PUBLICATION OF THE NORTHEAST HUMAN RESOURCES ASSOCIATION
SPRING 2009

insights

Those People

The Very Human Root Causes of Disrespect and Discrimination

+ The Hunt for Opportunities
+ Change Happens - Now What?
+ Measuring What Matters

insights contents

SPRING 2009

SPECIAL FEATURES

INSIDE INSIGHTS

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Our promise to our members is to continue to help YOU drive your own personal and business success as well.

NEHRA – Helping You Drive Your Success

By Deborah Hicks

I want to take this opportunity to share just a couple of NEHRA's key accomplishments during the second half of our fiscal year:

- Both the November and February programs in our new conference series received rave reviews – with the third program "**Becoming an Employer of Choice – Best Practices that Drive Bottom-Line Results**" taking place on May 21 (please visit nehra.com for full details!).
- We continue to present relevant and current programming to address economic impact, legal updates and support for HR professionals in transition.

Our promise to our members is to continue to help YOU drive your own personal and business success as well.

Staying relevant in your role within your organization in this economic landscape has never become more critical.

As shared by author Roberta Chinsky Matuson in this issue of the magazine, in this economy one should "continue to stay on top of the changes in your field (visit nehra.com to see a list of upcoming NEHRA events), and expand your knowledge beyond your core [competency] area."

What will be critical for us all as HR professionals during this time of economic challenges, according to author Jay Forte (also in this issue of the magazine) is a "pervasive optimistic outlook" on the part of employees to remain invaluable to their organization. He also notes that employees who are "trained, then encouraged, to continually supply the organization with ideas, suggestions and plans that come from a continual observation and assessment of every aspect of the organization they impact." In order to do so, employees look to "joins clubs, associations, and take courses" to remain relevant to their organization.

Staying relevant in your role within your organization in this economic landscape has never become more critical.

I encourage you to **stay engaged in the future** by:

- Taking advantage of NEHRA's message boards for information and advice.
- Using the NEHRA Web site to stay networked to the HR community.
- Attending NEHRA events, focused on current HR trends and hot topics.
- Utilizing the many tools and resources on NEHRA's Web site, including the CCH searchable legal database of up-to-date news on state federal law changes.

NEHRA will continue to provide relevant professional development offerings, resources and information and the networking community available to all members. ■

Deb Hicks is the chief human resources officer/associate dean at Harvard Medical School. She can be reached at deb_hicks@hms.harvard.edu.

NEHRA's 2008-2009

Conference Series

Program Three:

Becoming an Employer of Choice – Best Practices that Drive Bottom Line Results!

Now more than ever, being identified as an Employer of Choice is critical to your business strategy. Being an Employer of Choice goes far beyond just good benefits – it strikes at the heart of your people practices.

At the spring program in NEHRA's new Conference Series, you'll learn from industry experts what you can do to achieve and maintain the *Employer of Choice* designation.

Here is a sample of some of the 14 Learning Labs you will have to choose from:

- Modeling Culture to Become an Employer of Choice in a Down Economy
- Developing and Maintaining a Civilized Workplace
- Leadership Growth Through Diversity, Inclusion and Cultural Competence
- A Real and Continuing Employee Engagement Case Study
- Genzyme's Approach to Corporate Social Responsibility

Lunch & Keynote Speaker:

- Russ Campanello on "Managing Through Good Times & Bad"

May 21st, 2009

Sheraton Ferncroft – Danvers, MA

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NORTHEAST HUMAN RESOURCES ASSOCIATION

Learn. Innovate. Lead.

NEHRA NEWS

- UPCOMING NEHRA EVENTS
- NEW NEHRA PROGRAM
- CAREER CENTER
- NEHRA SCHOLARSHIP FUND

UPCOMING NEHRA Events

2008-2009 NEHRA'S CONFERENCE SERIES - PROGRAM 3

"**Becoming an Employer of Choice - Best Practices that Drive Bottom Line Results**"

May 21, Sheraton Ferncroft in Danvers, MA.

A full day of programming that offers attendees an exceptional day of education and networking.

For a complete calendar of all upcoming events please visit:
www.nehra.com/events

NEW NEHRA Program

HR BASICS is a new program designed by NEHRA for individuals who want or may need to learn more about the key elements of human resources management.

- You may be interested if you are new to the field and interested in finding out more about human resources.
- You may also be interested if you have been given a new or expanded responsibility for some component of your company's human resource management and you need to get some basic information.

The program is meant to provide participants with access to articles; a book list; a glossary of HR terms and links to important Web sites.

In addition to easy access to these resources, we have created a series of classes organized around six key topics of human resources. These overview classes are meant to expose participants to some primary information with a guide to how to learn more.

For more information please contact Natalie Bacon at (781) 239-8718 or nbacon @nehra.com.

CAREER Center

Tired of Unqualified Applicants Applying?

If you are looking for applicants with a solid HR background, we have the tool for you! Post your job on **www.nehra.com** and reach out to HR career driven individuals.

SCHOLARSHIP Fund

NEHRA greatly appreciates the generosity that our members have shown by giving to the NEHRA Scholarship Fund. This fund provides scholarship assistance to several college students in New England who are preparing for careers in human resources. Recipients are named at NEHRA's Diversity Dinner in the winter and at the annual Awards Breakfast in the spring each year.

The following members have made a generous donation to NEHRA's Scholarship Fund and other educational programs through an individual donation:

- Fred Foulkes
- Doug Hardy
- Michael James
- Marie-Josee Joubert
- Paula Parnagian

To add your name to the list of donors OR to make a corporate donation, please click on "**Individual and Corporate Donations**" under the Networking Community section on nehra.com.

Thank you in advance for your support!

Traps for the Unwary
During a Reduction-In-Force

By Daniel Klein, Esq.

During this dire recession, virtually every business has been forced to make tough decisions in determining how best to reduce and control costs. Unfortunately, many companies have found the most effective way to lower and manage their costs is to reduce their workforce. Some have been able to avoid a major downsizing with alternative cost-saving measures, such as hiring freezes, salary reductions, voluntary exit incentives, reduced workweeks and temporary shutdowns. Many employers, however, have had to implement at least one, if not more than one, reduction-in-force in the past year.

A workforce downsizing poses a virtual minefield of obstacles with high-stakes risks of litigation and legal exposure at every turn. Historically, the group most affected by workforce reductions has been older workers. The Age Discrimination in Employment Act (ADEA) and most state anti-discrimination laws protect employees age 40 and older from age-based employer bias. ADEA cases can be costly and expose an employer to substantial damages, especially if a group of older workers joins in a class action against the employer. Workforce reductions can also trigger discrimination claims based on other protected traits, such as gender, race, national origin or religion, under Title VII of the Civil Rights Act of 1964 and state anti-discrimination laws. In implementing a reduction-in-force, employers risk facing not only intentional discrimination claims by individuals, but also disparate impact claims, by which an employee or a group of employees can claim that a facially neutral selection process had an unlawful adverse impact on a particular protected group, even if unintended. Finally, a host of other statutory obligations can create traps for the unwary during a workforce reduction, exposing an employer to significant liability if mishandled.

While making prudent efforts to minimize legal exposure during a downsizing may seem daunting and time consuming, employers can take certain steps to avoid lawsuits, or at least make them easier to defend. In no particular order, this article discusses the major legal challenges that employers face during a reduction-in-force, and how employers can act in advance to minimize their legal risk.

A workforce downsizing poses a virtual minefield of obstacles with high-stakes risks of litigation and legal exposure at every turn.

THE SELECTION PROCESS AND SELECTION CRITERIA

Selecting particular employees for layoff in a corporate downsizing can be very difficult, but rushing the selection process or executing this process haphazardly only increases the likelihood of future legal problems. Many employers mistakenly believe that as long as they do not intend to discriminate, they are shielded from a discrimination claim. On the contrary, courts and juries can be skeptical of illogical or undocumented layoff decisions, and they can attribute unexplained choices to an unlawful purpose.

Employers should develop and document non-discriminatory selection criteria for employee layoffs. Objective criteria should be used first (e.g., seniority, elimination of job classes or job functions, probationary status). Although objective criteria are the safest criteria to use, employers may prefer subjective criteria because purely objective criteria fail to account for employee performance and contributions to the company. Many employers, therefore, use a combination of objective and subjective criteria, including seniority, past performance, peer review and special workforce reduction evaluations, which assess not only past performance, but also an employee's ability to perform the necessary job functions in the post-layoff business. Before an employer implements a downsizing by selecting employees based upon performance or other subjective criteria, it should confirm that it has adequate personnel records to support its selection factors. Past performance evaluations should only be one component of the assessment because they provide only a partial reflection of an employee's value and may be stale or incomplete. Evaluations for a workforce reduction should be current, in writing and as objective as possible. One option is to consider a formal or informal ranking of the employees relative to one another in the same job category so that those with higher rankings are retained and those with lower rankings are laid off. Where performance and abilities are relatively equal, employers should use seniority as a "tie-breaker."

