

SPECIAL REPORT

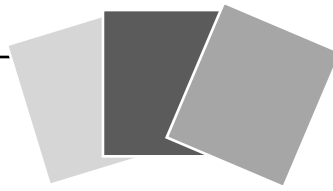
A supplement to BLR Publications

QUICK TIPS TO MAKE YOUR HR JOB EASIER

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SPECIAL REPORT

QUICK TIPS TO MAKE YOUR HR JOB EASIER

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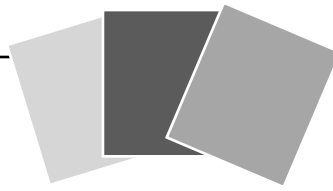



Table of Contents

Your Job—	7
Communicating Effectively With Employees.....	7
Ten Common Communication Pitfalls	8
What to Do When You Can't Say 'Yes'	9
Staff Development: Make Your Grass the Greenest	10
Marketing Techniques That Work for HR, Too.....	11
Outsourcing May Be the Cure For Those Benefits Headaches	13
One-Day Hiring Made Easy	15
Records Retention: What to Keep and How Long to Keep It	16
Great Ways to Get and Keep Great Employees	18
You—	19
Survivor—or HR Leader?.....	19
Managing Your Career ...Roadblocks and Opportunities	20
Shift Your Career into Overdrive.....	21
Self-Development—It's Time to Empower Yourself.....	22
Getting Everyone Empowered	24
Would You Like to Know More?	24



The challenge for companies in the new decade is to find ways to balance priorities—increasing productivity and maintaining the bottom line while creating a workplace culture that attracts, retains, and develops effective employees.

Today, human resources departments have extensive responsibilities, whether they are handled by one person who shares HR duties with other members of management or a full department dedicated to fulfilling different aspects of the HR function.

Human resources plays a pivotal role in all organizations. It is the first stop for a new employee—and the last stop for a veteran employee. It is where work rules and regulations are enforced, but it is also where employees go when they have problems.

You, as a human resources professional, have many responsibilities. In the section *Your Job*, BLR offers some tips on helping you fulfill these responsibilities in an easier and more productive manner. However, you also have responsibilities to your own career, so read the section on *You* for some tips on your own career development.

YOUR JOB—

Communicating Effectively With Employees

The human resources field attracts people who are skilled in interpersonal communications. This is crucial because you, as an HR professional, often deal with employees at a sensitive time—when they are having problems. You are also an important ambassador for your company, conveying the benefits of working for the company and addressing individuals' needs. Therefore, it is always a good idea to review the characteristics of good employee communications, such as these:

Recognize that HR Is a Partnership

Human resources is an interactive process dependent on the cooperation of the employee, the HR department, and company management.

Attitude Is Important

Often, being treated with respect and understanding is more important to employees than actually getting their problems solved. Employees may forget the solutions to their problems, but they will not forget how they were treated.

Learn to Listen

The process of problem solving in human resources involves asking the right questions and listening for clues to a solution in the answers. Giving the employee your complete attention is essential to resolving problems efficiently and generating employee satisfaction.

Be Clear Without Using Jargon

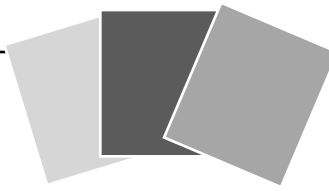
You may be proud of the knowledge you have gained in your area of expertise through experience and education. Unfortunately, this technical knowledge may lead you to speak in terms specific to the subject—what is called “jargon.” If employees don't understand the jargon, they may be too embarrassed to ask for clarification. They may also become resentful, feeling that you are “talking down” to them.

Try to explain situations to employees in the simplest, clearest language possible. Paraphrase what the employee says. It demonstrates understanding and concern. If needed, give the employee a photocopy from your employee handout or a prepared booklet (BLR publishes these) to help understand the issue at hand.

If employees have a problem with English, you may want to have someone who speaks their native language accompany them to any meetings.

Use Diplomacy

Employees who come into the human resources department are often frustrated or angry. They may not understand why a situation exists or what can be done to remedy it. They just want to know what the outcome will be as it relates to them personally.



This is when you must deal with the situation in the most diplomatic manner possible. Remain calm. A truly effective way to neutralize strong emotions is to acknowledge them. Make a statement such as, "I'm sorry that you are upset, Joe," as quickly and sincerely as possible. Then say, "Would you mind telling me exactly what happened," or "I'd appreciate it if you gave me more information about"

Use the employee's name often when you talk. Show empathy by acknowledging the employee's feelings, even if you do not agree with them. Reassure the employee. Say something like, "I'd like to help resolve this situation, and I'm going to"

Don't lecture. An employee may refuse to cooperate or may even get up and walk out.

Role-Playing Can Help

If you set up a "what-if" role-play about a situation, even reserved individuals are more likely to say something or react in a less-inhibited way. You may get the information you need without asking too many questions.

Employee Satisfaction

The effect of good human resources communications on the company's image with employees can be profound. Once employees believe that you (representing the company) do have their best interests in mind, they will feel more satisfied and less frustrated in their jobs.

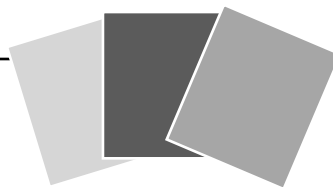
For the human resources professional, knowing how to deal with people effectively results in lower turnover, a more experienced pool of workers, and a greater sense of satisfaction with your job.

Ten Common Communication Pitfalls

There are ten mistakes companies make that compromise their ability to communicate effectively with employees. You can help to avoid these

mistakes and improve your communication efforts dramatically by keeping these suggestions in mind.

