully to the complaint and clarifying precisely what it is about, explore solutions with your critic. With the person who thought you were rude, explore how you can turn your abrupt answers into kinder, gentler ones. For example, if she asks a question for which the complete answer is "No," and that's what you usually say and then walk off, you could ask her if adding "Is there anything else you want to talk about?" would make the transition more pleasant. Ask her for suggestions also. If she talks about "attitude," always ask for her suggestions for better "behavior," since that's what you can both see. Of course, all of this must be explored without sarcasm or condescension. Remember, you are solving a problem, not expressing what you ultimately think of this person.

5. Thank your critic for giving you the opportunity to correct or improve your behavior. This confirms your ability to be objective and professional. It also tells an honest critic that you are open to improving your performance and lets a manipulative critic know he can't get to you through criticism.

Dealing with employees who complain:

All of us in business have a pretty good feel for handling customer complaints--we tend to take most complaints serious, and we look for solutions. However, when an employee has a complaint, we freeze up. Some employers even develop negative thoughts about the complaining employee: How could he be so ungrateful? Doesn't she realize everything I try to do for her?

Well, it's time to step back and think of your employees as customers--because in a very real sense, they are. Just because they're employees is no reason to think any less of their complaints than you would a grievance from one of your best customers.

Most employee complaints fall into one of three categories: complaints about other employees, complaints about the quality of the product or service the company provides, or complaints about their own work situation--pay, hours and respect, to name a few.

Of course, the first one is the most difficult to deal with. Because someone other than the complaining employee is involved, you have to approach this situation in a serious and professional manner. You need to carefully listen so you can determine exactly what the grievance is. And you must be honest with the employee--say that you're very concerned about the issue he or she is bringing to your attention and that you're going to investigate it by talking with the other party and other employees who might have insight. It's critical that the employee knows you'll pursue the issue, but that you're going to get all sides of the story. Then, do just that. Your findings will determine the action you should take, if any, and you must inform the employee as to your decision and how it was reached. Make a final offer to listen to the complaint again. Do so and then implement your decision and move on. Don't allow the voiced complaint to fester.

Some business owners are fortunate to have employees who care enough about the quality of the company's products or services that they'll bring problems to the attention of supervisors and managers. Whether you have a suggestion box, an open door policy or some other method that encourages employees to bring quality issues to you, be certain that you or someone you trust explore each one. During the process, keep the employee informed at every step. In addition, whether you find the complaint to be valid or not, remind your employee how much you appreciate the effort that's been made. Should the complaint be confirmed, reward the employee in some way--it can be as simple as a heap of praise, tickets to a popular event or cash. However, most important, thank the employee in front of his or her co-workers and in the company newsletter or e-mail. Let him know how valuable the information was in fixing a problem, and use the occasion to remind all employees that quality comes ahead of all else and that you welcome input from each of them.

When the complaint involves an employee's work situation, it's usually quite easy to resolve--even if it involves salary. Let me rephrase that: especially if it involves salary. When it comes to employee pay rates, every company should have two things: a payroll grid that lists the various jobs and their pay ranges (with ranges based on such things as regular employee evaluations and tenure) and a way to deviate from the grid for truly outstanding performance. You need to keep from hiding behind an inflexible pay structure. Complaints that don't involve wages need to be handled similarly to the way you would handle an employee complaining about a co-worker--gather the facts, report your findings to the employee, implement your decision and move on.

In the end, when it comes to any employee complaint, don't leave the employee with the impression that you take it lightly. However, be sure to make a silent evaluation as to its importance and seriousness so you'll know how much time should be devoted to the complaint. And if you remember to treat employee complaints as you treat customer complaints, most of the time you'll make the right decision.

Employee Evaluations:

If you're like most managers, the words "evaluation time" strike a fear within you, equaled only by the sound of an alarm clock ringing at 5 AM on a Monday morning. Who can blame you? The task of summarizing an employee's performance over a period of a year is so disarming to some managers that many have done away with performance evaluations all together. However, performance evaluations need not be so harrowing.

