



Human Resource Guide



Good Management Practices Essential in Times of Change

By Lia Bosch, MSOD

During these turbulent economic times, companies and governments alike are reducing costs in whatever way they can to balance their budgets. Millions of jobs have been lost across the country as companies have gone out of business, filed for Chapter 11, or reduced their workforce. Recent news of declining unemployment rates may be “cause for hope but not celebration” according to President Obama, as the government predicts that many jobs lost over this past year will not be re-created going forward. (The Honolulu Advertiser, February 6, 2010). As managers spend more of their time on cost reduction proposals and layoff arrangements, not much time is left for managing the daily business. In particular, managers who feel the emotional turmoil of laying off their co-workers focus their energy on the welfare of outgoing employees rather than on employees left behind. However, remaining employees need attention more than ever during times of change.

Many of us think that remaining employees are the lucky ones who still have their jobs. From their perspective, however, they often don't see it that way. As layoff ‘survivors’, these employees are expected to take on the tasks of those laid off – often with pay cuts, furlough days, and reduced benefits —and are also left to deal with the uncertainties of organizational changes. In addition to increased workloads, survivors are often feeling survivor guilt. Although these employees are thankful to have a job, they mourn the losses experienced by their friends and co-workers.

Moving Forward after a Layoff

As a manager you have painstakingly selected the right people to stay; now how can you ensure these valuable employees are energized and ready for the challenges that loom ahead? Regardless of your company size, following good management practices is essential to creating an environment that is productive and rewarding for employees. By doing the following, you demonstrate to employees that you understand the challenges they face and appreciate their extra effort in rebuilding company profitability.

1. Keep pay and benefits competitive while increasing pay for performance

According to the Society for Human Resource Management's (SHRM) 2009 Employee Job Satisfaction Report, employees rated benefits and compensation/pay number two and three, respectively, as very important aspects of job satisfaction – just behind job security which was rated number one (not surprising in this economy). The need for a job will keep employees around until the economy improves; however, whether employees perform depends on whether they believe to be fairly compensated

for work done. Top performers command good pay in any economy so to keep talent you must ensure you are paying competitively. Many local business associations, chambers of commerce and consulting firms offer surveys on pay and benefits that can help you review your plans. If these sources are not available, then consider exchanging compensation data informally with other business owners in your market.

To help manage your compensation budget, increase performance pay such as bonuses for achieving profitability targets, while keeping fixed pay (i.e. salaries and base wages) at current levels (as long as these levels are competitive). With performance pay, when the company succeeds, employees also win through increased compensation.

2. Streamline work with employee talents in mind

Downsizings offer prime opportunities to relook at work in your organization; however, simply adding work of outgoing staff to remaining employees will not guaranty success. What work is necessary and strategic to your business? With fewer resources, focus people on the tasks that will yield the greatest value and eliminate the non-value work. Ask “why do we do this?” when examining tasks currently performed. To keep employees energized, reorganize work around their talents. For example, a bank teller with exceptional interpersonal skills may be assigned to an expanded customer service role.

3. Listen and learn through feedback and communication

Employees are very knowledgeable about their work and organizational processes. They know what's working and what needs fixing so ask for their opinion and listen to what they have to say. Simultaneously, give employees information about the bigger picture. By sharing the company's vision, performance and ongoing challenges, you will provide employees with a broader perspective and allow them to make more meaningful contributions.

4. Appreciate and value every employee

As human beings we all have basic needs and managers can show appreciation for employees by recognizing and fulfilling those needs. Look for how each person is exceptional in talent and an essential part of the company. Tell employees what you see as their talents and how they add value. In addition, give employees a voice. Let them know that what they say matters!

Lia Bosch, MSOD, founder of Creative Edge Consulting & Books, has over 25 years of human resources management experience. She can be reached at bosch@creativ-edge.com



“Increasing HR Effectiveness Through Internet-Based Social Media”

Many of your current and potential employees are using social media as a means of communicating about work. This meeting focuses on giving HR professionals and Company Managers a greater understanding of Social Media, the tools, terminology, and resources associated with this form of communication, the legal/risk issues that must be addressed, and recommendations that your organization can take to maximize this resource. Featured speakers will include Ryan E. Sanada, Esq. and Jared Kuroiwa.

Tuesday, March 16, 2010
The Plaza Club, 21st Floor

7:15 a.m. – Registration & Breakfast
7:45 a.m. – Program Begins
9:30 a.m. – Adjournment of Meeting

Cost

\$26.00 SHRM Hawaii Chapter Members

\$36.00 Non-SHRM Hawaii Chapter Members

\$16.00 SHRM Student Chapter Members

For more information or to register for this event, please visit www.shrmhawaii.org

SHRM Hawaii
P.O. Box 3175
Honolulu, Hawaii 96801
(808) 447-1840



SHRM Hawaii Member Company Spotlight



Farmers Insurance Hawaii – Focus on Employee Health

by Stephanie Tom, Vice President, Human Resources and Administration

In this age of convenience, poor diets and lack of exercise, many Hawaii residents are now finding themselves at greater risk for health problems such as obesity, heart disease and diabetes. These types of health issues not only affect employees, but have an impact on Hawaii employers as well, as companies face escalating illness and injury rates, skyrocketing health insurance costs and decreases in productivity.

To combat these health concerns and address the needs of our employees, Farmers Insurance Hawaii is devoting time and resources to help our employees. Our wellness program, established in 2008, provides a wide-range of benefits, including free health evaluations and risk assessments, educational sessions, fitness classes, and company-sponsored health programs. The objective is to help our employees make healthy life choices while at the same time emphasizing the fun side of fitness, offering employee incentives for participation and creating activities to encourage good-spirited competition.

Free annual employee health screenings provide biometrics and baseline readings, giving employees the tools needed to design custom fitness plans to meet their goals. A variety of special classes and “brown bag” sessions, including seminars focusing on issues such as disease management and proper nutrition, are also offered. This year, employees who complete the biometric screening, health risk assessment and attend either one “brown bag” session or charity walk are eligible for a cash incentive.

We are constantly developing new and fun ways to encourage our employees to become more active – an annual “Pedometer Challenge,” consisting of a 10-week team and individual walking competition, offers prizes to employees who rack up the most steps during the contest period. Throughout the challenge employees are motivated with bi-weekly prizes and bonus points for attending brown bag sessions and charity walks. In an effort to further incorporate walking into workers' lifestyles, Farmers Insurance Hawaii also offers incentives

to employees who join our company teams to participate in charity walks throughout the year – creating a great way to get fit and give back to the community at the same time.

Our employees looking for exercise opportunities also have their pick of weekly yoga and tai chi classes held onsite. Resources and support programs are also available to those looking to lose weight or manage health issues such as diabetes and high cholesterol. The programs also serve as a useful educational tool for employees helping to guide family members through similar health-related issues.

In just a few years, Farmers Insurance Hawaii's wellness program has become a popular resource for many employees. Most employees have embraced a healthier lifestyle, with more than two-thirds of the company's nearly 300 employees statewide participating in the program in 2009. Results also show that the program has helped reduce absenteeism and turnover by four percent over the previous year.

We continue to strive to increase the number of employees involved in the health and wellness program in 2010 by exploring new programs such as a resistance training class onsite and smoking cessation program. We remain committed to helping our employees and their families maintain their health, well-being, and happiness.