- 1. Creating poorly written documents.** Poor writing doesn't get read. Make sure all written material is crisp and to the point. Use action verbs. Write short sentences. Use more periods than other punctuation marks. Use bulleted lists. Eliminate prepositional phrases, long words, and acronyms. Aim for clarity.
- 2. Sending mixed messages.** Don't waffle. Be certain that your HR messages are consistent. The most classic example of sending mixed messages is to set down specific procedural rules or guidelines followed by vague exceptions. If the guidelines are specific, the exceptions should be equally specific. If neither is specific, you are not really communicating your point.
- 3. Including unrelated topics.** This mistake is most common in memos or letters addressed to "All Staff Members." Overpowering workloads or just plain laziness cause many writers to try to deal with several unrelated topics in one document. Frequently, the communication is disregarded altogether because readers can't figure out which of the many topics are significant to them.
- 4. Trying to cover up bad news.** No matter how skillfully you embellish bad news, it is still bad news, and your audience will know it instinctively. The more you try to cover it up, the more your credibility will suffer. Employees will accept bad news better if they perceive that you are being totally up-front with them.
- 5. Clouding the real message with a series of add-ons.** A variation on the theme of covering up bad news is clouding the issue. If the real issue is that 50 people will have to park a block away because the building management gave closer spaces to a larger tenant, don't cloud the issue with a promise to try to get the



building to add two more floors to the parking structure. Employees will know it's an unrealistic goal and resent your attempt to pacify them.

- 6. Thinking that employees don't care.** Employees do care. In this uncertain economy, they are more interested than ever about circumstances that can affect the company and, ultimately, themselves. The more they know about company goals and performance, the more prepared they are to make personal commitments (or even sacrifices) to benefit the organization.
- 7. Presuming that employees don't understand the issues.** Employees are not ignorant. They understand most of the issues confronting the company. Sometimes they understand issues better than management does because they're out on the front line. It never hurts to state an issue, but do it in a way that conveys your regard for employees' intelligence.
- 8. Assuming that employees have the same information you have.** When you work with a set of information for an extended time, it's easy to forget that others have not had the benefit of such concentrated exposure. Except for very confidential data, it's a good idea to make sure employees have the same information that you do. This helps to cut down on rumors. And you don't want your employees getting information, accurate or not, from the media, rather than from you.
- 9. Forgetting that honesty is therapeutic.** Bending the truth or trying to deceive employees is counterproductive. Employees may not be happy about what you have to tell them, but they'll give you a lot of credit for guts and honesty. Furthermore, they'll usually rally to your support, which is the best result you could hope for.
- 10. Assuming that more is better.** When organizations are insecure about a message they

have to communicate, they tend to succumb to all of these pitfalls and get carried away with verbosity. You don't need a five-page memo to explain why the organization must institute a hiring freeze. One-page or less will do. Finding the right balance between too little and too much information will be your most significant challenge.

(Excerpted with permission from Prentice Hall's Human Resources Corporate Communications Manual.)

What to Do When You Can't Say 'Yes'

One of the most negative situations you can encounter in human resources is having to say "no" to an employee. In general, people hate to be told "no," says Skip Hyken, an author and consultant specializing in human relations.

It starts when we are little kids, says Hyken, and our parents constantly scream "no!" at us. However, in business, sometimes saying "no" is unavoidable. Hyken offers some suggestions about situations where you might have to give a negative answer and what you can do to best handle them.

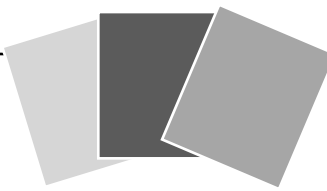
'It's the Law'

Sometimes in human resources, you are asked to do something and agreeing to it would break a law. This one is simple. Most employees should be comfortable if you give this as a reason for saying "no."

'It's Company Policy'

Hyken says most people hate being told something can't be done simply because of "company policy." Explain to employees exactly what the policy is, give them the policy in writing if possible, and then discuss exactly how the policy relates to the employees' specific situations. Then answer any questions.

This extra effort shows employees that you are interested in handling their problems and not just



rubber-stamping a paragraph on a page. In the long-term, it will help you gain employees' respect as well as their loyalty to the company.

'It Just Can't Be Done'

Sometimes an employee wants something that is impossible. It is that simple.

Employees expect solutions to their problems. They look to you as a source of knowledge, an expert in your field who is expected to have all the answers. But sometimes, the situation is out of your control.

Don't feel guilty or act defensive. Instead, your goal should be to educate employees about why you can't get them what they want. You should, however, offer them an alternate solution or help them find one. This effort will help to maintain the level of confidence in your relationship.

Saying 'No' Isn't So Bad

"No," might not always be a bad answer. Often what employees think they want or need isn't really what is best because their thinking is clouded by emotional involvement.

Your objectivity, common sense, flexibility, and creative approach to the situation may result in a better solution than the one proposed by the employee. "With the right attitude," says Hyken, "saying 'no' is an opportunity to show how good you are."

When 'Yes' Isn't Good Enough

Sometimes giving employees what they want doesn't ensure that they will be happy with you, human resources, or the company. And don't always expect a "thank you" in return. A refusal to see your side of the situation may reflect a general distrust of perceived authority by the employee. Give the employee the benefit of the doubt and try to react nonjudgmentally. So, as long as you gave the situation your best effort, don't take negative comments personally.

Staff Development: Make *Your* Grass the Greenest

Okay, you've heard it before, and even more than that, you've felt it: Unemployment is low, skilled people are in high demand, and you're in serious combat with other companies to hire the best and the brightest. What can give you the advantage?

According to Elizabeth Hawk, a principal at Sibson & Company in St. Louis, companies on the leading edge seek growth opportunities for their employees. "One of the things we've found," she says, referring to a recent study of about 1,200 U.S. workers, "is that about half of them are unhappy with growth opportunities at work." In other words, the grass really is greener at companies that provide these opportunities.

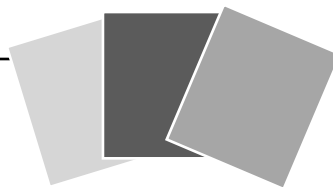
Alongside the stock options and benefit plans touted in *Fortune Magazine's* annual "100 Best Companies to Work for in America" issue, it was reported that these top companies provide an average of 43 hours of training, per employee, each year.