What's the point?

The first step is to understand why we have performance evaluations. Knowing why they're necessary makes them a bit more tolerable. Evaluations contribute to an employee's morale, comfort-level, and sense of "being needed" or importance within a company. An evaluation helps them to pinpoint their areas of improvement and set attainable goals.

What's the harm if we don't do them?

Performance evaluations, or lack of, have a seamier side. They are not required by law, however, if you are ever involved in an employment related lawsuit, employee performance evaluations will likely be among the first items entered into evidence. The absence of performance evaluations may suggest that you made no effort to work with the employee and help him improve his performance. Even worse, the absence of performance evaluations may imply that you accepted the employee's poor performance and that the termination was actually motivated by something other than performance, perhaps discrimination or retaliation.

If it's worth doing, it's worth doing right.

If you are going to conduct employee performance evaluations, it is important that they are done correctly and thoroughly. In some cases, the absence of performance evaluations may be better than poorly prepared ones. Most performance evaluations that fail do so because of one or more of five major evaluator errors:

> **1. Overly positive evaluations.** This error occurs most frequently because some managers can't bear to give negative criticism. Still others hope that by giving a very positive performance evaluation they will motivate the employee to perform better. Not only is this ineffective, but it sends the wrong message to the employee and does nothing to help the employee meet the desired goal. Furthermore, if the employer decides to terminate the employee because of poor performance, there will not be adequate documentation to support the termination.

> **2. Overly critical evaluations.** While this error occurs less frequently, some managers use performance evaluations to "squeeze out" an employee. When this occurs, it is usually because performance is not the real reason for the termination. When a performance evaluation is used for this purpose, it may make the employee angry and

wondering if there is some hidden, illegal motivation for wanting the employee out.

3. Uniformly neutral evaluations. There is a tendency among managers to give everyone a neutral performance evaluation. This happens for several reasons: Laziness on the part of the evaluator, lack of documentation of the employee's performance and therefore lack of substantial information about the employee's performance or discomfort in delivering "bad news." Uniformly neutral evaluations provide no benefit to either the employee or the employer.

4. Single event evaluations. Some managers have a tendency to evaluate employees based on a single event that occurred sometime during the review period. This may result in an overly positive evaluation (for an employee who lands a big account but has generally poor conduct on the job), or an overly negative evaluation (for an employee who had a major error but normally performs very well during the year).

5. Most recent event evaluations. When employees anticipate the annual performance evaluation, performance tends to improve. Managers who do not recognize this and who do not keep good performance documentation throughout the year may be inclined to evaluate the employee's performance based on this "inflated" recent performance.

Managers should be aware of these common errors and try to avoid them. Anything less than a complete and accurate performance evaluation will not help to improve the employee's performance and may actually be damaging to the company in the event of an employment related law suit.

Where to begin...

Following are ten steps to effective performance evaluations.

1. Communicate the expectations. Keep the employee informed of their performance expectations from day one. Job descriptions, job training and general orientation all help to get the new employee off to a good start. As job responsibilities change and grow, this orientation step may need to be repeated from time to time to make sure the employee knows what is expected.

2. Observe and document performance all year. Managers must observe and document employee job performance and conduct on a regular and on-going basis. Even seemingly, minor offenses should be documented so that they may be referred to in the future if necessary. Because no one manager can remember all of the events that occur with each employee during an entire year, contemporaneous documentation is necessary. When a pattern develops in the documentation, problems may be identified and corrected before they become too big. Furthermore, complete documentation helps the evaluator to recall the events that occurred throughout the year so that the annual evaluation may be based on documented evidence of performance.

3. Give warnings and counseling when needed. Don't wait until the annual performance evaluation to tell an employee about a performance problem. That may be too late. When the employee's documentation shows a pattern of performance or conduct problems, the manager should counsel the employee and explain the need for improvement. Counseling should occur as soon as the problem surfaces. Verbal and written warnings should be used as often as needed to correct performance and should always be documented in the employee's personnel file.