To minimize exposure for age discrimination liability, employers should not use salary level as one of their criteria. That is, employers should not disfavor higher-paid employees because laying off highly compensated employees may have a statistically greater impact on older employees and, thus, become fodder for an age discrimination claim. For the same reasons, company officials should state workforce reduction goals in numbers of employees to be reduced, rather than specific dollar amounts to be saved. Employers also should not insulate recent college graduates or other categories of younger workers from layoffs.

Applying selection criteria inconsistently is equally dangerous. An employer making special arrangements or exceptions for particular employees may unwittingly create the impression of discriminatory favoritism.

In addition to identifying the factors to be used, an employer must determine who will participate in the selection process. It is frequently advisable for an employer to have supervisors perform the evaluation or ranking process before being informed of the number of potential layoffs that may occur within the affected department. While supervisors may conduct the evaluations or rankings, the ultimate decision makers should be members of senior management. Alternatively, employers may create a committee to apply the selection criteria and reach a consensus as to employee ranking. Two or more management officials should be involved at every level of decision making during a reduction-in-force. If possible, the employer should include persons in protected classifications (e.g., persons older than 40, minorities and women) as part of the decision-making process. All decision makers should receive copies of the criteria, receive training in applying the criteria, and receive Equal Employment Opportunity (EEO) training so they comprehend legal non-discrimination obligations and the importance of keeping any discriminatory bias out of the selection process. The decision makers and any "oversight committee" should maintain notes of their decisions and their reasoning for these decisions in relying upon the established criteria. Notes of their preliminary deliberations need not be made, however.

Company officials must avoid referring to a person's age or other protected characteristics during the selection process. Failure to do so, even if done inadvertently, can be fatal to the defense of a discrimination claim. Human resources and legal counsel should review any "performance rating" systems or other facially neutral criteria for possible adverse impact discrimination, and they should conduct a legal audit of the proposed decisions before they become final. They should further review company bulletins and other documents to ensure there are no inadvertent references to age or other protected classifications. They should also review historical personnel documents of affected employees for any such content. While an employer should not destroy such documents, it should take remedial steps to correct the problem content, and if the particular layoff is still going forward, the employer should be prepared to explain the questionable references in later litigation.

DISPARATE IMPACT ANALYSIS

The use of statistics is one method by which employees can demonstrate that a reduction-in-force was discriminatory. In the context of a reduction-in-force, statistical analysis of those selected for layoff relative to the EEO profile of the workforce may demonstrate a disparate impact on a particular protected class. Such adverse impact data can be used as evidence in both disparate treatment cases (i.e., intentional discrimination) and disparate impact cases, in which facially neutral policies or practices have an unintended adverse impact on a protected group. Where disparate impact is established, an employer must demonstrate that the selection criteria used in the layoffs were job-related and consistent with business necessity.

Because adverse impact data can carry significant weight in both disparate impact and disparate treatment cases, employers should conduct an adverse impact analysis of a workforce reduction on protected groups once preliminary decisions are made as part of the oversight review, but before final implementation. Decision makers, however, should not have access to the EEO profile during the selection process. The impact analysis should be prepared by or for legal counsel in order to protect it as confidential under the attorney-client privilege. Multiple analyses should be prepared, analyzing the reductions from various angles (e.g., by age bands, positions, department, job groups, salary grade). Human resources and legal counsel should monitor statistical effects of the preliminary layoff decisions and ensure that the employer is able to provide an explanation for any disparities. Where legitimate, non-discriminatory explanations cannot be provided, adjustments to the selection decisions may need to be made.

INTERNAL TRANSFER OPTIONS

To further minimize potential liability, employees chosen for layoff should, to the extent possible, be considered for internal transfer, relocation or even demotion. Because consistency is critical in a downsizing, employers internally transferring employees during a reduction should give all similarly situated employees equal transfer opportunities. Failure to do so can create an inference that the company intended to discriminate against those excluded from the opportunities.

Where eliminating a manager's position, an employer may want to consider offering the manager the option of a lower-level position, even if it entails a demotion or pay cut. The employer should not presume the manager would not accept the decrease in authority, pay or prestige, as some individuals might prefer a demotion or pay cut to the alternative of unemployment.

SEVERANCE AGREEMENTS AND RELEASES

The most effective means of minimizing liability from a downsizing is to offer severance benefits to voluntarily or involuntarily separated employees in exchange for a release of potential claims. These releases and severance agreements have special requirements for workers older than age 40 pursuant to the Older Workers Benefit Protection Act of 1990 (OWBPA). The OWBPA's primary purpose is to ensure that employees older than age 40 do not waive potential age discrimination claims unless they do so knowingly and voluntarily. For a valid and enforceable age discrimination release arising out of a group reduction, the OWBPA requires the release to meet minimum conditions, including:

1. the release must be written in a way that can be easily understood by the employee;
2. the release must refer to rights or claims specifically arising under the ADEA;
3. the release cannot ask the employee to waive future claims that may arise after the date the release is signed;
4. in return for signing the release, the employer must give the employee something of value above and beyond that to which he or she is already entitled (i.e., greater severance pay than normally required by any applicable employment contract, if any);
5. the employee must be advised in writing to consult with an attorney prior to executing the agreement;
6. the employee must be given 45 days within which to consider the terms of the agreement; and
7. the release must allow the employee seven days after signing the release within which he or she has the absolute right to revoke the agreement and release for any reason.

An employer making special arrangements or exceptions for particular employees may unwittingly create the impression of discriminatory favoritism.

The OWBPA also mandates additional notice and disclosure obligations concerning the ages and job titles of all persons affected by the group reduction. These disclosures, including the description of the decisional unit and eligibility factors, can be quite complex. Some courts have even invalidated releases because the employer did not provide the selection criteria for the layoffs. Many employers struggle with defining the appropriate scope for the "decisional unit" to be used in the OWBPA disclosure, and courts have invalidated releases because the decisional units were either too broadly or too narrowly described. In order to ensure that the releases are valid and enforceable, employers should work closely with legal counsel in preparing them.

THE WARN ACT AND ADEQUATE NOTICE OF A WORKFORCE REDUCTION

The Worker Adjustment and Retraining Notification Act (WARN) was enacted to give employees and their communities time to prepare for large-scale employment losses. The WARN Act affects companies with 100 or more full-time employees or at least 100 employees (full- and part-time) working a combined 4,000 hours per week. WARN requires such employers to provide all affected non-union employees, representatives of unionized employees, and designated state and local government officials with at least 60 calendar days' written notice prior to any covered "plant closing" or "mass layoff" occurring at a "single site of employment." A "plant closing" occurs when there are 50 or more "employment losses" for full-time employees, and these employment losses are the result of the permanent or temporary shutdown of a single site of employment, or one or more facilities or "operating units" within a single site of employment. A "mass layoff" occurs if there are "employment losses" for a minimum of 50 full-time employees and at least 33 percent of the full-time employees at a single site of employment, or if 500 or more full-time employees experience employment losses within the applicable period. "Employment losses" include terminations, layoffs exceeding six months, or more than a 50 percent reduction in hours of work during each month of a six-month period.

WARN litigation can result in back pay and benefits awards, as well as administrative penalties assessed by the Department of Labor. In most situations, employers may provide affected employees the equivalent in pay and benefits in lieu of advance notice of the mass layoff or plant closing. Employers should also be aware of any "Baby WARN Acts" in the states where they are laying off employees because such laws may have different thresholds and may trigger different notice obligations.

ERISA, COBRA BENEFITS AND UNEMPLOYMENT INSURANCE BENEFITS NOTIFICATION

If any distributions are made from ERISA retirement plans, an employer must be careful to follow the plan requirements and provide employees written notice of the tax consequences of these distributions. Legal counsel should review the company's welfare or pension plans, if any, in advance of the workforce reduction. Employers also must comply with benefits laws, such as COBRA, which requires that employers give terminated employees the opportunity to remain on the employer's health plan for 18 months after termination.

The most effective means of minimizing liability from a downsizing is to offer severance benefits to voluntarily or involuntarily separated employees in exchange for a release of potential claims.

Employers should also be mindful of notice requirements under applicable state unemployment insurance benefits laws and regulations. For instance, in Massachusetts, employers must provide any terminated employee a copy of the unemployment notification pamphlet, "How to File for Unemployment Insurance Benefits," which is available on the Massachusetts Division of Unemployment Assistance's Web site (www.mass.gov).