Sure, keeping employees happy is great, you say, but what about the cost? In Hawk's view, "It absolutely costs too much not to provide growth opportunities. In many organizations, the real competitive advantage is its people. The people who are 'belly-to-belly' with the customers really make the difference." The broader their perspective about the business, the more satisfied they'll be—and satisfied employees are less likely to have a roving eye toward the next pasture.

To make sure your grass is greener, Hawk recommends that you seek growth opportunities for staff at all levels of your organization because "everyone is a representative of the company."

Growth Concepts

Primarily, Hawk recommends these two growth concepts:



- ❑ Find nontraditional career growth opportunities for employees. Allow them to learn more about the business as a whole. Often they can offer ideas that have not been considered before, because they bring a different perspective to problems. Even if they end up doing the job they had before, their new, broader perspective of the totality of the business will help them make better decisions in their own roles.
- ❑ Help people develop their skills in working with others, including problem-solving, communication, and team work. In companies where there is this overriding perspective, employees are no longer considered just a pair of hands, but rather part of the team that makes the company successful. “Progressive companies,” says Hawk, “want employees to understand how the company makes money.” They help workers to understand how each employee or department relates to the others. This broad view, she says, is very satisfying to employees.
- ❑ Have experienced employees get in the habit of asking themselves, “How can a staff member learn from me?”
- ❑ Develop strong mentor relationships and hold senior staff accountable to contribute to the program.
- ❑ Include technically proficient, but less experienced, employees in business development meetings.

The benefits realized from this type of interaction will be worth the effort involved. Employees will be more satisfied with their careers and their company, and the company gains perspectives they might otherwise have overlooked—truly a win-win proposition!

Marketing Techniques That Work for HR, Too

Human resources professionals have been trying to apply the fundamental business concept of *customer service* to their functional area for some time. They have found that, just like buyers of their company’s products and services, HR’s customers (employees, supervisors, and management) respond favorably to good customer-service techniques. What human resources still has to learn is that marketing and sales principles can be equally useful.

Vince Panella, president of Panella Strategies, says power marketing and sales techniques work inside the organization as well as outside. For years, Panella has been counseling businesses about how to leverage his “Power Marketing Principles” to improve their marketing and sales success. An interesting twist is that you can apply many of those same marketing principles to improve HR effectiveness.

What ‘Power Marketing’ Can Do

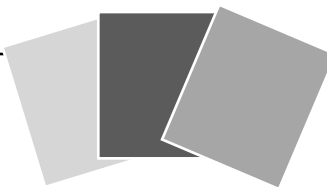
Many HR pros consider sales and marketing inconsistent with their customer-service responsibilities. But think about it; if your internal

The bottom line, says Hawk, is this: “When people get invested in an organization, they are more likely to stay. You want them to feel great in three ways. You want them to say, ‘I work for a great company; I have a great job; and I get great rewards.’ If your people can make those statements, that’s as close to bullet-proof as you can get.”

Adding Depth to Development

When you have identified an area in which to expand growth opportunities, you’ll want to find ways to include junior staffers. You can help less-experienced employees make a good impression, as well as learn more about the business, by using experienced staff to help bring them along. Accordingly, a recent Sibson & Company article appearing in *The CPA Journal* recommends the following:

- ❑ Train your experienced staff on how to delegate, then make sure they do.



customers don't understand and enthusiastically buy into the services you're providing, you're wasting a lot of valuable time and resources, and your credibility is compromised.

The fundamental tools HR uses to "market" its services are memos, meetings, newsletters, and brochures. Since there's a captive audience, so to speak, it's easy to think these tools are satisfactory. Yet one of the most common complaints HR hears year in and year out is that communication is poor. The reason is that HR simply doesn't leverage the power of proven marketing techniques in day-to-day communication and business practices.

Marketing Tips

Here are just a few examples Panella gives to show how human resources can apply power marketing principles to realize amazing results.

Tip #1—Referrals

Employees aren't your only customers. Supervisors and managers are your customers. Executives are your customers. It's not unusual to find that some of these customers view HR as an adversary. Using the power of referrals and expectation agreements can change that.

The only difference between your external and internal business challenges is that HR is typically not required to generate profits. As Panella points out, a fundamental marketing principle is that your company gets a reasonable portion of its existing business and new customers from referrals.

"Referrals represent the most inexpensive, predictable, perpetual, and profitable single source of growing and expanding your business." Translated to the HR arena, an obvious way to get reluctant managers on your team is to leverage your base of satisfied supervisor/manager customers by developing a referral strategy. Next, establish an expectation agreement to be sure you and your "new customers" are on the same page. Then, deliver ... what you promised ... on time ... on budget.

Tip #2—Unique Selling Propositions

Believe it or not, you have competitors. Identifying your company's unique selling propositions can give you a distinct advantage in recruitment over your competitors. "Learning to identify and communicate your most powerful advantages over competitors is key," Panella maintains.

Tip #3—Education and Follow-Up

Your external customers want to know only three things:


- What is it?
- What will it do for me?
- How much does it cost (in time, effort, and money)?

HR professionals often overlook this fundamental marketing principle. The typical HR approach is to develop and distribute an information tool and conclude that the job is done until it has to be revised on account of business strategy and/or federal, state, or local law changes.

If your employees aren't satisfied, they won't be cooperative. HR needs satisfied internal customers to successfully introduce and implement new initiatives. Providing employees with consistent, frequent, and useful information is essential to lower attrition and increase retention. In other words, you can increase your chances for staffing success by improving your marketing knowledge and skills.

Tip #4—Strategic Alliances

You undoubtedly are aware that your company has probably established strategic alliances with other organizations to maximize competitive advantages in the marketplace. You can use the same marketing principles internally to expand and enhance your own visibility, credibility, and career opportunities. The technique is simple, yet often overlooked: Develop a personal strategy to host or promote others' agendas and get others to host or



promote yours. This approach is particularly effective in organizations with multiple business operating units. HR can help facilitate strategic alliances that cut across the organization, offer win-win solutions for everyone, and make all your HR customers happy.

