



EffortlessHR June 2009 Employer's Advantage Newsletter



FYI – Employee Handbooks - Yes or No

Over the years, as I consulted with small businesses, I was often asked if an employee handbook was necessary. The questions usually amounted to:

- the cost of having an employee handbook written,
- the number of employees (I only have one employee),
- the idea that having written policies would cause more problems than not having written policies, and
- I tell the employee everything they need to know and if they have a question they can come and ask me.

Handbooks are not required as a regulation or law. However, some laws and regulations require posting in the place of business – for example Minimum Wage. The way handbooks are written could be a deterrent, i.e. if it is too legal no one will read it or care to read it and it then is a waste of time. If it is too simple, it gives the impression of “fluff” and is not taken seriously and is then a waste of time.

I tell clients that Handbooks are a guide for both the company and the employees. It helps define the way the organization does business and how they treat one another. It gives the employee a sense of fairness and consistency because it says that everyone is treated the same way. It tells the court (if there is litigation) that policies are in place and they are followed.

Does it matter how big or how small the company is? If you only have one employee, you probably don't need a full blown handbook. That being said, however, as you start growing your business and you hire your first employee, you start to develop policies – sometimes without even realizing it. So, having a simple handbook from the very beginning helps keep you focused and consistent.

For example, you have one employee and that employee seems to always have a question. “What are our holidays?” “When do I get paid?” “Do I get vacation or sick time?” “Do I have to wear a uniform or can I wear jeans?” “Mr. Smith made a pass at me, what should I do?”

These questions may not come all at the same time but over a period of time. Your answer becomes the policy of the company and as you add more employees, you need to give them the same information you gave your first employee. Sometimes it is hard for me to remember what I did last week, much less having to remember what I told an employee three months ago. That is why a handbook is helpful.

Another reason is that employees are going to learn what is accepted and what is not within the company whether you have a handbook or not. You have to determine how you want them to learn about the company. Do they learn from a disgruntled employee, an irate customer, an easy going supervisor, or do they learn from the written policy that you have put in place?

Remember, however, if you have a policy you must follow it. Do not put policies in your handbook that you cannot or will not follow. You should review your handbook on a regular basis and you have the right and obligation to up-date the handbook to comply with state and federal laws and to address issues as they arise.

Finally, the cost is minimal compared to what a lawsuit might be. Handbooks help minimize the liability associated with having employees as it indicates consistent management styles, fairness to all employees, and compliance with the laws.

If you have a handbook, good for you! If you don't, you might want to look at putting a simple handbook together.

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FROM JIM SIRBASKU'S DESK

...And the Silo Walls Come Tumbling Down

Every leader faces management challenges, but one of the toughest we discovered in our recent examination of the problems that put managers at risk is an inability to see beyond the four walls of the department, the unit or—as we call it—the manager's "functional silo."

That last word conjures up images of barriers that reach skyward, and sometimes the walls that managers erect around themselves and their teams seem almost insurmountable. One top leader says she feels like she has to climb the world's tallest ladder to get inside one manager's unit. Getting

through is not an easy task, but discovering the prize inside—an able and skilled manager who needs clarity about his job—can make the climb worthwhile.

Haven't we all watched a strong manager who believes that his duty to his department holds more importance than his obligation to the organization? Such devotion to the team is admirable, but when carried to extremes, it's likely to keep the manager stuck in his silo while others who can see the big picture climb over him to get to the top.

As we note in our report, "Five Critical Management Derailers," silo-building managers risk their organizations' well being as well as their own. You can recognize the signs in your own organization if you have managers who:

- Refuse to deal with co-workers outside their immediate unit
- Habitually make decisions beneficial to their team but not beneficial to the organization
- Balk at making changes that affect them, even if the change helps the organization
- Keep beneficial information inside the "team tent"
- Appear not to grasp the organization's mission/vision

One organization deals with the problem of silo-managers by never letting the manager build the silo in the first place. How? One way is by establishing regular meetings in which different departmental leaders share information, discuss problems and plans, and generally see the organization from different perspectives.