POST-RIF ACTIONS AND COMMUNICATIONS

While an employer can redistribute job duties as part of a workforce reduction, a legitimate downsizing should result in the actual phase-out of certain positions. Employers, therefore, should not replace a terminated employee soon after a layoff because they will find it difficult to justify layoffs when they have quickly filled the eliminated positions.

Amid the chaos and stress of a reduction-in-force, employers frequently fail to consider the effects of the downsizing on remaining employees. Employers should develop a plan for communicating with the remaining employees to restore morale and maintain or rebuild a positive work environment. Company officials should present the "big picture," stressing how the restructured organization will be better suited to survive and succeed, and how it will take a team effort to strengthen the company going forward. If possible, limiting downsizing to a single reduction-in-force will help employees regain a sense of security.

In sum, workforce reductions can be a very stressful and time-sensitive process. If mishandled, however, they have the potential to expose an employer to substantial liability and high-cost litigation. Company leaders, therefore, should allow for sufficient planning and preparation, if possible. Employers should educate themselves about their legal obligations and proceed cautiously with the assistance of counsel throughout the reduction process. ■

Daniel Klein, Esq. is a partner with Seyfarth Shaw LLP. He may be reached at dklein@seyfarth.com.

Those People:

The Very Human Root Causes of Disrespect and Discrimination

By F. Chase Hawkins

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Given the challenging economy dynamics that currently exist, many HR professionals find themselves once again being urged by business partners and senior leaders to "do more with less." One of the most overlooked and yet obvious ways to do exactly that is to build a work environment where employees can achieve their maximum potential, regardless of what makes them unique as individuals, *and* bridge differences to work well together. In other words, increase the *capacity* and *efficiency* of your workplace, without increasing the size of your workforce.

In order to accomplish this, we must first acknowledge that no matter how many world-class tools and processes we put in place, ultimately, the productivity of our companies depends on how our people perform. The greatest strength *and* barrier to achieving strong individual performance – as well as robust and effective working relationships – are the *behaviors* of our employees. This is where our understanding of behaviors driven by human difference becomes absolutely critical to achieving the type of culture that can, in fact, "do more with less."

We are, as human beings, *all* guilty of treating people that we perceive to be different from ourselves with inequitable behaviors. So many of these acts *we are not even consciously aware of,* so inherent in our humanity is this dangerous behavior. But if this behavior is so pervasive, even after decades of work to create company cultures that are inclusive and respectful, what *are* the root causes?

The identification of these root causes should not only be important to HR professionals. This area of focus should be of concern, at the very least, to every business leader who hopes to successfully lead their organization into a productive and profitable future.

THE MASLOW CONNECTION

There are undeniably strong links between the human capacity to disrespect and discriminate, in whatever form that takes, and Abraham Maslow's motivational construct of hierarchical needs, first introduced to the world in 1943. In fact, Maslow has provided us with a framework that we may build upon to make the conscious link between these motivational needs and the "dark side" of the behavioral dynamics that they generate. A linkage that finally demystifies why we as human beings – despite the fact that *we are all more alike than we are different* – treat each other with disrespect and disdain, up to and including outright discriminatory behavior. This connection will also be the tool, the *enabler*, which will empower us to move forward with a scientific, knowledge-based understanding to actually *change* these behaviors and remove the final barriers that prevent human beings from achieving maximum performance as individuals and as teams.

Usually depicted as a five-level pyramid, the bottom four levels are grouped into Maslow's "deficiency needs," while the top level is referred to as "growth needs," otherwise known as psychological needs. Within the levels of the deficiency needs, we find at the base levels of the pyramid our basic *physiological needs* (i.e. food, water, sleep, etc.), followed by our need for *safety* (i.e. a sense of security of body, employment, resources, etc.). The next two levels of the deficiency needs are the more intangible needs for *belonging* (i.e. to a group, family, etc.) and *self-esteem* (i.e.

confidence, achievement, and respect by others). Hierarchical in nature, Maslow felt that these needs were progressively dependent on each other, such that a lack of being able to meet a particular level of need would cause the individual to "slip back" and focus on the prior level.

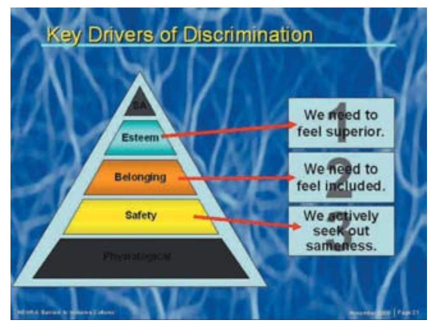
At the top of Maslow's construct is "self-actualization," which is the state of achievement where we can focus on ourselves and our own self-improvement to our own benefit, *as well as* those around us.

Based on the author's experiences focusing on cultural transformation in corporate America for the last 15 years, and correlated with a variety of data sources focusing on corporate environments (including climate surveys, exit interviews, post-employment surveys, cultural assessments and focus groups), the author believes that three of the deficiency needs – *self-esteem*, *belonging* and *safety* – directly generate the behavioral drivers that result in all human beings exhibiting actions that disrespect and/or discriminate, in whatever form that takes, based on difference.

We need to illuminate these drivers, raise our awareness of the personal behavior in ourselves and in others as a result of these drivers, and take action to change our behavior and the behavior of others, based on that knowledge. In other words, strive for that self-actualization level of Maslow's construct, take conscious ownership of our behaviors that undermine attempts to create inclusive workplaces, and achieve a degree of effectiveness that will guarantee the successes of our companies.

This environment is not a dream; it is a target state that is within our grasp. First, we must achieve the awareness and understanding of what these behavioral barriers, these Key Drivers, before we can change the behaviors.

KEY DRIVERS OF DISRESPECT AND DISCRIMINATION



1. We need to feel superior. *(self-esteem)*

One of Maslow's deficiency needs, *esteem* is defined as "the human need to achieve, to be competent, gain approval, and recognition." In other words, we are talking egos. Humankind has always sought to raise itself up to a level of superiority that will justify its existence on this earth we all share, and bolster those egos, achieving that sense of value. Since everything is relative to everything else in this universe, what easier way to feel more important, more superior about oneself, than by identifying an individual or group of individuals who, based upon some kind of difference from ourselves, must be *inferior*? It is the old, "If they're not so good, then I'm not so bad" model of reasoning, and it ultimately will not matter what the differentiating factor is.

"My <BLANK> is superior to your <BLANK>." Simply fill in the blank with your difference of preference. We can certainly start with the most obvious: race, gender, ethnic background, physical ability, sexual orientation and religion, but it does not stop there. What kind of *car* you drive? *Where* you live? "Well, I live in a very *exclusive* neighborhood…with none of *those* people about to bring down property values." Level of education? How about *where* you received your education? "Well, yes, of course she has her master's in psychology like I do, but I obtained *mine* from Harvard." The point is we could sit around supplying each other with examples all day on this one, and still not have exhausted the possibilities.

2. We need to feel included. *(belonging)*

This need for belonging or to be included, Maslow saw as one of the major forces that consciously or unconsciously can drive our actions. How and why could a need to feel *included* result in discrimination and the *exclusion* of others? Wouldn't that result in just the opposite?

That same need for a sense of belonging drives us to not only seek out and *join* groups that exist with which we share some common affinity, but also to *create* them. People will naturally gravitate to those who we perceive to be most like ourselves so we may satisfy that basic need to feel included, and distance ourselves, consciously or unconsciously, from those who we perceive to be "more different" from ourselves than others. The fact human beings are far more alike than different becomes irrelevant; driven by the need to be included, we seek to find and join and/or create groups of inclusion. When we enter a situation where there is a diversity of human beings present, even if no groups are perceived to exist in that moment, we will steer ourselves toward someone we believe to be *most* like ourselves than others and initiate an interaction that starts the group.

Inherent in this group-creation behavior is the reality that once a group is recognized to exist, which means that the affinity that bonds the group has become obvious to others. If you do not share that affinity, you are automatically *excluded* from *those* people. From the inside of the group looking out, you now see others around you who do not belong to the group as *those* people, as well. So this very "grouping effect," *inclusionary* in nature, in and of itself can send *exclusionary* messages to others.

Have you ever been in a public place in your working environment, say, a cafeteria, and looked around the tables, noticing that folks are often "grouped" according to an affinity that may or may not make you feel excluded? Perhaps you have noticed the defensive assumptions that may have been made in association with that realization? "Would you look at that table with all of the old-timers? I guess they'd rather not associate with us younger employees." "Ever notice how the women seem to gather in groups during lunch? They're probably talking about us [men]." *Those* people, insiders and outsiders.

That same need for a sense of belonging drives us to not only seek out and join groups that exist with which we share some common affinity, but also to create them.