The Bottom Line

Clearly, introducing a marketing approach could be a very valuable way to enhance your human resources and staff development programs. The potential bonus is that it could also be customized to increase the effectiveness of your HR business practices.

Contact: Vince Panella, Panella@timecontrol.cc

Outsourcing May Be the Cure For Those Benefits Headaches

Wouldn't it be nice to have someone in HR who was able to keep up with all the latest news about benefits and compensation, as well as all the legal issues involved with those topics? With just one phone call to that special HR professional, employees could have their every question answered, your company wouldn't have to worry about legal problems arising, and you could go home without having that nasty headache that seems continually to plague you.

Well, it's not feasible to expect one person in your firm to be an expert on all the issues. There aren't even two people who could carry that load. Face it, you would need a whole team of experts to keep you well versed on all those topics. Perhaps your organization is large enough to support such a team, but even then, you would still have to find people who have the time to research where to find the best companies to use and the most economical, but comprehensive, plans to consider.

There is an alternative, says Harriet Hankin, president of CGI Consulting Group, Inc., a benefits outsourcing company in Malvern, Pennsylvania. "You can actually outsource your entire benefits department without spending more or without

upsetting your employees," she asserts. "And in today's market, that really makes sense."

A full-service outsourcing company can provide your company with all the convenience of an expert benefits department:

- Designing the benefits.
- Finding the appropriate carrier.
- Deciding where your 401(k) investments should be.
- Communicating and marketing the benefits to your employees.
- Being available to answer employees' questions as well as helping them enroll in the benefits plan.

It can also check on problems that your employees may be having and keep them up-to-date on new coverage that might be beneficial to them during different stages of their lives.

"Outsourcing allows a company to focus on its core competencies, instead of having so many of its employees having to deal with items that have nothing to do with that core competency," says Hankin. "You can have an expert in each field: someone who is just fabulous at on-site presentation, someone who excels at writing communications, someone who knows ERISA top to bottom, or someone who can find just the right company to handle your long-term disability needs.

"In addition, benefits is a very legal field, and the laws change constantly. If you have a good outsourcing company, it will absolutely keep you on top of what's new. The liability is also shifted to the outsourcing house. You are hiring experts who know how to file the 5,555 forms and take care of all your benefit needs. That's what they are doing for a living. If they make a mistake, it's on them, so you don't have to worry about someone coming in saying, 'I want \$30,000 of life insurance,' and you haven't gotten waiver of premium or all the details of benefits."



It's for Almost Everyone

Outsourcing can be valuable for companies of any size, from 10 employees all the way up to thousands. Not all companies may be ready or willing to explore this resource, however. "Companies that are based in one location may be content to have their benefits program on-site, because everyone has always felt comfortable going down the hall to see Mary about any of their questions, and it's okay if Mary doesn't know everything. These companies can contact specialists when they have extraordinary needs that come up only occasionally.

"Then there are those companies who have spent years building a fabulous staff, and they are unwilling to even look at any changes. Also, for some companies, though not for most, outsourcing can, at times, cost more than what they are currently spending. We try to show them that this additional expense may, in the long run, save them money, but companies like this are usually content with what they have."

Don't Micromanage

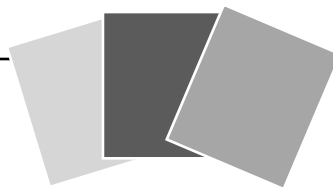
Once you find an outsourcing company, it is important to let it do its job. Often, companies find it hard to change their ways. They keep a number of people on staff in the benefits department at the company, and they also try to micromanage the entire process. "When you hire a competent outsourcing company, you should be able to cut your staff down to one or one-and-a-half people," says Hankin, "and you should be able to trust the company to do the work.

Micromanaging is not good for anyone. Instead, just bask in the glory, because nowadays every department is having to justify that it is saving the company dollars and time, and if you have a good outsourcing company, that is exactly what you will be doing for your company."

Finding Good Help

So how do you find the right outsourcing experts for your company? Hankin suggests the following:

- Check any references very carefully. You want to know what their reputations are. It's easy to call yourself an expert, so ask them for references. If possible, look for someone who has been in the business for a long time and not someone who is relatively new.
- Take a tour of the facilities. Make sure that you see real live people doing the work and ask them how they do it. This is especially true of the customer service representatives.
- The company should have a toll-free number for your employees to call if they have any questions or concerns. At CGI, employees can call in to find out what benefits their employers offer, which ones are appropriate for them to use, and how they can make changes to their policies. The service representatives will talk the employee through any changes, enroll them in any policies they need, and also mail the employee a confirmation statement showing what has been changed or updated.
- Check the hours of the customer service line. Is it open in the evenings so that your employees can call it when it is convenient? Is it available at all during weekends?
- Ask if the company offers a service that checks on benefits when employees are having difficulties receiving payment or filling out forms.
- Make sure the people at the outsourcing company are people you get along with. Remember, they are your benefits department, and you want to make sure that you feel you are comfortable working with them.
- Ask them exactly what services they will provide for your company and how much it



will cost. Outsourcing, in general, should cost an amount comparable to what you are currently spending. What they should be offering is more “bang for the buck.”

- ❑ Find out what it will take to get out of the contract with them if you are unhappy with their services or decide to insource again. See if there are any hidden costs involved.

One-Day Hiring Made Easy

You're probably laughing. One-day hiring? Get serious! Well, this may be a way to differentiate yourself from your competitors.

What Is One-Day Hiring?

The idea behind one-day hiring is simple. “One-day hiring is a deliberate strategy for improving both the quality and the number of hires by making hiring decisions on top candidates in one day!” says Dr. John Sullivan. Dr. Sullivan is a well-known international speaker, author, advisor to Fortune 100 and Silicon Valley companies, and head of the human resources management program at San Francisco State University.

He emphasizes that this strategy isn't designed for all jobs or all candidates. It's a concept that may help you get the top talent you want and need—now. Other experts and companies that have tried the approach agree.

