# Introduction – Managing Employee Performance Series

**Managing Employee Performance effectively is vital to any organization’s success. In smaller companies, which normally make up the majority of an Association’s membership, employee performance issues are often dealt with in an ad-hoc or unstructured manner. Your members need to understand that more structured and effective solutions are available to them by subscribing to/using the HR Power Centre and HR Hot Line. To help build this understanding and awareness, we want to provide regular insight and direction to your members on the various facets of Employee Performance Management and we have created the Managing Employee Performance Series for this purpose.**

**We recommend that you feature/reprint these articles in a regular HR column in your Association Newsletter. They are listed in random order and we have taken the liberty to include a standard heading before and a call to action after each article. You can also send articles to your members as stand-alone communications if you feel that’s appropriate. The content of the articles must remain unchanged but please feel free to change format, fonts etc. to suit your Newsletter’s style.**

**Table of Contents**

[Introduction – Managing Employee Performance Series 1](#_Toc21512773)

[Why Be Concerned About Employee Engagement? 4](#_Toc21512774)

[Developing High-Performance Organizations 7](#_Toc21512775)

[Straight Talk 11](#_Toc21512776)

[Your Company's Culture & What This Means When Recruiting 13](#_Toc21512777)

[The Ideal Turn-Over Rate 15](#_Toc21512778)

[Time Management Tips 17](#_Toc21512779)

[Taking Control of Change – The Key to Improving Results 20](#_Toc21512780)

[Preparing - The Candidate Interview 22](#_Toc21512781)

[The Power of Positive Feedback 25](#_Toc21512782)

[5 Most Common Hiring Mistakes Companies Make 27](#_Toc21512783)

[Employee Accountability 29](#_Toc21512784)

[Cutting The Cord On A Sick Employee: It Can Be Done…But Be Careful! 31](#_Toc21512785)

[Facebook Mistakes -The Career Killers 34](#_Toc21512786)

[Holiday Parties and Company Liability 36](#_Toc21512787)

[Directors and Officers Liability Insurance 38](#_Toc21512788)

[Poor Hiring Practices Can Lead To Lawsuits 39](#_Toc21512789)

[The Dangers of Social Networking 41](#_Toc21512790)

[Exactly What Does HR Do Anyway? 43](#_Toc21512791)

[The Evil Twin I Just Hired 45](#_Toc21512792)

[The People Principles: Ways to Build a People-Centered Workplace 47](#_Toc21512793)

[Managing the Interview Process – a Candidate’s Perspective 49](#_Toc21512794)

[Attitude Is Seriously Under-Rated, In Fact - It Is Everything 51](#_Toc21512795)

[Shhh...Don't Say Anything... 53](#_Toc21512796)

[It’s Easy – Just Fire Them 55](#_Toc21512797)

[As a Manager, You Must Know How to Provide Feedback 57](#_Toc21512798)

[Social Networking - or “Not” Working 59](#_Toc21512799)

[Hiring Right !!! 61](#_Toc21512800)

[It’s Not My Job 65](#_Toc21512801)

[Interview Tips for the Interviewer 67](#_Toc21512802)

[Who Is In Charge of Hiring? 69](#_Toc21512803)

[The Key to Success 71](#_Toc21512804)

[Tune Up Your Team for Action 73](#_Toc21512805)

[Toxic Leadership 76](#_Toc21512806)

[Employee Engagement 78](#_Toc21512807)

[Just Cause: The Law and Practice In Relation To Job Performance 80](#_Toc21512808)

[Hiring: Getting the Right Fit 82](#_Toc21512809)

[The Importance of Employee Background Checks 84](#_Toc21512810)

[From Independent Contractor to Employee 87](#_Toc21512811)

[Maximizing Employee Performance 90](#_Toc21512812)

[So, Who REALLY Has Time For The People Issues? 92](#_Toc21512813)

[Common Questions We Get About the HR Power Centre 94](#_Toc21512814)

[Dealing With an Older Workforce with the Absence Of Mandatory Retirement 96](#_Toc21512815)

[My Time is At a Premium ---- I’m Too Busy For HR!!!! 98](#_Toc21512816)

[Why Invest In An Employee Benefits Plan? 99](#_Toc21512817)

[Written Employment Agreements 101](#_Toc21512818)

[Human Resources – I’m Too Busy 103](#_Toc21512819)

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# Why Be Concerned About Employee Engagement?