4. Review all available documentation. Before the annual performance evaluation, the

manager must review all available performance documentation. The more complete the documentation, the more accurate and objective the performance evaluation will be.

5. Complete the performance evaluation form. The performance evaluation form should be completed about one week before the scheduled performance evaluation meeting. This gives the manager ample time to review all of the documentation and complete the evaluation form in a thoughtful manner. A performance evaluation form completed in haste is likely to be inaccurate or incomplete. The employee should also complete a self-evaluation before coming to the evaluation meeting.

6. Get a second opinion. After completing the performance evaluation form, discuss your evaluation with another manager. The purpose of this step is to reduce subjectivity in assessing performance and to check for evaluator error in the evaluation process. Where two or more managers supervise an employee, a consolidated performance evaluation may be beneficial.

7. Be specific. During the evaluation, discuss specific performance problems including dates, times, names and specific examples of performance and conduct. State specifically what the employee needs to do to improve and give the employee suggestions as to how he or she may go about improving. Set a period for achieving goals as well as follow up meeting dates if necessary.

8. Stress the need to improve. Areas for improvement generally fall into one of three categories: 1) a need for immediate improvement to salvage the job, 2) a need for improvement to help the employee perform at a better level, or 3) suggestions to help the

employee perform even better so that he or she may move upward and assume more responsibility. High priority items should be given a specific time frame for improvement with plans to review the performance at some time in the near future.

9. Give the employee his or her turn. During the evaluation, ask the employee to discuss his or her own self-evaluation and to respond to the manager's evaluation. Allow the employee to explain any discrepancies in the evaluation. Be sure to document all employee comments in the personnel file.

10. Summarize the evaluation. Make sure that the employee fully understands what was discussed in the evaluation, what is expected and consequences for not meeting the goals. An employee should never leave an evaluation with a feeling of uncertainty.

Employee Handbooks:

"Do we get Martin Luther King Day off?" "Does our insurance cover orthodontia?" "Do we have a pension plan?" "What is our sick leave policy?" "Are employees supposed to conform to a specific dress code?" If your employees ply you with questions like these, it may be a good idea to spell out the answers in an employee handbook. Along with saving you time, such manuals can improve employee morale, prevent disagreements and even keep the company out of court. In addition, with all the facts at hand, your employees can promote the business in the community, spreading the word that it is a good place to work. Chances are you will subsequently attract a higher caliber of applicants for job vacancies. Despite these pluses, not all firms need handbooks. In very small companies with a lot of face-to-face interaction, a handbook probably is not necessary, however, as companies grow to 20 or 30 employees, it is advisable to put policies in writing.

Reasons for Writing A Handbook

Perhaps the most important reason to create a handbook is to document the employer's expectations. Most employees want to be successful; they are eager to know what is expected of them and how they can improve. A good handbook will describe expected performance and how to get a promotion or raise, in addition to clarifying the employer's expectations regarding work hours, dress, and sick or vacation leaves. The process of creating a handbook also helps employers improve their leadership, first by thinking through which policies are useful and practical in their specific operation. Then after concrete policies are established, employers can better manage employees because objectives for each position have been examined, benefits have been considered and perhaps retooled, and personnel policies are in place before contentious issues arise. Avoid Legal Disputes Mike Young, president of Vibro/Dynamics Corporation in Broadview, Illinois, is committed to implementing fair, consistent policies. He has an employee handbook. However, no staff members, other than managers have seen it. Young doesn't give out the lengthy handbook because he is concerned it may be used as a weapon in a legal action. He recognizes that in many states, a handbook is regarded as an employment contract, and loose wording such as "we will be fair to our employees" can easily be used against the company. The reason? Because employers are responsible for preparing the handbook, courts usually interpret any vague provisions in favor of employees if they sue. In addition, listed disciplinary procedures, if not followed to the letter, can be used to contest a firing. However, loosely defined policies can also work against an employer. Courts generally view both written and verbal policies as a contract. Verbal policies can be implied or given by someone with no authority to make promises. A written document is the company's best chance of not having a court case become the owner's word against that of the employee. From the standpoint of the firm's bottom line, therefore, a compelling reason to have a good handbook is to prevent or settle disagreements and avoid legal disputes, particularly in the areas of firing and discipline. To avoid legal pitfalls in the wording of these sections, insert a disclaimer. Courts have repeatedly upheld the employment-at-will doctrine in which the company expressly states that employment can be terminated at any time, for any reason. Some recent court decisions have