Here are some points to consider regarding one-day hiring:

Advantages

Making an offer on the same day as the interview has several benefits such as:

- ❑ Exciting candidates and making them feel important
- ❑ Sending a clear message that the candidate is “special” and highly regarded

- ❑ Reinforcing a company's image as a fast decisionmaker
- ❑ Generating higher acceptance rates and better quality hires

Disadvantages

Some of the potential disadvantages include:

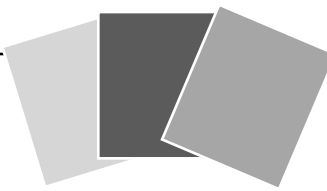
- ❑ Possibility of making a bad hire
- ❑ Potential legal issues or missing reference checks
- ❑ Need for a consensus decision from multiple interviewers
- ❑ Pressure for decision causes the candidate to reconsider and turn you down

Tips for Success

Dr. Sullivan says, “One-day hiring means making a one-day decision, but not a quick and uninformed decision.” Here are some tips to help you make great—and fast—hiring decisions.

1. Decide which jobs qualify as one-day hire jobs.
2. Qualify managers.
3. Preidentify potential candidates.
4. Prequalify potential candidates.
5. Conduct preinterview assessments of final candidates.
6. Use a preinterview questionnaire.
7. Provide candidates with realistic preinterview job previews.
8. Ensure all interviewers are available on interview day.
9. Plan and get consensus about interview day processes and activities.
10. Plan and agree on tools and strategies to get candidates to say yes.

It's important to remember that not all hiring decisions (fast or slow) work out. So in addition



to hiring fast, you should be prepared to fire fast. Hiring “warm bodies” is not a good business decision for any company.

Preinterview Assessment Tips

Here are just a few ideas you can use to speed up your hiring process:

- Conduct a telephone or on-line interview.
- Give candidates a simulated or actual company problem to solve before the interview.
- Offer on-line skill assessment tests.
- Formally hire candidates for a “weekend” or as a consultant to determine how they actually work with your team.
- Ask candidates to fill out a “dream job” sheet or write their own “offer letter.”

You might also consider using a preinterview questionnaire that asks candidates to prioritize their job acceptance criteria, such as:

- What they see as a great work environment, and what tasks or projects they would like to work on.
- What frustrates them or what they don't like.
- What motivates them.
- What management style works best for them.

Requiring candidates to prioritize these factors can help you and the candidates get a better idea of their interests and goals.

Other Considerations

Following up and evaluating the strengths and weaknesses of an organization's hiring process is a fundamental often overlooked. Dr. Sullivan recommends some techniques that will help you get a clearer picture of how to improve your hiring quality and results.

- Track your acceptance rates and see whether delays result in lower acceptances.

- Conduct satisfaction surveys of candidates and managers to determine which process results in the highest satisfaction rate.
- Track new hire performance to see if one-day hires perform at a level better than normal, slow hires.

Try It ... You Might Like It

Dr. Sullivan's closing reminder: “In a war for talent, it is essential that you differentiate yourself from your competitors. If you want to wow top candidates (who have the potential to get multiple offers), you must act differently. Making same-day offers will certainly get the candidates' attention.”

Records Retention: What to Keep and How Long to Keep It


If you've been around the benefits world for a while, you probably remember the Paperwork Reduction Act. And if you take a good look around your office, you might get a chuckle out of that memory, considering the reams and reams of records stored all around you.

Do you really need to keep all those records? Amy Cavanaugh, an employee benefits consultant at the Albany, New York, office of Milliman & Robertson (M&R), says yes—but not forever. Her 20 years in benefits, specifically in the area of regulatory compliance, has given her a firm grasp on what to keep, and how long to keep it.

Why Hold on to Records?

“It's critical that plan sponsors keep complete and accurate records,” says Cavanaugh. The Internal Revenue Service and the Department of Labor both maintain active field audit staff. Either of these agencies may audit your plan at any time to ensure that deductions are proper and that participants are treated fairly.

Because many plan sponsors hire outside administrators to handle the plan's day-to-day functions,



Cavanaugh offers this cautionary advice: keep records yourself. “Oftentimes, the plan sponsor just assumes that (the paid administrator is) keeping records, but it’s really the plan sponsor’s obligation to have those records available.”

Which Records to Keep?

Specifically, Cavanaugh recommends plan sponsors keep records that provide accurate details about the plan’s activities, including:

- The plan document, properly dated and signed, along with any corporate action taken to adopt the plan, and all dated and signed plan amendments. Make sure the dates and signatures are easily visible.
- Copies of all corporate actions and administrative committee actions relating to the plan.
- Copies of all communications to employees. These include Summary Plan Descriptions, Summaries of Material Modifications, and anything else describing the plan that is provided to participants or beneficiaries. Remember to include copies of videos, slides, and e-mails.
- A copy of the most recent determination letter from the IRS or the form to request that determination letter if one is pending.
- All financial reports, including trustees’ reports, journals, ledgers, certified audits, investment analyses, balance sheets, and income and expense statements.
- Copies of Form 5500.
- Payroll records used to determine eligibility and contributions. These must include details supporting any exclusions from participation, so it is critical that sponsors keep complete census data, not just data on those who are eligible.
- Hours of service and vesting determinations.
- Plan distribution records, including Forms 1099.

- Corporate income tax returns (in order to reconcile deductions).
- Evidence of the plan’s fidelity bond.
- Documentation supporting the trust’s ownership of the plan’s assets.
- Copies of all documents relating to plan loans, withdrawals, and distributions. Include copies of spousal consents.
- Copies of nondiscrimination and coverage test results.
- Any other plan-related materials, like claims against the plan.

So How Long ... Really?

Actually, just how long should you keep your plan’s records? According to Amy Cavanaugh, the answer is six years. “The records in support of a plan’s annual reporting and disclosure generally must be retained for six years after the documents to which they relate are filed with the applicable governmental agency,” she wrote in an issue of M&R’s *Perspectives*. If, in that time, records are lost, stolen, or somehow destroyed, the sponsor is obligated to reconstruct the records. If that can’t be done, or can be done only at an unreasonable cost, sponsors are required to keep whatever documents could be used to reconstruct the records until the six-year period has expired.