**This article is part of the TwoGreySuits Managing Employee Performance Series and is offered by our partner, TwoGreySuits as a Human Resource Management information service to our members.**

An engaged employee is a person who is fully involved in, and enthusiastic about, his or her work…Engaged employees care about the future of the company and are willing to invest the discretionary effort – exceeding duty’s call to see that the organization succeeds.

Although there seems to be fairly widespread recognition that employee engagement matters, the challenge is often in convincing business leaders this is the case, particularly in today’s tough economic climate and especially in an atmosphere of widespread cost cutting.

We are going to form our own rationale that employee engagement is a real concern based on the responses we have had from several hundred participants in our Best Management Practices training course we instruct. At first we were shocked at the answers but then began to realize over the course of time that these numbers were very consistent from company to company. We asked what, in % terms, is the level of your engagement in your job; meaning how much of your effort, wisdom, knowledge, ideas and initiative is the company getting from you?   Participants said they were on average **only 40-60% engaged in their jobs**.  We went on to illustrate and explain how a more focused people management style would greatly improve employee engagement, but there are many other contributing factors too. In fact, the conscious use of the [HR Power Centre](http://www.twogreysuits.com/powercentre.asp) would serve as a platform for developing higher employee engagement in any organization.

According to Gallup, one of the leading research firms in this area, when comparing top and bottom quartiles of engagement scores, highly engaged organizations have 2.6 times the earnings per share growth rate of their lower performing peers in the same industry.
Some other interesting metrics from Gallup include the following:
In average organizations, the ratio of engaged employees to disengaged employees is around 1.5 to 1; in high performing organizations, the ratio is more like 8 to 1.

**How to Improve Employee Engagement**

* Provide employees with an understanding of how their jobs fit in with the overall organization and how their work contributes to organizational goals.
* Ensure that employees have opportunities for promotion and career advancement, and that those opportunities are communicated to them.
* Provide training to managers and supervisors on how they can gain the trust of their employees.
* Ensure that health, safety and ergonomic concerns are taken seriously in the workplace.
* Ensure that the workplace is physically pleasant and that temperature, air quality and noise levels are optimal.
* Ensure that the total rewards package (including cash compensation, benefits, pensions and other rewards) is competitive and fair, both externally and internally.
* Provide opportunities for employees to socialize and get to know one another.
* Provide employees with a reasonable degree of job security wherever possible.
* Clearly communicate the organization’s vision, mission and values to employees.
* Ensure that employees have adequate vacation time, and that they take the time off that is owed to them.
* Provide a safe and secure work environment.
* Provide employees with opportunities to innovate and excel in their jobs.
* Ensure that managers and supervisors take the time to get to know their direct reports and that they demonstrate genuine concern for their well-being.
* Provide opportunities for employee empowerment, job rotation, enrichment and enlargement.
* Wherever possible, provide stimulating work which is not boring or repetitive.
* Ensure that employees have the equipment and materials required to be successful.
* Implement a pay-for-performance culture that recognizes superior performance.
* Ensure that senior management builds trust with employees by being honest and forthright in their communications, and by being available and approachable.
* Provide opportunities for employees to work cooperatively and collaboratively.
* Ensure the right employees are placed in the right roles at the right levels.
* Foster effective communications throughout the organization; where possible, ensure that employees are kept in the loop with regard to organizational changes and developments which would likely affect them.
* Provide proper context for performance management; let employees know what is expected of them.
* Ensure that employees have reasonable demands placed on them.
* Involve employees in the decision-making process wherever possible.
* Cascade clearly defined organizational goals to all employees; allow them to participate in the setting of their own goals and objectives.
* Ensure proper work-life balance.
* Develop policies dealing with a respective workplace and ensure those policies are enforced; do not tolerate bullying and harassment of any kind.
* Provide constructive feedback to employees regarding their performance.
* Provide employees with as much freedom as possible to determine how they complete their work.
* Provide learning and development opportunities wherever possible.
* Demonstrate compassion and provide emotional support during difficult times.
* Conduct regular employee engagement surveys and report on their results in a transparent manner; develop meaningful action items in relation to areas of concern and take concrete steps towards implementing the required changes.