limited this doctrine, particularly concerning firing because of disabilities or sexual orientation, but generally an employer is legally protected by including a statement such as the following: "We recognize the employee's right to resign at any time for any reason; similarly we may terminate any employee at any time, with or without cause." A disclaimer should also appear when there is any mention of firing and disciplinary procedures. Often, policy statements list specific courses of action to be taken before firing. However, sometimes the employee's behavior is so egregious that immediate firing is warranted. To protect against a lawsuit in such a case, a statement such as the following should appear with the list of unacceptable conduct: "This list is intended as an example only and is not intended to indicate all those acts that could lead to employee discipline." With this statement, you will not have an employee contest termination because "stealing" was not specifically listed in the handbook, to use a good example. In the handbook written by John Rush, president of Graphic Communications of San Diego, California, the federal or state regulation relating to each of his company's employment policies is clearly documented, often using the exact language of the statutes. For example, the handbook states: "California law provides that an employee may not be terminated because of involuntary jury service." It then provides the company policy: "An employee who is called to serve on a jury shall be given leave to perform such service." Another warning when writing a handbook is not to use restrictive language. Words such as "will," "must" or "in all cases" may bind employers to actions they did not want to take in a given case. Collective bargaining jargon like "terms and conditions of employment" or "seniority" also could be interpreted as creating an employment contract. Finally, avoid "probationary" periods of employment. Otherwise, the handbook may imply that employees are entitled to continue employment after the probation is over. Instead use terms such as "training," "orientation" or "trial" period. Given these sensitivities, it is wise to have an attorney review your handbook before it is distributed to employees. This will also ensure it complies with state law. Where to Get Help While there are obvious benefits to legally protecting yourself and your company by having an employee handbook, most small business owners view their staff not as adversaries, but rather as members of the same team, working toward shared goals. With this in mind, the employee handbook can -- and should -- be a positive

tool for encouraging growth, improving morale, and aligning employee behavior with company policies. The tone of the handbook should be positive throughout. The introduction can set this tone by using a friendly letter from the company president in which the general mission or long-term goals of the business are outlined. When practical, explain the reasoning behind specific policies, especially those that may be controversial. To write a good handbook, one option is to borrow those used by other companies. Ask your spouse, best friend, contractor or another small business owner for theirs, remembering that rather than simply adopting what works for another operation, you'll need to tailor the contents to reflect your own corporate culture, policies, procedures and type of business. A law firm may want to stress honesty and integrity, for example, while a construction company may emphasize workplace safety. The content and organization for your handbook can also be found in other personnel manuals, including proper legal wording and general policies on subjects ranging from alcohol and drug abuse to safety and security, absenteeism and vacation. The book "Developing a Personnel Manual," by Lin Grensing- Pophal (Self-Counsel Press, Canada, 1993) points out that much information for your employee handbook already exists in the form of policy-setting memos, literature provided by insurance carriers (including full descriptions of your policies) and standard, unwritten procedures. In addition, industry and regional employer associations sometimes offer free material on the subject, and may be able to provide legal advice at no charge as you construct your handbook. Another option to creating your handbook from scratch is taking advantage of software packages such as "Employee Manual Maker" (Jian Tools for Sales, Inc.) that outline the major items that should be included in a personnel policy handbook as well as do's and don'ts to be considered when drafting and revising the document. In addition, do not forget that employees may also be a gold mine of useful information. John Rush of Graphic Communications in San Diego, California developed his handbook with the help of an employee who had previously attended a seminar on how to write an employee handbook. In reviewing handouts from this seminar, Rush found helpful legal and organizational advice. In addition to leveraging employees who possess experience in writing handbooks, solicit input from all levels of personnel so your manual addresses a wide range of concerns.