The most graphic illustration of this driver occurs when a group of similar individuals encounter each other for the first time. The need to create a group we can belong to is so strong that we will go out of our way to find the differences between us and create very specific lines of division based on whatever we can find that is different. For example, take a group of people who all share the same race, gender, age, education background and country of origin, put them in a room together, and see where the equality goes. They will find the differences among each other, first starting with the most obvious, usually the visual. Since we have limited the visual differences somewhat in this exercise, the difference they may polarize around could be anything from amount of hair on the head, to clothing style. If nothing satisfyingly different from a visual point pops up, they will progress to what they experience interacting with each other. Perhaps it could be a regional accent that is detected. Or even personality styles, such as extrovert or introvert. Maybe it will be based on where their colleagues received their degree. Or maybe it will be the specific area of the geography that they originate from; there is always a "wrong side of the tracks" no matter where we are from. Ultimately, the criteria for this compare routine certainly starts with what we perceive visually about the individual we are encountering, but that data is augmented with what we may experience interacting with the individual, and what we learn about the individual, either directly from that person or from other sources of data about that person.

3. We naturally gravitate to those we perceive to be most like ourselves. *(safety)*

Born out of tens of thousands of years of instincts developed solely on the basis of survival, we have a compare program that runs every time we encounter another animate object, be it human or beast, assessing the potential danger of what we are encountering. The core comparative criteria are our prior experiences and memories of previous encounters with anything that *resembles* what we are experiencing, deployed so that we may determine whether what we are encountering poses a threat to our survival. In a phrase, "friend or foe?" If the subject is human, then the comparison that the judgment is going to be based upon will be that which we know most well (or *perceive* to know most well): ourselves. So the unconscious question running in the background as we are sizing up the individual we have run into is: *How much are you like me?* The compare logic is, of course, assumptive in nature: Those most like me are "friend," and those least like me could potentially be "foe." The same assumptive source, known equals *safety*; unknown represents a potential *threat* to our well being, leads to the "fear of the unknown" dynamic we have all experienced, aligned right back to Maslow's need for safety, which is second only to the physiological needs for food and shelter.

We have all heard the old adage, "there is safety in numbers"; this is part of the dynamic of this key driver. The concept that if we are among "friends," i.e. those who we perceive to be most like ourselves, any threat to our safety or survival will be one that we meet, not alone, but within the relative comfort and strength of the group. Consequently, we are not only comfortable to feel included in such a group, as is described in our first key driver, but we feel *safe*, as well.

Now that we have an understanding of what these three key drivers are, we need to be able to take that knowledge and recognize specific behaviors that are the direct result of one or more of these drivers. If we can identify these behaviors in ourselves and in others, we stand a chance in freeing ourselves from being at the mercy of these behavioral influencers and, referring back to Maslow's Hierarchy, actually arrive at the self-actualization level and affect personal and cultural change.

While we may collectively be able to identify potentially *hundreds* of behaviors, presented below are those selected behaviors that are not only the most prevalent in our corporate cultures, but also do the most damage to individuals, teams and entire organizations.

ASSOCIATED BEHAVIORAL DYNAMICS

a. We have a disturbingly robust capacity for dehumanizing "those people."

Following the reasoning that the need for esteem and superiority can drive discrimination and disrespectful behavior, we do not have to look far into the sordid tale of humankind's existence for examples of this associated dynamic.

Most human beings have a conscience and the capacity for compassion to our fellow human beings. That same conscience and compassion can become an annoying barrier to our ability to be able to put down, disrespect and otherwise denigrate other human beings. Thus, we have evolved a frighteningly effective ability to take the humanity out of "those people" by ceasing to see them as human beings at all. Think about all the incidents of genocide that we have been witness to in the last 100 years alone. Whether we are talking Nazi Germany, Armenia, Slovenia or Darfur, could the atrocities have been committed to *any* of the groups of people targeted in these countries if the perpetrators had not managed to convince themselves that these groups were, at a minimum, *less equal* to themselves? Or at the extreme, sub-human?

In corporate culture, the behavior may not be as overtly extreme, but the dehumanizing is just as prevalent, and often functionally based. "Those <BLANK> people are a different breed entirely." Finance? Technical? *HR*? In fact, as we can observe from these examples, we happily refer to the group as a collective entity that reduces the individual to simply a member of a group, inferior by our labeling, made less equal by our need for esteem and superiority. This allows us to justify all kinds of disrespectful, discriminatory and even horrific behavior.

b. We label groups of "those people" based on minimal experience or labels handed to us.

In our ongoing effort to label the world around us so we may better define ourselves and how we relate to our environment, we have an astounding tendency to rush to judgment based on the experience of interacting with one individual who may be different than us, and label an entire group of people, as a result. Or, even worse, taking a label that has been handed to us by society, family, friends, co-workers or any other influential source, and assume that the "branding" is accurate without questioning the validity.

In either case, when we do this we again reduce the individual to a collective identity, often enabling stereotypes in the process, and they become one of *those* people, embellished with unattractive adjectives to support our case for superiority. Take notice the next time someone cuts you off on the highway, of what descriptive adjectives emerge from your lips.

Indeed, all of the "ism"s that we struggle to combat in the name of building an inclusive culture – racism, sexism, heterosexism, to name a few – are just different manifestations of this ability to label others, without regard to whether that label is supported by the actual facts. Most importantly, if that label is less than complimentary (because, of course, there are positive labels that we create and receive from others), it then can drive our non-productive behavior toward that individual or groups of individuals that ultimately creates barriers to working together effectively, or even creating an environment where they can succeed.

c. "Those people" become our lightning rods (negative focal point) to project our shadow feelings onto.

Have you ever heard someone start to bash another individual or group of individuals, and you found yourself inexplicably joining in, finding reasons to contribute in terms of how *those* people (take your pick) degraded the neighborhood, brought unwelcome ways of doing things to work, made our roads less safe, lowered the standards of the universe, etc. Did you ask yourself, "Why?" What made it appealing to some part of your brain to join the "stoning," especially if you had minimal contact with the individual(s) in question? Take your pick on what you blame them for, but rest assured "those people" are the root cause of everything bad in your life. Or at *least* account for a major part of it.

What a relief to be able to take all of that negative energy you have not found a positive outlet for yet, stemming from job issues, to the traffic you sat in on your way home last evening, and channel it toward someone who truly *deserves* it. The *source* of the difference does not really matter. The fact is you are different than *me* and, therefore, are not as good and not worth my attention, my respect or my time. Even if we are not feeling good about ourselves or beating ourselves up about something ("I should have gotten that report to my boss first thing in the morning instead of procrastinating until the afternoon"), doesn't it feel good to start directing your negative feelings onto someone else? "That stupid (fill in difference here, one of *those* people) could not write a report that makes sense if their life depended on it."

The point is we are using difference to justify the condemnation of an individual or group so we can offload some of life's frustrations and hostilities by channeling that negative energy into a "wastebasket" that we have created, at *the expense of another human being.*

d. We work hard to find the differences as to justify our superiority.

As highlighted earlier, even in a group of seemingly homogeneous people, we will find what makes us different and assign it a value that will lead to interpersonal barriers. One of the most surprising data points in this area can be found within groups of people who have been historically disrespected and discriminated against because of their difference from the dominant culture. Example: African-Americans, who have experienced some of the severest examples of discrimination, may treat each other disrespectfully based upon whether they have "good hair" or "bad hair." "Good hair" generally being more straight; "bad hair" more kinky.

This dynamic is not unique to any particular group of people. Colorism, the discriminatory practice of assigning differing social and/or economic status and treatment on the basis of skin color within the same ethnic/racial group, has been well documented as being perpetrated by members of the Hispanic/Latino and Indian communities, in addition to African-Americans. Generally, the darker the skin color, the lower on the hierarchy of the community you are regarded. Think about this: groups of people who have experienced discrimination and disrespect based on the color of their skin are turning around and delivering the *same behavior* directed toward those who share the same racial and/or ethnic origin.

e. We strive to keep ourselves in our comfort zones.

Part of human nature is to consistently look for the path of least resistance. As we have already seen, both our need to feel included, and our desire for safety, drives us toward those who we perceive to be like ourselves, or more like ourselves, than others. It is so much easier and more comfortable to stay in the land of the familiar, including where people are concerned.

Polarizing ourselves with similar individuals severely limits our ability to learn and understand experiences, perspectives and cultures *different* from our own. In fact, this very dynamic *insulates* us from the learning that can only take place when you are *outside* of your comfort zone. Although it may be less comfortable to venture into the unknown and unfamiliar, this is where greater learning may take place, amassing knowledge about people that are different than our own background, which could lead to better mutual understanding of our business partners and colleagues, in turn enabling superior communication and relationships.

All of these associated behaviors and the examples cited are incredibly strong testaments to the fact that these behaviors are a basic (if disturbing) part of our humanity, ingrained in our fabric as human beings.