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# Developing High-Performance Organizations

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**The Culture of Engagement**

Every business owner or manager aspires to lead an organization that produces consistent and sustainable high performance. It is people who deliver performance, but just telling or worse, just hopingyour employees will perform will not yield the results that are achievable. Creating a high-performance organization is a deliberate and purposeful act of leadership. Only by instilling a certain set of conditions and behaviors can your employees’ potential be unleashed. ***What would a High-Performance organization look like and how do you develop this?***

**The High-Performance Organization**

It is important to understand the behaviors of employees in a high-performance organization. Not only are these employees fully competent in performing their jobs, they also are comfortable with team collaboration in creating innovative solutions. They are committed to the organization’s strategic priorities and understand fully how their performance contributes to its success. They are energized and highly motivated. They know the organizational goal, they know their role in achieving the goal and they consistently deliver on commitments.

In High-Performance organizations, employees continually strive to assist one another. They are eager to initiate and participate as a team member responsible for analyzing and solving problems, and in successfully implementing agreed solutions. Innovation and challenging the status quo is encouraged and rewarded. This type thinking is integrated into their jobs everyday.

The employees have been trained and coached extensively in the knowledge, skills and abilities necessary to make these kinds of contributions. They come to work expecting and seeking opportunities for engagement, creativity, personal fulfillment and recognition.

An organization that has employees who think and behave in this way enjoys a rich Culture of Engagement. Managers are not struggling with the belief that they alone are responsible for possessing all the right answers. Instead, managers are consistently unleashing the incredible potential of their employees. By encouraging and sharing discretionary power, managers have created the environment and conditions for employees to participate more fully in the organization’s decision making and ultimately their success. Employees respond to this with enthusiasm, commitment and quality efforts. Talent at all levels is nurtured, valued, and recognized.

In this environment, speaking up is the norm, employees are confident and not at all concerned about thinking and saying things that may be contentious because it is potentially in the interest of the organization. This is management of the brave and confident and requires a different approach than traditional management. In this scenario, managers cannot be controlling. Managers need to understand their role to be one of directing, coaching, supporting, and inspiring the development of their employees. The single most important role of a manager in this environment is to develop employees to become more competent.

Managers and employees are working together to achieve shared goals, objectives and outcomes. There is a certain synergy that propels everyone to higher levels of performance and achievement. There is excitement, creativity, measured risk-taking, out of the box thinking, and collaborative harmony. Everyone feels responsible for the organization’s success.

What does it take to create this kind of culture?

**Conversations/Dialogue**

Having ongoing, healthy conversations with employees is the foundation for developing a *Culture of Engagement*. Employees need to comprehend the context in which the organization operates and what contributes to its success. It is only by having them participate in formulating their own goals and objectives, linked to the organization’s strategy, that they will become truly committed to their jobs and to the organization’s goals.

In this description, *conversations* mean something very different from *telling*. Unlike a one-off statement, a conversation is a continuing discussion that creatively explores a wide range of ideas and options. It requires a respectful, safe environment for active listening, measured consideration, mutual learning, and a willingness to be adaptable and not jump to conclusions. It is the role of the organization’s Leader to model this approach and to exemplify this type of behavior consistently. A conversational dialogue with employees does not always mean there has to be a conclusion to a conversation or idea; rather, ideas are explored in a way which encourages employees to keep communications open, ongoing and free flowing.

**Alignment**

Translating the organization’s strategic priorities into business operations is a process of development and alignment. This is how competitive opportunities are converted into products or services. Again, actively engaging employees in shaping what this means and how it will be implemented will yield better solutions and will result in embedded ownership at all levels. Employee involvement is closely related to commitment vs. compliance where employees are not as involved. There is a big difference. Committed employees do things because they were involved from the beginning and bought in early on in deciding what has to be done. Compliant employees do just what they are told because they realize that their involvement at a higher level is not valued by the organization.

Tight alignment throughout the organization eliminates inconsistencies and confusion.

It creates a unified and harmonious work environment. This alignment cascades through the organization’s core: from strategy to operations to departmental objectives to each individual employee’s performance. These relationships are transparent and understood. Existing business processes and operating methodologies need to be reviewed, so that improvement opportunities can be harnessed. Finally, where there are internal inconsistencies, they must be identified and resolved. If there are instances where those inconsistencies cannot be resolved, then they must be openly acknowledged as such and thoroughly discussed with the employees.

Tight alignment would mean that employees would be able to cite the overall mission and goals of the company and how this relates to their department and their own individual performance objectives.

**Training and Coaching**

Extensive training and coaching of employees is essential in order to develop the competencies, knowledge and behaviors that are critical to their participating and contributing fully in a high-performance organization. Managers need to be properly trained in managing employees in this new environment and will need to invest significant effort over an extended period of time in the development of their employees.