The same organization also annually appoints a different manager to a committee made up of leaders outside the organization. This panel of appointees serves as the fundraising arm for a community nonprofit agency. The organizations participating raise their profiles in the community while performing good works. Each manager on the panel learns more about his organization and the role it plays in the community.

This appointment accomplishes several in-house goals as well:

- First, it avoids continually drawing water from the same well. Every CEO can point to one or more departments that turn in exceptional performance year after year. The temptation of working with thoroughbreds, however, is that we go back to them—and only them—race after race. At the very least, this practice risks tiring high performers to the point of indifference.
- Second, passing around the committee membership gives new performers a chance to develop and show off new skills. The thoroughbreds set the benchmark. Others can then strive to meet it, or even reach beyond.
- Third, regularly working with people outside of a unit brings down the silo walls more quickly than any well-chosen words of a CEO. Why? People often learn best while doing. Envision reaching over a wall to grab a hand. Doing so is almost impossible when the walls are silo-high. For effective collaboration, committee members must emerge from their silos and meet in a brand new environment.

Leaders can also use a cross-functional in-house team. One example is a team that examines the impact of implementing a change in customer service or some other crucial operation. Such a committee could be composed of managers in each of an organization's departments.

Other remedies to bring down the silo walls include:

- Explaining how each spoke is important to the wheel. In other words, establishing in clear language how the manager's team fits into the organizational big picture. This is especially important for a new manager who may just be learning how to run his department. Direct supervisors should demonstrate early on that the wheel is only as strong as its individual spokes, and that one spoke alone isn't strong enough to support the wheel.
- Establishing a cross-functional goal for the manager. In this scenario, the manager reports to someone else who can monitor progress, facilitate discussion, offer advice, and drive accountability. This is ideally someone who has been in charge of a department and now holds more than departmental responsibility.
- Three-point monitoring to hold the manager accountable. The three points of access are the manager's manager or boss, his peers and his subordinates. Why three points instead of just one? Because it's next to impossible to monitor a person's performance all by yourself. You would have to be at the same place as this manager all the time, from the time he reports to work to the time he leaves the parking lot at the end of his workday. Most supervisors have more than one person and one task to attend to in a day, so this helps establish a way for the manager to be accountable to his peers and subordinates too. Make it known that you will be asking each point of access to evaluate his performance. Do this for everyone and it becomes less threatening—and everyone is accountable to everyone!

If you are tired of looking at the silo walls from the outside, imagine the limited view from within. It's time to bring those walls down, permanently.

Jim Sirbasku, CEO
Profiles International

POP QUIZ

How to Spot and "Fix" Manager Problems*

1. Ten percent of your organization's employees will be laid off within the week, and you convened a meeting of top managers to let them know. You then instructed them to tell their teams. You discovered that one manager put the bad news in an email addressed "To whom it may concern," with no explanation and no offer to discuss the bad news in person. How do you address this?
 - a. Ask the manager why he chose this method of imparting information and ask him how he likes to receive upsetting news.

- b. Ignore what he did and inform his team members yourself.
 - c. Tell him his performance is unsatisfactory and that he will lose his job if he does not fix it.
2. You told one of your managers that she often appears arrogant to others, offered her several examples of her behavior that led to this reputation, and told her that she is valuable to the organization. Next, you:
 - a. Find yourself in shock as she glares at you and tells you that she does not know what you are talking about.
 - b. Understand that she might be put off by the information and offer her time to think about it before meeting with you again to figure out the best way to proceed.
 - c. Deliver the bad news as just news, adding, "I just thought you would want to know."
3. One of your organization's teams has the best skills for creating a new website for your organization. However, the team manager is new at the job and inexperienced at goal setting. You worry he will not get the project done on time. You:
 - a. Decide to let the new manager wing it without your oversight. If he fails, he fails. This is a good learning experience for him.
 - b. Assign the responsibility to another team, even though its members are bogged down with projects and do not have website expertise.
 - c. Meet with the whole team and tell team members what they will need to accomplish, giving them specifications and firm deadlines. You set another meeting in a few days in which they will present their ideas for getting the job accomplished. After that, you meet with the team manager on a regular basis to get reports.
4. Changes are coming for your organization that will alter the way every department operates. Your next step is to:
 - a. Meet with all department leaders together and tell each one that they will need to figure out how to make the changes work for their departments.
 - b. Ask top leaders to explain to your managers what will happen so you will not have to be involved in imparting the message yourself.
 - c. Meet with all department leaders together to impart the news, then schedule individual meetings to determine how to best prepare for the changes in each department.
5. A new young manager who shows signs of excellence in almost all aspects of his job cannot seem to see beyond the confines of his department. You:
 - a. Put him on a team that works in each department at different times of the month and performs a variety of duties.
 - b. Punish him by leaving him out of the informational loop.
 - c. Ignore the behavior and hope that his blinders will disappear with time and experience.