Perception is reality, but not necessarily the truth. If we perceive others to be less equal than ourselves, then in our personal reality, *they are*, and our behaviors will reflect that inequity, consciously or unconsciously creating barriers between us, interfering with productive communication and sabotaging our ability to work well with our business partners or in our teams. If we seclude ourselves with the familiar and do not consciously seek that which is different, we stunt both our personal and professional growth, and create working environments filled with *those* people; regardless of which side of the barrier we are on, we lose as individuals, as teams and as companies.

We have evolved a frighteningly effective ability to take the humanity out of "those people" by ceasing to see them as human beings at all.

As HR professionals, we have spent much effort addressing the symptoms, rather than the root causes, of these challenges. The results have often been the swapping of inequities toward one group for another, with emphasis on one particular identity perceived as the object of favoritism by another. To be sure, we have made some progress in raising people's awareness and creating an understanding of our own attitudes and behaviors toward groups not part of the cultural majority. As human resource professionals, we must acknowledge that our working environments are not where they need to be, and we have not done enough to address the subtle, unconscious behaviors of disrespect and discrimination omnipresent in our work worlds stemming from differences that include *anything* that makes us unique as individuals.

"Can't we all just get along?" These highly publicized words, spoken by a victim of violence driven by difference, have been mocked more times than they have been praised for their authenticity. And yet, in the simplest of terms, they express exactly what needs to happen. If we can develop a better understanding of human programming around the most basic reasons why we disrespect and discriminate, we can support the creation of that superior business culture where excellence and efficiency are maximized, and we truly are enabled to "do more with less." ■

F. Chase Hawkins is director, employee inclusion and cultural solutions with Raytheon Integrated Defense Systems. He may be reached at Frank_C_Hawkins@Raytheon.com.

Place Your Oxygen Mask on First:

Tips on How to Survive the Turbulence in the Economy So You Can Help Others in Your Workplace

By Roberta Chinsky Matuson

We've heard the instructions from flight attendants prior to take-off a dozen times: "In the event of loss of cabin pressure, oxygen masks will be released automatically. If you are traveling with small children or someone who needs assistance, place the mask on yourself first, before assisting others." There are lessons to be learned in this message. Take care of yourself first so you are in the position to help others. Yet, how many times as HR professionals do we come to the aid of others before we help ourselves?

CLEAR SIGNS STORMY TIMES AHEAD

Experienced HR professionals know there are clear signs indicating a storm is on the horizon. However, it is easy to forget to look for these signs when you are in the eye of the storm. Robin Lucier, NEHRA member and HR director of Malden, Mass.-based Piantedosi Baking Company suggests HR professionals keep a close eye on the changes going on around them. "Has your boss stopped meeting with you or sharing information that you once were privy to? Are there a lot of closed door meetings you haven't been invited to? Did your annual review get 'overlooked'? Has your seat at the table been taken by someone else?" Lucier asks. These are all signs your job may be on the line, particularly in these turbulent economic times.

Kiersten Peterson, NEHRA member and director of human resources at Boston-based Winston Flowers believes the writing is on the wall when your company is planning a reduction in force and your expertise is not requested. Human resources should be driving the process, providing coaching through formulating a method to the selection of impacted employees to protect the company and ensuring those left are part of the team the company wants and needs

to guide them through the economic storm and emerge a stronger company for it. "If HR is not included, that is probably a good indication that the position is considered to be one that the company can survive without!" Peterson exclaims.

REMOVING YOUR BLINDERS

Sometimes we mistakenly believe that if we do not say something out loud, the worst will not happen. But that is exactly what will happen if we do not have the courage to ask those tough questions. Some NEHRA members are fortunate to work in organizations where transparency is a part of the corporate culture. You always know where you stand. However, the norm seems to be working in organizations where you never know unless you ask.

NEHRA member and VP of Human Resources and Administration of Burlington, Mass.-based By Appointment Only, Inc., Linda Metzger believes this is the time to step up to the plate and show the CEO why you are valuable. "You need to think like a business person and really understand the business," Metzger states. Would a true business partner keep their head down and wait to be told what to do? Or would they go in and offer suggestions on what needs to happen to strengthen the organization in order for the company to survive?

Be bold. If you suspect plans are being made for a reduction-in-force and you are not being included, ask your boss why. You may not like the response you receive, but at least you will be in a position to make other arrangements for the next leg of your journey.

Be prepared for anything. Reconnect with people in your network and update your resume.

If you suspect plans are being made for a reduction-in-force and you are not being included, ask your boss why.

WAYS TO WEATHER THIS STORM

It is not too late to weather this storm. Here are tips on how to preserve your job:

MAKE YOURSELF VISIBLE

This is not the time to let others be the hero. Step up to the plate and take charge. For example, devise a plan to meet key challenges such as the reduction of expensive employee turnover. Volunteer for assignments others don't want.

SHOW YOUR VALUE

You cannot assume your boss will remember you have other skills or credentials that are not used throughout the course of your day. Suppose you attended law school, but have chosen not to practice law. Remind your boss that you have skills that can be used elsewhere in the company. You are more likely to keep your job if you can fill more than one roll in the company.

BE A TRUE BUSINESS PARTNER

It is easy to get caught up in the day-to-day dealings of HR, particularly if there have been cuts in your department. This mistake could be your demise. Focus on the bigger picture and look for ways to partner with sales and operations during these difficult times.

ALIGN YOURSELF WITH THE PEOPLE THE BOSS RESPECTS

Aligning yourself with other successful people makes sense in any economy. You can learn a lot from them and perhaps the halo of their good reputation may extend to you.

STAY RELEVANT

Are you the only person in your company who is continuing to invest in their own education? If so, this could be the "wild card" you will need to avoid being laid off. Continue to stay on top of changes in your field (*visit nehra.com to see a list of upcoming NEHRA events*) and expand your knowledge beyond your core area.

BALANCING ACT

It can be a tough balancing act for HR professionals, who are accustomed to worrying about others rather than themselves. Is it really possible to help others when you are worried about your own survival?

"I rely on my HR support system (NEHRA) and HR colleagues. I know they are going through the same thing, and it's somewhat comforting to commiserate with them," Lucier notes. She also takes time for herself. Lucier uses exercise and meditation as a way to decompress from the stresses of her job.

Peterson recognized the need to slow down so she can avoid burnout. "Instead of working 12 hour days, I work a few hours on a day off to try and stay fresh," Peterson says. She also arrives at work a bit earlier in the day to try and avoid stressful rush-hour traffic and to have some quiet time in the office. Other tips to stay in balance include getting enough sleep and eating balanced meals.

According to most forecasts, it looks we will be in this financial crisis for longer than originally expected. Staying fit so you can go the distance will be critical, as you continue to weather the elements.

Even with all the technology out there, we cannot predict exactly how these changes in the economic climate will impact us personally. HR professionals should heed the advice we often give employees. Be prepared for anything. Reconnect with people in your network and update your resume. These two moves certainly can't hurt. They can only help. ■

Roberta Chinsky Matuson is the president of Human Resource Solutions. She can be reached at Roberta@yourhrexperts.com.

FEATURE

The Hunt for Opportunities

By Jay Forte

Ours is an unpredictable world. Many times, regardless of how effectively we plan, some things just fail. The dinner party that should have been great based on the planning, but the meal was a disaster. The meeting's presentation that was well prepared, but then the equipment failed. Or, a disciplined and diligent savings plan that lost nearly half of its value in today's recession. These challenging situations define our days. Some curse and yell; others see them for the opportunities they present. Inaugural Poet Maya Angelou writes, "I've learned that you can tell a lot about a person by the way he or she handles these three things: a rainy day, lost luggage, and tangled Christmas tree lights." Failures, changes and unexpected events have the ability to either destroy or advance; it is in our outlook and response that allows us to turn these failures into opportunities.

Thomas Alva Edison experienced repeated failures. His true success was not in his invention of the light bulb, but rather his tenacity and outlook that believed failures were a means to gain new information and new perspectives. Our most successful employees are not those who land on their feet after every project or event; instead, they are those who have the persistence and optimism to learn from difficulty and use what they learn to re-imagine, recreate and re-experiment. They are the ones who have learned to be positive and to constantly hunt for opportunities. They observe and assess every situation they encounter, identifying locations to improve and respond. They know their business and the ways to increase its value. They remain optimistic and forward-thinking, regardless of what comes their way.

Few businesses have been unaffected by today's recession. Some see the situation as a doomsday prophesy – others see it as an opportunity to reconnect to their competitive advantages and core competencies. They use the challenge to reinvent and redefine. They do not wait for times to improve; they improve on what they have. They review, question, and challenge everything they do – and do it better, smarter, more efficiently and more effectively. They do not allow victim-thinking to permeate their cultures. They know fear of the unknown is not a growth strategy. They commit to entrepreneurial thinking – opportunity thinking.