In high-performance organizations, employees have superior technical expertise in performing their jobs and are cross-trained for other roles. Additionally, they will be competent in working effectively in teams; communicating with integrity; analyzing and solving challenging problems; crafting innovative solutions; instilling enthusiasm and participation; explaining and championing strategic priorities; and consistently modeling appropriate, professional behaviors consistent with the values of the organization.

**Delegation and Accountability**

For employees in a high-performance organization, being accountable by delivering on commitments is a fundamental principle. These employees are committed to their performance. They want to make significant contributions and they believe that it is essential that they receive feedback and be subject to evaluation. They know that these are the vital components of their personal growth strategy. Highly achievement oriented employees will actively seek out performance feedback on their own.

Because the employees have been properly and thoroughly trained and, therefore, are competent and motivated to perform their jobs, managers are eager to delegate to them. As standard operating procedure, managers assign responsibility and authority to the employees, thereby broadening the scope and richness of work throughout the organization. Conversely, managers hold the employees to deliver on their commitments, accounting for their performance.

**Innovation**

A bias of continuous improvement and innovation will result from engaging employees in collaborative problem-solving. Only when an organization has established a foundation that aggressively challenges its basic assumptions, core processes and operational methodologies, can new thinking have an opportunity to emerge and flourish. A *Culture of Engagement* is the necessary pre-requisite for fully harnessing the organization’s ultimate capability allowing for realizing their full potential.

**Leadership**

As stated earlier, creating a high-performance organization is a deliberate and purposeful act of leadership. The Leader needs to have a clear sense of the directional culture and must communicate this relentlessly and consistently. The Leader’s enthusiasm for the future and its undiscovered opportunities will become virus-like, infecting and infiltrating every aspect of the organization. To support this, the Leader must ensure that all managers also fundamentally believe in the direction and that their behaviors publicly reflect and support this. A high-performance organization is an exciting and vibrant place to work. It becomes the preferred destination, wherein workers experience the opportunity to make meaningful contributions, grow as human beings and explore their full potential. In such an environment, truly incredible things can be accomplished.

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# Straight Talk

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Most employee performance issues are a direct result of the Manager not giving feedback or *Straight Talk* on the employee’s performance, because they don’t know how to do it. Conflict avoidance is the easiest and least painful thing to do. Many managers would rather hope things improve than be proactive and take the required actions to have what we call a “straight talk” session. What we mean by this is a constructive conversation aimed at improving the employee’s performance to an acceptable level. A manager who does not address employee performance issues for any reason is not doing the required people management part of their job. Interestingly, these same managers have usually never received any type of people management training at all. Providing feedback to good performers is also required but this is often not done because the manager does not want to rock the boat or in any way jeopardize the continuation of good performance. Providing feedback “how to’s” are covered in great detail in the 11 People Management Challenges in the Performance management module of the [HR Power Centre](http://www.twogreysuits.com/powercentre.asp).

Having a *Straight Talk* session requires certain skills. Giving direct performance feedback or having a tough conversation is required for two reasons: to improve the employee’s performance and for the managers own development in managing people.

Here are the fundamentals required to have a constructive *Straight Talk* session aimed at improving employee performance.

**1. Be Timely:** The *Straight Talk* conversation has to happen close to the event which gave cause for the conversation. A caveat to this is if you are too emotional about it at the time of occurrence. Performance feedback conversations left for too long lose their impact and leaving the employee wondering why if it was that important something wasn’t said earlier.

**2. Be Honest:** This is what we mean by *straight talk*, no candy coating or diluted messages. Of course you have to have all your facts straight, if not, you may be seriously challenged and may have to go back and gather more information. Never talk in generalities or hear-say information, always have specific incidents to refer to.

**3. Be Clear in the Expected Changes:** Make sure the person knows exactly what it is that they are expected to change and that if they don’t then they will not be achieving what you want as their manager and they will not be fulfilling the requirements of their job.

**4. Be Constructive:** *Straight Talk* is not about demoralizing or beating people up, it is a serious attempt to improve a situation or find a solution; offer ways the person can change which will be conducive to better performance, take an active part in finding the solution, know what you can do to try and help, also let the person come up with their own views on what they think they can do differently to improve their performance.

**5. Get Agreement:** You can’t leave things up in the air after a *straight talk* discussion. In the best case get the person to acknowledge that there is indeed a performance issue and more importantly get agreement on what the next steps will be to improve the situation.