Put It to Use

Once you have taken the time to write a handbook, do not let it sit on the shelf. Plan to update your handbook regularly, and change your written policies, if needed, to conform to actual practice or changes in the law. However, reserve the right to change, add or terminate policies at any time. Finally, state that all new policies override previous ones, both verbal and written.

Key Components of The Employee Handbook:

Keep in mind when developing your handbook not to include unnecessarily specific information; shorter is usually better. Experts consider the following subjects to be the most essential ones to cover:

Company overview. Introduce your company with a few paragraphs about its history, growth, goals, ethics and management philosophy.

Equal opportunity statement. State that an employee's religion, age, sex or race will have nothing to do with hiring, promotion, pay or benefits.

Work hours. Define the work week and time allotted for lunch and breaks.

Pay and performance issues. Because pay issues are sensitive, it is wise not to include specific numbers or targets. General statements about when paychecks will arrive, how promotions and wage increases are handled, classification of employees (part-time, full-time, on-call) and policies on pay advances, leaves without pay, overtime and other pay irregularities are sufficient. Also include the policy on performance review so employees will know in exactly what areas they will be evaluated and how often (i.e., on the anniversary of employment or during a set annual or semi-annual period). You may also want to state that written evaluations can be made

at any time to advise workers of unsatisfactory performance. Finally, a statement about in-house vs. external hiring policies may also be appropriate in this section.

Benefits. Ask your insurance company for copies of their own brochures that explain your insurance policies (such as health insurance, parental or maternity leave) in detail. In addition, your handbook need only define who is eligible for insurance, how long a new employee must wait for coverage, and what portion of premium costs is paid by the company. Also, list additional insurance such as dental or disability that employees can buy through the company. Explain policies on vacation and all types of leave, including sick, military, funeral, personal, family, medical and jury duty. List paid holidays. For ease of use, include"Information at a Glance" section outlining your benefits packages. Include important numbers (such as group insurance numbers or the company code) and phone numbers employees can use to speak directly with benefits representatives.

Pension or profit sharing plans. Discuss when and how employees become eligible, whether an employee contribution is permitted or required, and when employees become vested.

Standards of conduct. One of the most important reasons to have the employee handbook is to ensure that staff understands what you expect of them. Toward this end, detail desired behavior (such as dress and timeliness) as well as your policies on sexual harassment, racial and sexual discrimination, use of alcohol, drugs and tobacco in the workplace (including pre-employment screening and post- accident testing), and disciplinary procedures.

Termination. List the just causes for which you will fire an employee, including criminal activity, poor performance, dishonesty, security breaches, insubordination, absenteeism, company policy violations, health and safety threats and dress code infractions. Also, add the

disclaimer that the handbook is not a contract, policies can be changed at any time, and all employment is "at will." This means that the company's relationship with employees is not a guarantee of employment, and can be terminated at any time with or without cause or notice. Finally, outline your grievance procedure.

General information. This section should be geared toward new hires that may not know how to get around, at what time they will eat lunch, or where they should park. Consider including these items: area maps, a parking pass, an organizational chart, phone lists, a statement regarding the confidential nature of your business, and policies addressing gifts, use of company cars, traffic tickets and personal telephone calls.

Forms. It is logical to have blank forms attached to the policies to which they refer. While individual businesses will need different forms, consider including blank forms regarding: sick leaves, vacations, seminar attendance, sub- contractor contracts, requests for a quotation, grievance filing, travel reimbursement, performance reviews, pay advances and accident reports.

Reader acknowledgment. Protect your liability and encourage employees to read the handbook by having them sign a receipt. John Rush includes a signature card that employees sign and turn in. Another option is to include two copies of a receipt; one stays with the handbook after being signed while the other goes in the personnel file.