Our recession will not end because of any government bailout plan. It will end because strong organizations stayed focused on inventing and developing opportunities in their workplaces, products, services, relationships with customers and operations. They do not and will not wait for the world to be a better and stronger place; they will make it happen because they are committed to the process of hunting for opportunities.

Organizations that constantly hunt for opportunities, perform better, innovate more and succeed in tough times because they possess the following qualities:

1. ***They create, support and live a culture that teaches, inspires and encourages employees to look for the opportunity in every event.*** Failures are unparalleled opportunities to reinvent success. These organizations "celebrate extraordinary failures and punish average successes." Effort, innovation and intent are celebrated; unusual, non-conventional and non-conformist perspectives are applauded. Occasional failures show that employees are pushing performance to the edge. As Tom Peters states, "A day without a screw-up is a day without enough reach." These workplaces encourage their employees to focus on the positive; they create a culture that is open, free thinking, and believes, "Yes, we can."

A pervasive optimistic outlook is the hallmark of the culture; it is the attitude and the behavior from those at the highest and lowest levels in the organization. All employees are trained, then encouraged, to continually supply the organization with ideas, suggestions and plans that come from a continual observation and assessment of every aspect of the organization they impact.

Our recession will not end because of any government bailout plan. It will end because strong organizations stayed focused on inventing and developing opportunities in their workplaces, products, services, relationships with customers and operations.

2. ***They commit the time and effort to help employees learn their strengths and use them to develop opportunity-thinking.*** Each of us has the potential to be great at certain things; we each have intrinsic talents and strengths. Successful employees know their talents and understand these talents help them to be naturally perceptive in certain areas; they commit to deliberative practice to develop these areas. Successful organizations provide guidance and information to help all employees define, articulate and then develop their talents. Aligning employees to roles that fully utilize their intrinsic strengths and talents encourages these employees to provide greater observations and assessments of opportunities. They focus their hunt for opportunities in their talent and strengths areas; areas in which they have the greatest insight and understanding.
3. ***They focus on learning and actively solicit input from everyone.*** Organizations that hunt for opportunities are always learning, asking great questions and are exceptional listeners. They listen to new perspectives, facts, ideas and dreams. They listen to customers, employees, vendors and strangers. They read books, blogs, periodicals and newspapers. They read and listen to topics that may appear to be unrelated. They assess what they hear; they consider everything. They set up teams to discuss and brainstorm, debate and challenge. They join clubs, associations, and take courses. They regularly ask, "How about?" or "What if?" They continually and openly share what they hear with their teams to expand their collective consciousness in the hunt for opportunities.
4. ***They focus on exponential, not incremental, opportunities.*** All discussions of opportunities are directed to significant, not average, results; performance "light" is unacceptable. They use the information they glean about the market, customers, strengths and trends to consider opportunities that have the potential to be significant. They challenge each other to raise each idea presented to something better. They reinvent a workplace that provides everything employees need, and then some. They provide everything a customer wants, and then some. They look for ways to step ahead, impress and astonish customers, vendors, employees and management. Successful organizations know nothing lasts forever and they must continually reinvent themselves – each time more significantly than the last. These organizations constantly review every aspect of what they do and how they do it they focus on the exponential in their hunt for exponential opportunities.
5. ***They share success with everyone.*** Today's best ideas are not exclusively resident in management. Organizations that hunt for opportunities realize that opportunity-thinking must happen at every level. Therefore, all successes are openly shared and celebrated. Failures are communicated, not to scold or punish, but rather to inspire employees to rethink, redefine and reinvent; they pave the way for larger and more significant suggestions, ideas and innovation. Eliminating the fear of failure empowers employees to think and invent in a more profound way.

In an intellectual workplace, innovation, invention and opportunity-hunting must be core expectations of all employees; every employee must watch, listen and communicate more effectively to identify improvements and opportunities – and not be afraid to stand out and take a performance risk. Employees must see the connection between effort and results, innovation and success; this encourages their continual significant contribution. The more successes are shared with everyone, and failures are seen as a way to improve, the more performance – and idea-risks employees will take – all in the hunt for opportunities.

In today's uncertain recessionary period – where the regular, average or incremental approaches are not strong enough to ensure an organization's survival – successful organizations have mobilized their teams to be on the hunt for opportunities. Creating opportunities, efficiencies in spending, innovation in product and services, and greater value in relationships, are the key to performance success. It

may be in a retail store that creates a new and more "hip" line of products that are less expensive to match today's reductions in consumer spending, but continues to appeal to the tastes and interests of a particular generation. It may be a restaurant that now opens at lunch, creates a mobile delivery van or a special take-out section to appeal to a changed demographic. It may be a financial services firm that sponsors savings, investing and retirement education to create more savvy and loyal investors who better appreciate and value the firm's conservative and pragmatic approach. It may be a furniture store that creates a furniture rental division to accommodate a transient component of the population, and the challenge of consumers' hesitation in purchasing larger ticket items. It may be a human resources department that finds efficiencies in payroll processing, a survey-inspired better aligned and connected benefits response, or an innovative flextime policy that accommodates the most powerfully performing demographic in the area.

Some people and organizations are distracted or discouraged by failure and change. Others see failure and change as opportunities for greater success. A commitment to an opportunity-focus will engage employees, activate their spirit of cooperation and collaboration, and help them see that they can influence both their success and sustainability. Our employees are our eyes and ears – they are connected in so many ways to our world. We need to know what they think and feel. We need to know what they imagine and wish for. We need to know what bothers them, keeps them up at night and concerns them. Enlist them into your hunt for opportunities by implementing these five suggestions. Not only can the hunt for opportunities increase your success, but it may help you invent the next product, service or idea the rest of us cannot live without. ■

Our most successful employees are not those who land on their feet after every project or event; instead, they are those who have the persistence and optimism to learn from difficulty and use what they learn to re-imagine, recreate and re-experiment.

Jay Forte is president of Humanetrics, LLC. He may be reached at jay.forte@humanetricsllc.com.

Change Happens – Now What?

By Susan Miele

The recent downturn in the economy is causing many in the business community to wade into uncharted waters. While the ebb and flow of the economy is a natural part of the business cycle—sometimes business is robust, while other times it is sluggish—this current recession is unprecedented. It is still too early to tell if the worst is soon to be over or if the economy will continue on its downward spiral. Regardless, these are challenging times for this new generation of leaders. Of course, the true test of leaders and their organizations comes when faced with a major change.

How organizations handle this downturn, or any kind of disruptive change determines the health and success of the company in the long term. Organizational leaders must be able to move through the setbacks, regardless of how big or small, or else they may get stuck in the moment and let the change define the organization.

How can HR executives and company leaders prepare their organizations for the undulations common in today's economic landscape? How can they stay focused on key initiatives? In fact, do they even know what their key initiatives are in light of the new economic climate? How can they keep employees motivated in tumultuous times? How can they protect their culture, processes, and teams in the face of adversity?

Remaining resilient in times like these requires forward-thinking. Often when challenges arise, HR professionals and company leaders spend so much of their time and resources preparing for the major change that they do not sufficiently plan for what will happen *after*. For example, company leaders who must make a significant reduction in their workforce are meticulous about planning for the layoff, and it becomes all-consuming. They work diligently to determine which positions will be eliminated, examine the legal ramifications of the reduction, and develop outplacement and severance packages. They take care of every detail leading up to the layoff, and execute it flawlessly, but then what? It is how an organization prepares for and addresses what comes next that plays an important role in the future of the company.

Ensuring your organization is resilient enough to endure the current changes it is facing and those that lie ahead is no small task, as often the resiliency of an organization is not tested until it meets a major challenge head-on. When this happens, senior leaders and their HR partners need to adapt to the change, focus on the future, and act quickly to create plans to stabilize and strengthen the organization. An organization's leadership team must examine three key areas as they navigate any major change: organization design, leadership capabilities and employee engagement.

ORGANIZATION DESIGN

As an organization's strategy shifts to respond to the change, so must its design. The design of an organization includes a number of important levers that work together to ensure the achievement of the organization's strategy. These levers include: organizational structure, processes, metrics and reward systems, and people practices. These systems, working in harmony, create focus and harness the collective energy of the organization.