**6. Capture the *Straight Talk* in Writing:** This is not a warning letter, it is a summary (email is fine) of what was agreed in terms of the problem and also the solution and the timeframes in which improvement is expected. The next straight talk session date should also be clearly understood and documented.

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# Your Company's Culture & What This Means When Recruiting

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In HR consulting and recruitment assignments we have completed, we always ensure the hiring company has developed their EVP - Employee Value Proposition, a listing of all the good things about the employer, the job, the environment, the favorable people policies, like flex time and attainable incentive compensation plans, etc. This is a statement about what the company really is, how they value their employees differently. The culture is important to be able to attract top talent but also to know who does not fit in.

In essence, you also need to identify the unique beliefs, behaviors, and practices of your company. Why? Because then you will clearly see and hopefully know who will fit and who won’t in the way you have learned to be successful.

**Important Aspects of Culture**

People are more likely to remain in company cultures that support their personal values and professional success.

In terms of candidate sourcing and attraction, the most important aspect of culture is the degree to which common practices and beliefs in your company are perceived as unique and similar to the beliefs and preferences of candidates. For example, some organizations believe financial rewards are more important than other forms of recognition, such as praise from supervisors. One candidate may like this money-based culture, while another may find it impersonal or threatening.

In terms of candidate selection, the most critical aspects of culture are philosophies that employees must support, adapt to or overcome to be effective. Culture can have a major impact on the success of newly hired employees, even those with very similar skills and experiences. For example, certain skills are more critical in consensus-oriented cultures than in cultures where employees are expected to act autonomously. A highly independent employee might succeed in a company that places little emphasis on consensus, but fail miserably in the same job in a company that encourages group decision-making.

**Identify Your Company's Culture**

Using culture for recruitment requires identifying aspects of your company's culture that make it different from other companies. In essence, you need to identify the unique beliefs, behaviors, and practices of your company.
• Review mission and vision statements, shareholder reports or marketing materials that convey the company's self-identity. But these materials often convey what the company wants to be, and may not reflect what the company's work environment actually is.
• Conduct a survey. However, surveys are fairly labor intensive and often fail to capture the work environment's truly unique aspects.
• Interview a cross-section of employees and leaders about the work environment. Ask for short phrases that describe the company's atmosphere, reasons why they like the company and things they find frustrating.
The ideal approach is to use a combination of these methods, although interviews tend to be the most efficient and information rich. But people may be reluctant to speak openly about negative aspects of the company, so you may want to use a management consultant with expertise in organizational culture and employee staffing.

If done correctly, a culture audit should provide five to 10 primary cultural attributes that set your company apart. These themes will probably not be completely positive. However, culture tends to evolve based on a past or current need, and it is usually possible to find ways to word each attribute in a way that highlights its advantages. The following are good and bad aspects of some common cultural attributes:

• Clearly Structured/Bureaucratic
• Adaptive/Reactive
• Focused on Results/Evaluative or Competitive

**Using Culture for Recruitment**

Once you've identified your company's primary cultural attributes, create a subset to incorporate into your recruiting strategy. Look for attributes that:

• You want to retain and develop as core cultural competencies.
• Employees must embrace to succeed in the organization.
• Avoid recruiting people based on culture attributes you want but do not currently have.

Such people are likely to either quit or be unsuccessful in a culture that is incompatible with their normal styles. Although it is preferable to hire people who fit the culture, there are times when this is less important. When your goal is to recruit someone to perform a specific task for a set amount of time, culture may not be critical. Culture is also less important when people will be working in an environment that is relatively isolated from the rest of the company. In these cases, focus on the local culture created by the team the person will work with. However, avoid establishing multiple, conflicting cultures within your company.

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# The Ideal Turn-Over Rate

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We are often asked what level of turnover is acceptable or normal. However, who's leaving and why are the important questions to ask.

No issue comes up more often in relation to workforce planning than ideal turnover rate. Every time this comes up, our response is always the same: There isn’t just one. We have known very successful organizations with 50% turnover. We have coached organizations to look at turnover as regrettable and non-regrettable. In both cases some expense is incurred in replacing the person leaving, training, productivity, etc., however non-regrettable turnover, in the long run may actually help you, if you are able to hire a higher performing replacement. Another similar name for regrettable turnover is “high-performance” turnover, and “bottom performers” would be non-regrettable turnover.