**Quiz adapted from Profiles International's "Five Critical Management Derailers: Symptoms and Remedies."*

Correct answers to Pop Quiz

1. A: Ask the manager why he chose this method of imparting information, and ask him how he likes to receive upsetting news. After that, help him figure out how best to "retell" his team so that he can fix the damage as much as possible. This will impart an important lesson about communication. Determine the best way to give him regular feedback.
2. B: Understand that she might be put off by the information, and offer her time to think about it before meeting with you again to figure out the best way to proceed. Anytime you give someone upsetting personal news, give that person a chance to digest it before trying to determine a solution. Follow-up is a must.
3. C: Meet with the whole team and tell team members what they will need to accomplish, giving them specifications and firm deadlines. You set another meeting in a few days in which they will present their ideas for getting the job accomplished. After that, you meet with the team manager on a regular basis to get reports. This is how you set the example for your inexperienced manager. Scheduling regular meetings with him will help him to set deadlines.
4. C: Meet with all department leaders together to impart the news, then schedule individual meetings to determine how to best prepare for the changes in each department. Sweeping changes deserve focused attention from the top. Don't expect someone else to do your job.
5. A: Put him on a team that works in all departments at different times of the month and performs a variety of duties. This manager needs more education about other aspects of the organization. Someday he will be doing your job.

STRATEGIES FOR WINNING --

Dare to Be Different*

Differentiation is Key

Are you a "me too"? Do your prospective customers know why they should buy from you rather than from your competitors?

If your customers can't see any significant difference between you and your competition, the only reliable basis you will have for consistently winning business is price—and that road ultimately leads to disaster. Selling on price is selling to your competitors' strengths.

As a company, Profiles has never attempted to compete based on price. Our intention is to offer our customers the highest-quality products available at a fair price. We focus on value because people know quality and value when they see it. We think that if a business's primary competitive advantage is low price, then that business is only as smart as its dumbest competitor.

We have further differentiated Profiles from our competitors with our interesting and independent customer service philosophy. We believe that the best service in the world is no service at all. In other words, if your product always works well and is of the finest quality, no further service is required. Everything we do, everything we build and everything we work on is imbued with our intention that only a bare minimum of customer service will ever be required.

We also believe that business goes where it is wanted and stays where it is appreciated. For this reason, a large part of our customer service has to do with showing our customers how much we appreciate them and the fact that they do business with us. We also seek to gain their loyalty by continually demonstrating the excellent return on investment they receive as a result of using our products. The motto of our customer service department is T E A M: Together Everyone Achieves More.

We know that all of our customers assign a value to Profiles and to our products. We are also well aware of the value we intend to deliver to them, but all customers are not created equally. We also assign a value to our customers. Although we strive to provide a high level of service to all of our customers, we are aware that we have to generate a certain level of income from each customer in order to justify our expenditure on service. We view the service we provide to our customers as an investment in the future of Profiles.

You can differentiate your offerings using the following four steps.

1. Look at How You Stack Up to Your Competition

What can you do that they can't? What do you do distinctly better? What can they do that you can't? Look at your product or service using five main headings, seeking your particular strengths and your competitors' particular weaknesses.

Price Are your products more or less expensive? Are you considered to be at the top, middle or low end of the spectrum in your market? Is your pricing policy something that sets you apart from your competitors?