Re-aligning these key levers after a major organizational change is often not a top priority, as senior executives are so focused on the bottom line, shareholder value and employee retention. While a full-scale redesign may not be possible or practical, organizations can begin bringing their systems back into alignment with the new reality by targeting three critical areas:

- **Values**—Having a shared set of values is pivotal to ensuring organizational resiliency. They provide a clear sense of purpose to individuals within the company,

and serve as the foundation on which to rebuild the house. If the organization's values were compromised or weakened in the change process, which is likely, it is critical to revisit, reinforce and communicate these guiding principles.
- **Goals**—Once the foundation has been secured, leaders must be sure everyone knows what needs to be done to stabilize and start rebuilding. They need to communicate how the goals have changed (if they have) and how they link to the strategy and, ultimately, re-gaining success. They must be rigorous to ensure alignment of goals at all levels to get people to focus quickly on new or existing priorities.
- **Roles**—Leaders must be clear with employees about how employees fit into the newly defined organization. Do they have new roles and new people they need to interact with to do their jobs? Is their role the same, but are they part of a different team? Have teams merged? What has changed about their jobs? Team leaders should understand the scope of change for each person on their team and be sure to clearly identify the level of change to enable maximum productivity.

LEADERSHIP CAPABILITIES

Challenging times require a different type of leadership. In much of his writing on change leadership, management guru John Kotter uses the analogy of a peace time army versus one at war. A competent administrative leader with a strong management team is sufficient to lead and manage a peace time army; however, is that person also qualified to lead an army into battle? Surely, these turbulent fiscal times are equivalent to an economic battlefield and require war-time leaders. What are the core competencies leaders need to guide their organizations through such challenges? Understanding what these competencies are and ensuring they are in place must be a top priority of HR and senior leaders right now.

There are five core leadership competencies critical to driving and enabling change. These competencies must be strengthened to successfully execute a change and move an organization forward. The logic behind these competencies is simple: a layoff, merger or acquisition, or restructuring causes major disruption and leaders must focus their capabilities on a narrow list of priorities. The priorities include:

- **Setting direction**—Leaders must define the focus for the organization and its people by restating the vision, and ensuring that the sense of purpose is clear and articulated.
- **Aligning employees**—Once leaders have set the course for the organization, they must make the goals, objectives and the mission clear to employees to gain their support. Leaders should also ensure that people know what their roles are as the organization moves forward.
- **Motivating and inspiring people**—Enduring a major change, such as a layoff, can be difficult for the remaining employees, and can be a drain on productivity. Leaders can motivate and inspire people by focusing on the organization's future success.
- **Communicating**—Change can be unsettling for people, but they will fare far better (and will be more productive) if they know what is going on. Leaders must demonstrate strong communication skills and must be honest with employees about the changes in the organization.
- **Managing Talent**—Leaders must scrutinize the redefined organization's talent needs and secure that talent. The right people need to be in place to make success happen.

While simple in theory, in practice the focus and discipline required to successfully execute on these capabilities is not easy. In all likelihood, formal leadership development efforts are often not practical in the midst of such turmoil, however targeted coaching, action learning and on-the-job tools can help develop these competencies in real-time and not only support leaders through the change, but strengthen their capabilities in the process.

EMPLOYEE ENGAGEMENT

During a workforce reduction, company leaders can be so focused on those they are laying off; they overlook the impact of the change on the employees who stay. To survive and rebuild, it is vital for the organization to support its people and teams as changes occur.

One way to do this is by directly enlisting the help of employees so they can play a role in shaping the future of the organization. Understand what they need to be more individually resilient and provide the training and support to build this capability. While often formed early in life, personal resiliency can be developed, and strengthening personal resilience enables organizational change to be absorbed with minimal impact on productivity and morale.

Organizations that survived and thrived in the Depression era had a steadfast commitment to focusing on people and building talent. They clearly understood that it was their people who would get them through the challenging times. This lesson resonates today as well. It may be all too easy for senior leaders to convince themselves that losing talent in this type of market is the least of their worries. And while in the short term this might be true, leaders need to consider productivity, engagement and the focus that is needed to get through the difficult times. Surely, all remaining employees need to be engaged to make this happen.

Leaders must take the time to check in with employees post change to measure engagement. They can perform a quick pulse survey, asking employees to answer these key questions:

- Do I know what is expected of me?
- Do I have the right skills, abilities and potential?
- Do I belong here?
- How can I learn, grow or innovate?

Communication is also a vital component to employee engagement. Employees should be kept informed through regular communication such as newsletters, town hall meetings and manager roundtables. The communication channels should be two-way, open and honest, and frequent. In times of change, there is no such thing as over-communication. The more information employees have, the less time they spend guessing about the direction of the company, which allows them to focus on their work.

While there is no way to predict what changes might affect an organization in the future, leaders who prepare for change—not just react to it—will ensure their organizations remain resilient and will better endure the challenges ahead. ■

Susan Miele is a senior partner with Camden Consulting Group. She may be reached at smiele@camdenconsulting.com.

FEATURE

Measuring What Matters:

Linking Competency-Based Performance Management with Business Results

By Stephanie Goode

The past five years have seen a remarkable amount of progress in the ability of organizations to measure multiple aspects of organizational performance and link it to the organization's strategic goals. The work in the mid- to late 1990s by Kaplan and Norton related to the balanced scorecard helped organizations to create a window into their activities and start to measure the relationship between their operational decisions and their desired strategic outcomes. The resulting dashboards, metrics and the development of the organization's support functions, most notably the evolution of the Finance function from a primary focus accounting to developing complex business and financial analyses, have allowed organizations in all market sectors to begin to measure what matters in terms of results and outputs.

Human resources organizations have also kept pace with the development of key measures to assess their ability to deliver results for their organizations. Cost-per-hire, days-to-fill, training-dollars-per-employee are regarded as key barometers of HR performance and form the basis of many human capital metrics initiatives. However, there is a puzzle at the center of the human capital analytics conversation. Human behavior, motivation and the contribution of discretionary effort do not easily lend themselves to the types of measures that are concerned largely with summing up HR activities. The central puzzle is fundamentally related to the difference between counting and measuring: which measures provide information about meaningful differences in human performance? Which measures are primarily concerned with counting tasks and activities?

IN DEFENSE OF COUNTING

Before moving toward a more in-depth discussion of how to develop actual performance improvement measures, there is something to be said in defense of counting and tracking the level of HR activity in an organization. All organizations must devise measures that account for transactional efficiency. As John Gibbons and Christopher Wouk point out in the Conference Board Briefing *Evidence-Based Human Resources: A Primer and Summary of Current Literature*, "Much of the work in HR metrics to date has been focused on improving efficiency or proving the value of the HR function."

these lists are often highly "aspirational," an organizational "wish list" that is a projection of an idealized future or the components of a "perfect employee." There is often little connection between the list of attributes an organization selects as being highly desirable and the actual achievement of measurable performance outcomes. Why? The answer may lie in a brief discussion of the difference between chemistry and archeology.

Specific descriptions and behavioral examples allow managers to make distinctions and provide clear feedback.

Certainly, as HR organizations have occupied more of a "seat at the table," they have been subjected to the same level of rigorous cost and resource justification as their business line counterparts. Key performance indicators like days-to-fill or cost-per-hire, give executives a means to evaluate whether the dollars they are allocating to the HR function are being used efficiently.

However, outside of the context of measuring HR efficiency, counting is much less effective in addressing more complex questions related to human performance. While employee engagement surveys have filled in a piece of the puzzle by linking employee attitudes and levels of rational and emotional commitment, HR professionals still face the daunting task of trying to answer some of the more complex questions connected with performance. What characteristics of performance are truly differentiating in terms of achieving organizational outcomes? How is it possible to measures degrees of achievement to better direct organizational resources and investment in development programs and strategies? HR metric approaches directed at counting are much less effective in answering like these.

COMPETENCIES: A FOUNDATION FOR MEASURING PERFORMANCE

Competency Modeling is by no means a new concept in the assessment of performance. Most organizations can provide lists of desired attributes – empathy, sense of humor, initiative, servant-leadership – as well as skills – business acumen, strategic thinker – by which they evaluate employees and make predictions about who does and does not have the potential to be successful. However,

Anyone who has persevered through the rigors of the periodic table in high school can probably remember the underlying principles of chemistry. Chemistry accounts for the different reactions a varying combination of elements can produce. Many organizations take the chemistry approach to competency modeling: start with some initiative, add some influence without authority, sprinkle in some emotional intelligence and synergy! – a sum greater than the total of its individual parts – an outstanding performer.

Many of these aspirational models are created with a great deal of organizational effort and oversight. Employee focus groups, interviews with executives and benchmarking are critical tools in their formation and development. However, the limitation of this approach is that it often yields more information about the interviewees' explanation of their own professional journey, their individual projections about what constitutes success, that an accurate picture of what it takes to produce measurably outstanding results within an organization. The question remains: what is truly differentiating in the achievement of performance outcomes? How can that be measured?

Perhaps a better solution can be found in another scientific analogue: archaeology.

Archaeology is the science that examines cultural artifacts and remnants of past civilizations. It seeks to develop knowledge of the mores of a tribe, the essence and spirit of a culture by examining the tools of everyday life.