The six-year time frame also applies to plans covered by the Pension Benefit Guaranty Corporation (PBGC). PBGC requires sponsors to keep records supporting premium payments for six years after the premium due date. Required records include census data proving participation (and nonparticipation) and any information about the underfunding of the plan.



Great Ways to Get and Keep Great Employees

Attracting and retaining employees is a never-ending challenge that gets more complex every day. Here are some refresher checklists highlighting old and new methods that experts say can make your job easier.

Aligning Business and Employment Issues

In addition to finding and keeping qualified employees, it's imperative to determine whether employee priorities are in sync with your company culture and current business strategy and whether you will get an appropriate return on your investment.

Before you make serious recruiting or retention decisions, analyze the business strategy implications (including your size), expected growth rate, industry, competitive advantages or disadvantages, turnover rate, location(s), and the skills, experience, and competencies you'll need in the future.

Recruiting Tips

Finding the right candidates is a tough job. You must figure out the things that will trigger their interest in your company. Depending on the results of your business strategy and employment analysis, these tips may work for you.

- Hire carefully. A "warm body" is not a good solution.
- Be sure you know what skills and experience you want and need for each position.
- Think in terms of marketing your jobs and your company, rather than just listing the facts.
- Use every available medium (classifieds, job fairs, trade publications, schools, radio, television, cable, outdoor advertising, the Internet, etc.) you can to reach potential candidates.
- Be prepared to manage applicant responses in a considerate, professional way. You may not

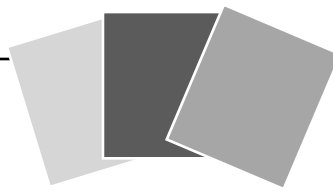
need them today, but they may be critical contacts in the future.

- Develop and promote an employee-referral bonus program.
- Consider temporary employment arrangements as a low-cost source to help screen for permanent hires.
- Include your Web address in all company advertisements.
- Provide local community service organizations with flyers and brochures promoting your company and its employment opportunities.
- Keep vendors (e.g., bankers, insurance agents, accountants, consultants, realty and relocation agents, recruiting and outplacement firms, etc.) aware of your recruiting needs.
- Use local, state, federal, and private job banks.
- Consider offering signing bonuses or other perks valued by your target candidates.
- Dedicate knowledgeable resources to a 24/7 job hot line and/or e-mail candidate response system.
- Sponsor a "family and friends" facilities tour event.

Retention Tips

Once you've found and hired the right people, you have an even bigger challenge. How do you keep them? Here are just a few suggestions:

- Examine your work/life programs to see if the needs and desires of your employee population(s) are recognized.
- Make sure you have performance planning and evaluation systems that are consistent with your business goals and will also work for employees.
- Provide appropriate space, equipment, and resources to help ensure employees can perform at maximum efficiency with minimum hassles.



- Involve new hires and current employees in challenging projects quickly and frequently.
- Offer flextime and telecommuting options.
- Encourage participation in relevant internal and external training programs.
- Consider paying premiums and/or bonuses for learning and using new skills.
- Establish a coaching and mentoring program.
- Measure managers on their ability to develop “superstar” employees.
- Incorporate individual and family-focused noncash perks, rewards, and recognition events into your total compensation system.
- Avoid micromanaging. Showing respect for talent and effort reaps extraordinary rewards.
- Facilitate coordination and partnership across the organization.
- Communicate, communicate, communicate!

YOU—

Survivor—or HR Leader?

Are you a survivor or a leader? The most successful human resources professionals are learning to be both.

It’s natural to resist change, but change is inevitable and happening at a faster pace than almost anyone can remember. John F. Kennedy said, “The one unchangeable certainty in life is that nothing is unchangeable or certain.”

This is not news to HR professionals, who are increasingly challenged to find ways to lead change, rather than just try to survive it. One of the most important and elusive factors connected with change is organizational culture.

Alexander Graham Bell said, “When one door closes, another opens. But we often look so long

and so regretfully upon the closed door that we fail to see the one that has opened for us.”

Today, and in the foreseeable future, HR professionals will be called upon to help facilitate change quickly and effectively. When change is in the air, you need an arsenal of survival and leadership techniques at your fingertips.

Survival ... Five Things That Can Sabotage Change

In order to survive change, you need to prepare yourself and others for the inevitable. To be a survivor, experts point out that it’s important to avoid falling into these traps:

1. Lack of clear and explicit process for translating a change vision into action at all levels.
2. Failure to clarify ambiguous goals or clearly define priorities during the transition.
3. Inaccurate assessment of the degree of fit between critical organizational competencies and individual and teams skills.
4. Inattention to enabling people to succeed in the transformed organization.
5. Lack of integration of change expectations into human resources management systems.

If you want to be a leader, you need to help management and employees adapt to change and facilitate alignment between the organization’s culture and ever-changing strategic goals.

Tips You Can Use

Key techniques you can use to help *adapt the culture to change* include:

- Challenge assumptions.
- Challenge beliefs.
- Look for two or three things that will have the biggest impact on the organization in the future.

- ❑ Evaluate the implications of the trends on the organization.
- ❑ Confirm the mission is still valid.
- ❑ Get rid of the old hierarchy in favor of a fresh approach.
- ❑ Question the usefulness of past policies, practices, procedures, and attitudes.
- ❑ Use three or four compelling messages (rather than 50) to communicate mission statements, goals, and values.
- ❑ Expand leadership responsibilities to include more individuals.

Ways to *align culture with changing strategic goals* include:

- ❑ Identifying the business realities and trends that will affect the organization's future success.
- ❑ Analyzing the strengths and weaknesses of the existing culture opposite future goals.
- ❑ Exploring the opportunities to facilitate change.

Managing Your Career ... Roadblocks and Opportunities

Change is inevitable. One of your job responsibilities is ... or should be ... to help your company manage change with the least amount of disruption and the maximum return on investment. The same criteria apply to your personal career management responsibilities. The challenge is to turn roadblocks into opportunities.