Customer Service Is your customer service unique? Do you provide more implementation assistance? Better ongoing backup? Friendlier staff? More attractive terms of service? Better delivery?

Customers Who are your best customers? Who are the people for whom you can do the best job and still make a respectable margin? Are you best with large, medium or small customers? Do you fare better in long-term relationships or short-term flings? Are you local, national or international (or all three)? Who are your ideal customers?

Product/Service Are your products or services superior to those of your competitors? Are they faster, more efficient, quieter, easier to understand, easier to use, or quicker to set up? Anything that is unique about your product or service is an advantage.

Reputation What's your brand reputation like? How well-known is your brand? By whom? For what? Who is traditionally attracted to your offerings?

This exercise should ideally involve anyone in your organization who can offer insight into how you stack up against your competition. Resist the temptation to do it alone—the more minds, the merrier. As you work through the exercise, capture your outcome on paper. For each of the five categories above, put your analysis on a sheet with two columns—Strengths and Weaknesses.

The mistake most people make at this stage is differentiating their business according to the category in which they are most strongly positioned against their competitors. This is a mistake, for it fails to take into account the most important person of all—your customer.

2. Become Your Customer and Think "WIIFM?"

If you fail to consider your customer's perspective, you are doomed to failure from the start. Put yourself in your customer's shoes and ask yourself, "What is most important and valuable to me when I look for products and services?" In other words, take on the role of the customer and ask, "What's In It For Me (WIIFM)?" Be sure you have a good feeling for what your customers are really looking for. Find out what they value in order of importance. Don't assume that you know what your customers want—ask them, and then listen. If they say they need a good accountant, ask them what that means.

What makes the difference between a good accountant and a mediocre one? If they say they want good backup service, be sure that you understand what they mean by that.

3. Now Decide How to Differentiate Yourself

Analyze the five factors that you considered above. Which category is by far the strongest—the one with the most compelling list of strengths and fewest weaknesses? Which category ranks second, third and so on? Now, using the research you conducted in Step 2, determine which of the five factors will interest your customers the most. There is no point in presenting yourself as the lowest price if your customer thinks that price is immaterial and that quality and service are most important; or there's no point in stressing your excellent backup service if the customer can't afford your price.

You will know you've been successful when you have identified some categories that represent areas in which you are truly strong, with attributes that your customer truly values and that your competition cannot easily copy. Always try to identify more than one category and rank the value of those categories accordingly. Remember, not everyone will be impressed by the same message.

4. Focus Your Marketing through the Lens of Your Differentiators

You know what sort of messages you need to communicate about your products or services to ensure that you grab the attention of your target market. You know what messages will most effectively differentiate your business from your competition. Now ensure that these are the only messages communicated by your public relations, your advertising, your sales collateral, your sales force, and your support force. Don't confuse your target customers by sending conflicting messages. Continually position yourself as the number one—the expert in your particular sphere of differentiation.

Be sure to repeat Step 2 on a reasonably regular basis, however. Customer values evolve, and so must your basis for differentiation. Differentiation is an ongoing process. Follow these suggestions and your prospects will know what you do, why what you do is better than what your competitors do, why they should buy from you first, and what's in it for them if they do. This is your competitive advantage. Dare to be different and you can really start to win in business.

**From the book 40 STRATEGIES FOR WINNING IN BUSINESS by Bud Haney and Jim Sirbasku. © S&H Publishing Co., 5205 Lake Shore Drive, Waco, Texas 76710-1732. All rights reserved. Contact S&H Publishing Co., (254) 751-1644, for reprint permission.*

Announcement:

EffortlessHR has launched a Business Forms site, with over 300 forms available - some free and others just \$1/form. These forms are assembled to provide the busy manager a place to go to find that elusive form. Check it out. The site can be accessed through www.effortlesshr.com or www.effortlessforms.com.

Look for some great new changes in the EffortlessHR site, coming very soon. And, due to customer requests, coming soon will be an Effortless Applicant Tracking.

Keep your ideas and comments coming. We appreciate it and look forward to serving you in the future.



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