An archeological approach to competency modeling suggests that the attributes that are most predictive of measurable performance success are actually resident, though perhaps not clearly recognized or specifically articulated within the organization. In any job, an appropriate level of functional skill is required; it is the price of entry, the table stakes of performance. However, there is no need to layer on an aspirational list of desired behaviors and attitudes to supplement the skill requirements of a role. In fact, such a list may frustrate or inhibit performance outcomes. Imagine the response of the employee to such a list: "Great! Not only do I have to be an expert financial analyst, I need to develop charisma!"

However, within the everyday approach to the work of an organization's most consistent and best performers, there is most likely a common set of behaviors that they all apply that lead to the achievement of outstanding results. Studying this group, the people who are consistently associated with the efforts and projects that produce projected return on investment or most regularly meet revenue targets will uncover the unique attributes and habits of mind that are truly predictive of success within your organization. By sponsoring this type of archeological "dig" HR leaders can begin to develop the analytics that are linked performance outcomes.

SPONSORING THE "DIG"

How does an organization go about uncovering the competencies that make a difference?

Begin at the end. Where did your organization achieve its most successful outcomes?

At first this sounds counterintuitive. Much valuable and irreplaceable work goes into commissioning teams and setting them up for success. However, in terms of establishing a means of measuring and creating analytics regarding performance outcomes, begin with the performance outcomes themselves. Which projects were most successful in terms of delivering on their projections and scope? Which areas of the company have most consistently delivered superior results? Controlling for external factors, which ones most closely delivered on what the corporate strategy required?

Identify the outstanding performers associated with your most successful projects

Which people were part of the achievement of the company's outstanding outcomes? They have vital information related to the achievement of results. Their approach to work, the steps they take in solving complex problems, the means they use to exert influence or communicate good and bad news are important in understanding your organization's implicit and explicit norms and requirements.

IDENTIFY YOUR CONSISTENTLY GOOD PERFORMERS

Employees who consistently deliver solid results also have critical information in the development of a competency model. Comparing their approach to work with the approach of staff members who are consistently outstanding provides a clear picture of what the differences are between the good and the best.

INTERVIEW BOTH GROUPS AND BE SURE TO ASK THE RIGHT QUESTIONS

The tried and true behavioral event interview strategy works well here. The head-on approach "What do you think it takes to be successful around here?" is unlikely to uncover information that will be helpful in identifying behavior that leads to measurable performance outcomes. It is most likely to yield an explanation of the respondent's interpretation of his or her own success. The "Tell me the story of a project that was successful and one that was unsuccessful" approach is likely to produce much more information about how to effectively to navigate your organization and the skills and habits of mind needed to get an initiative over the finish line.

LOOK FOR COMMON PATTERNS AND IDENTIFY THE SEVEN OR EIGHT MOST RELEVANT ATTRIBUTES

Long lists of attributes or descriptions are daunting for employees and are often viewed as unachievable or as HR clutter. A manageable group of the seven or eight attributes most consistently linked with successful outcomes can be readily communicated and can be a strong force toward aligning employees around a simple, yet widely accepted, core of behaviors.

PROVIDE A DESCRIPTIVE SCALE

Establishing a targeted list of employee attributes and then asking managers and employees to use it for evaluation purposes with vague evaluation terminology like "exceptional" or "on target" may not provide enough clarity. What does "exceptional" look like? How does it differ from "on target" or "needs improvement"? Specific descriptions and behavioral examples that illustrate the differences between outstanding and on track and needs improvement efforts allow managers to make distinctions and provide clear feedback.

PUTTING IT TOGETHER: LINKING METRICS TO THE MODEL

A competency based on the performance characteristics of employees associated with the delivery of outstanding business results should both reflect the organization's highest aspirations and validate the behavior of successful employees. The "what" of performance, the quantifiable results and outcomes achieved should be closely linked to high levels of performance of the successful behaviors described by a competency model.

Additionally, key HR performance metrics tied to outstanding performance outcomes and competencies give a more fully rounded view of the investment and resources employed to develop the firm's human capital. For example:

Turnover: What is the voluntary turnover rate of staff members who demonstrate high levels of competency model achievement? How does it compare with the turnover rate of the entire employee population?

Development: What is the correlation between development dollars and performance achievement? Training program attendance and performance achievement?

Employee Engagement: Is there a correlation between employee engagement and the achievement of outstanding performance outcomes linked to high achievement of organizational competencies?

Staffing and Recruitment: How effective is the recruitment and interview process in identifying potential staff with high degrees of alignment with the organization's competency model? How do retention and career progression rates relate to levels of achievement?

Placed in the context of a competency model that is rooted in the achievement of successful business outcomes, HR metrics can tell the story of an organization, and how its human capital strategies in its various disciplines – staffing, development, pay, employee engagement – contribute to the organization's ability to deliver its value proposition and grow its bottom line. ■

Stephanie Goode is a vice president of leadership development with Fidelity. She may be reached at stephanie.goode@fmr.com.

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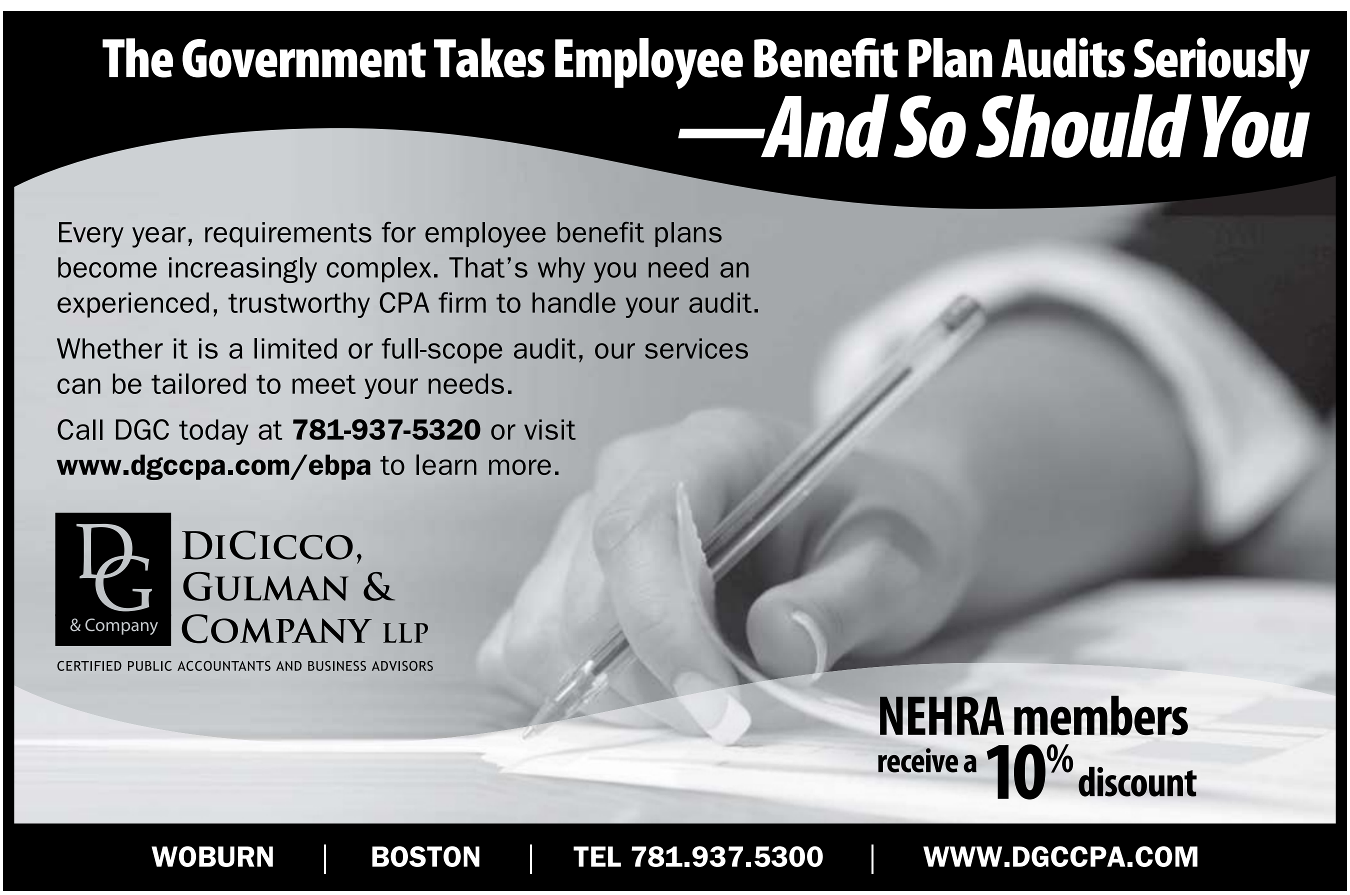
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