Your job ... if you choose to accept it ... is to make sure you don't fall into the trap of waiting for change to happen. You are the agent for change for yourself and your company.

Ron Rosenberg, president of QualityTalk, has an important reminder for HR professionals. "One widely held belief is that to achieve tangible change, the support of senior management is needed. This belief makes sense for a variety of reasons and is frequently used as a lever to get

senior managers on board. Just as frequently, however, it is used as justification by middle managers to abdicate responsibility for ownership of their functions or as an excuse for a well-intentioned—but unsuccessful—change initiative.

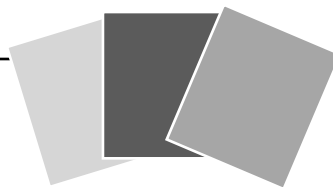
"The important thing to keep in perspective is that while it is important to have senior leadership support, how you define senior leadership makes the difference between success and failure. Leadership occurs at many levels, and, similarly, change can occur at many levels."

The roadblocks and opportunities that apply to your professional responsibilities also apply to your personal career management.

Roadblocks on Your Way

Remember the words of the old song, "Accentuate the positive ... eliminate the negative ... latch on to the affirmative"? Well, you can use this advice to turn roadblocks into opportunities. In his book, *Breaking Out of the Change Trap*, Ron Rosenberg gives these examples of turning roadblocks into opportunities:

- ❑ **I don't have control.** You may not have direct or absolute control of a workgroup or operating unit, but you can influence other managers to look to you for solutions to complex HR problems and for improvement ideas that will help them, you, and the organization.
- ❑ **I don't have senior management approval.** Senior management most often looks at the big picture and depends on you to do the things that support those goals. If you understand the company goals, you can frequently initiate and implement programs that support those goals without specific approval.
- ❑ **I'm too busy.** HR people are always "too busy." Frequently, the reason they're too busy is they're focusing on a thousand-and-one little things that are not really important. If you focus on the strategic issues that can affect your



company and your career, the small stuff tends to work itself out.

- ❑ **There's not enough money in the budget.** It's not unusual to see money thrown at issues that aren't consistent with the real strategic needs of the organization. You can gain immense credibility with management, and often get the budget you need, if you prepare and manage a business plan that demonstrates your ability to distinguish between tactical and strategic goals.
- ❑ **Flavor of the month.** Many times, if a previous attempt to implement change or improvements didn't work, the knee-jerk reaction is to roll out a different model disguised as the latest and greatest HR practice. Over time, this approach discourages future change attempts. Take time to evaluate thoroughly the practical, rather than emotional, aspects of any program you want to sponsor before you launch it.
- ❑ **Fear of working oneself out of a job.** Individuals who can affect change in an organization are in high demand these days—both inside and outside their own organizations.

You Can Make Something Happen

Rosenberg emphasizes that organizations at all levels of readiness can successfully initiate change. It is simply a matter of doing the following:

- ❑ Identify the level of readiness and select an appropriate approach to implementing change.
- ❑ Recognize that, in the real world, change usually happens from the inside out, not from the top down.
- ❑ Remember, your organization is very different from any other organization, and because of that, your strategy for initiating change will be unique to your organization. That is why it is important to select a program that meets the specific needs

of the particular group, not because another company had great success with it.

For a free subscription to Ron Rosenberg's on-line newsletter, as well as other tips you can use, check out the QualityTalk Web site at <http://www.qualitytalk.com>.

Shift Your Career into Overdrive

Bored with your job? Stuck in neutral? Frustrated with answering the same question a million times? Wonder why you are never consulted about strategic issues until they become *your* crisis? Do consultants give administrators the same advice you gave them six months ago?

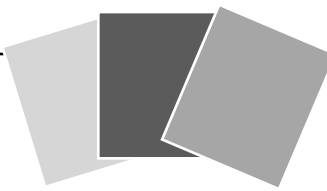
The myriad challenges you face every day in human resources provide opportunities for you to enhance your career. Think of it as your personal on-the-job training program. Here are just a few attitude adjustment ideas gleaned from HR professionals and other experts that you can use.

Overcoming Boredom

There are certain tasks and activities connected with any job that are routine and quickly lead to boredom. They also take up valuable time that could probably be used elsewhere. The trick is to look for opportunities to delegate so that you have more time to innovate. Look beyond your own staff for candidates.

Changing the Question

One reason you get asked the same question repeatedly is that no one was listening when you answered it the first time. Sometimes it sounds like the same question, but the person asking it is coming from an entirely different perspective, so in actuality it is a new question. A handy trick is to listen carefully to questions and find ways to rephrase them. Frequently, you'll find more effective ways to answer them.



Also, many people will ask a question just because it's easier to ask you than look up the answer that might be found in a handbook, policy guide, or other readily available resource. Make it a practice to "just say no" by referring the individuals to the appropriate source. If they have to look it up themselves, the answer will stay with them, and they may pass the information along to co-workers.

Avoiding the 'Nobody Asked Me' Crisis

Almost everyone has a lot of stories about how senior management or an operations manager made a decision that resulted in a crisis because the HR professionals weren't consulted. However, these decisions rarely happen in a vacuum. When you hear about a plan or program under consideration, find out more about it while it's still in the embryonic stage. Don't be shy about offering ideas or management solutions before you're asked. Just be sure they serve the purpose of helping achieve the goal rather than listing reasons why a particular plan or program might not work.

Using Consultants to Your Advantage

The use of consultants within organizations is cyclical. Sometimes they're "in," and you get the impression you have more consultants than employees. Sometimes they're "out," and you'd better not hire one if you want to keep your job.

The key to gaining acceptance for an idea or program is timing. Your initiative may have been premature or simply needs time to percolate before it can be accepted. A good consultant can be a value-added resource during these times and will take every opportunity to make you look good. Learn to use consultants to your advantage; just don't abuse them.

Taking Risks

Taking reasonable risks is good for your career. After dealing with the anxiety and trauma

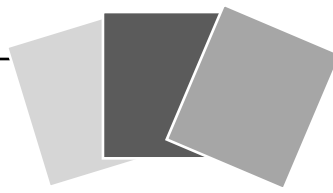
connected with losing their jobs, many HR professionals say it's the best thing that could have happened to their careers. The most common reason is that "getting the ax" forced them out of their safety zone. Some reasonable risk-taking opportunities include:

- Taking on high-visibility assignments.
- Making a lateral move.
- Moving to a different function.
- Enlisting mentors from all areas of the company (e.g., finance, sales and marketing, R&D, manufacturing, investor relations, or operating units).
- Taking courses and attending seminars focused on strategic issues, such as "HR and the Bottom Line," rather than the latest compensation or benefit courses.

Self-Development— It's Time to Empower Yourself

Think it's time for a little self-development? Feel you need to empower yourself on the job? There is no better time to start than now, so grab that legal pad and head over to your company's university! Nope, strike that. This is *self*-development! And you don't need to run out and find a class, book, guru, or meeting to help you in this endeavor—at least not yet!

"Too many people think self-development is easy, and too many people think it is hard," says David B. Peterson, senior vice president of Personnel Decisions International (PDI), a Minneapolis-based global consulting firm specializing in assessment-based selection and development of managers and organization. "The real truth, however, is somewhere in the middle—development takes some time and attention, but when you do it right, it is not that hard."



Peterson, co-author of *Development FIRST, Strategies for Self*, suggests that self-development techniques are easy to apply if you just take the time to think about it. “What you need to do is to literally ask yourself what is one thing you can do today to stretch your comfort zone in the place where you want to get better,” he says. “And that can be anything from listening skills to being strategic, from conflict management to political savvy.”

‘GAPS’

Even deciding what area needs your focus doesn’t have to be difficult. Peterson says the first step is to analyze your needs, using what he calls his “GAPS Grid.” Using this framework can help you define the four areas most critical to helping you uncover your development objectives. These four areas are:

- ❑ **Goals.** What you really care about, including your interests, values, and career aspirations.
- ❑ **Abilities.** How you see yourself. What you think you are capable of, and what you are good at and not so good at.
- ❑ **Perceptions.** How others see you. Find out what those around you think.
- ❑ **Success factors.** What matters to others. What is expected of you to be successful around your workplace?

Back-off from Feedback

Peterson does caution about listening too much to feedback from other people. “Sometimes people will suggest that you need to be a better listener or be nicer, and you may look around and say, ‘Well, I see lots of people who are successful here who aren’t nice or aren’t good listeners, so what is going on?’” What is happening, says Peterson, is that the people giving you feedback are telling you things that bug them personally, without their taking the responsibility to say, “for your own personal success and well being, here is something you should concentrate on.”

Once you decide what area you want to work on, think about simple ways you can stretch in that area. For example, suggests Peterson, say you would like to work on being strategic. You might say to yourself, I am having lunch today with the CEO, and this might be a good time to ask him or her about our business strategy. Or perhaps, you could ask the CEO what the critical issues are strategically that need to be addressed. When you do this, you take a simple lunch and make it into an opportunity to hear and learn new things.

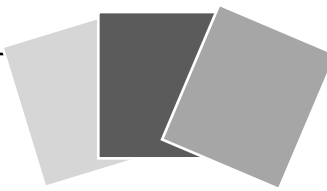
Do a Little Every Day

The key, says Peterson, is to be consistent. “Look at development in the same light as you do eating healthy, flossing your teeth, or exercising,” he explains. “All of these activities keep us fit, but you have to do them on a more or less daily basis or it doesn’t work. You can’t just say, ‘Okay, I am going to have one great, healthy meal, and that will get me back on track.’ Or you can decide to do all your exercising for the month on one Saturday; but you’ll end up having a heart attack.

“And yet, this is exactly how a lot of people approach development. They go to a two-day seminar and think it is all taken care of. You don’t change that way, no matter how good your intentions are. What happens is that they are all fired up on Friday, at the end of the seminar, and they think, ‘Gee, that’s great; I can’t wait until I get back to the office on Monday and start using what I learned.’ What happens is that by Monday, that seminar feels like it was a lifetime ago.”

Start with What You Know

Peterson acknowledges that conferences, classes, books, and the like can all be helpful, but he suggests starting without them. “Resist that initial impulse to run out and buy a book or sign up for a training class. Get started first. Put into practice the stuff you already know. Then after you have gotten into it a little bit, you will be able to find



the right class or book or expert that you need. Most people know what they need to work on. So, first, take the time to reflect on what you want to do. After that, you may want to question people around you for some tips, such as asking the CEO at your lunch if he or she has any suggestions. Pretty soon, you will start to run into people who will give you some good ideas; someone will recommend an article or a class, and then you can go from there.”

Getting Everyone Empowered

Don't stop there, though. Now may be a great time to make self-development a priority in your company. Self-development is an essential part of working with employees, and teaching them the skills they need to help direct their own development can be a great tool for employees, not just in the office, but also in their personal lives. “Most of the time, we don't teach people how to learn,” notes Peterson. “Instead we send them off to programs or classes, or we give them a mentor, but what is really valuable is teaching them how to learn for themselves.”

Creating an atmosphere within the organization that respects self-empowerment is the best approach. “Having senior management modeling this type of development is crucial,” says Peterson. “Just imagine if your boss came out and said, ‘You know what I learned by working on this project?’ When you hear your boss talk like that, it makes you think that you should do the same thing.”

The second way that management can help foster an atmosphere of self-development is to ask employees at one-on-one or group meetings what they have learned and how it has made them feel more confident in their jobs. Starting off a meeting this way sends a clear message to employees that learning is valued by senior management as a means to empowerment.

Would You Like to Know More?

If you have enjoyed this information and would like to learn more ways to make your HR job easier, BLR offers many products that can help you with detailed information on compliance, state and federal laws, training, best practices, and more. Contact our toll-free number at (800) 7-ASK-BLR (that's (800) 727-5257) or visit our Web site at www.blr.com.