**Use Better Metrics**

The term “turnover rate” is a bad metric, and using it on its own is misleading. Its major flaw is that it does nothing to tell you whether the turnover is a positive or negative event. If you are losing 20 percent of the people you consider top performers, then the turnover is definitely negative, but if the majority of the people leaving are bottom performers, then a high turnover rate may be positive. Instead of focusing on this outdated metric, organizations should focus on ***High-Performance Turnover.*** This is the metric that really matters. Your high-performance turnover rate measures the percentage of turnover among the most valuable employee population you have. Studies have routinely demonstrated that top performers contribute an average of 10 times more than average performers. Some firms, like Microsoft, claim that contribution number to be much closer to 100. Smart companies aim to keep turnover among the top 25 percent of the employee population to below 5 percent.

For **Poor/Marginal Performance Turnover**, the metric, sometimes referred to as the replacement rate, is the percentage of turnover among employees who have demonstrated marginal or poor performance in the past. Poor performers can actually cost you money. Leading firms routinely cut a percentage off the bottom of the organization, some cutting only 5 percent and others, like GE, cutting as much as 10 percent. Generally speaking, the higher the turnover rate the better.

**Ideal Rates Are Unique to Your Company**

The ultimate answer is that every firm should establish its own ideal rate. Workforce planning is about:

• Strategically planning the flow of talent through the organization
• Decreasing the flow of top performers out
• Increasing the flow of top performers in

Ultimately, turnover rate for top performers should be as close to zero as you can get it, and turnover among the bottom 10-15 percent of your organization should be maximized to the extent that replacement is feasible.

The only population that is left to look at is average performers, which is most likely the largest population in your organization. Some of your retention efforts should be focused on this population as well, because it is more advantageous for you to have an average performer on board than a poor performer. Average performers do no harm to your organization, so the biggest impact of high turnover among this population is the cost of replacement, and the cost of having a position vacant. Regardless of your findings, 99 percent of the time, the cost of retaining an average performer is less than the cost of replacement and vacancy combined, which means that average-performer turnover should be minimized.

**Don’t Start Too Late**

The last issue to be addressed is that most companies look at turnover when it’s too late. Smart companies identify those that they can’t afford to lose long before these people begin looking. The best way to do this is through pre-exit interviews, which involve talking to them periodically and asking what excites and frustrates them. Great managers then act before a problem occurs. Remember: ***Talk to them now***, or talk to them as they go out the door in the real exit interview.

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# Time Management Tips

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With the advent years ago of email and voice mail, and now mobile computing, social media and blackberry powered evenings, more and more Managers are finding it difficult to get things done in a given work day or week. With the recent economic downturn, many Managers are being asked to take on even more with less staff to do the work.

In fact, in our view, time management represents perhaps one of the most significant problems/productivity issues in business today – getting things done that need to get done. Even otherwise good time Managers are falling into the traditional traps – simply working more hours and not being able to say no to things.  Here is a generalized statement we hear quite often from people at all levels:

*“I am finding it more and more difficult to manage my time at work. It seems I am constantly putting out fires or getting distracted by colleagues, e-mail and other interruptions. By the end of the day, my to-do list remains undone, and I leave work feeling frustrated and overwhelmed. This impacts my productivity, as well as my ability to manage and lead my team. How can I take control of my time at work?”*

**How can this be resolved?**

Many people find it difficult to take control of their schedules. This is a significant challenge for sure. Being a decent time manager is a beautiful thing – but **you have to work at this and be very disciplined in your approach to personal time management**. The most effective and successful people we have ever met are co-incidentally good managers of their time.

Even the most focused individuals can get derailed by poorly planned meetings, ad hoc requests and other activities that steal minutes from the day. A lack of focus and personal disorganization can also cause people to lose track of their time. Some senior managers we know say that they get so deep into thought and intellectually invested or deeply focused on things or projects they are working on that they miss very important things pre-scheduled into their work day.

On a personal note, I have been frustrated many times over the years by people that do not have any concept of managing their time. When it affects me, sorry, but I often take it personally, that the person cannot place any value on my own time that they are wasting. Of course we don’t live in a perfect world either and s\_ \_ \_ does happen. But when this is a repeated behavior, it’s a problem.

A few years ago, at an HR Consulting assignment I undertook, I saw perhaps the very worst time manager in my life. This was a senior manager, who didn’t have a set schedule and who had a pile of paper on his desk, approx. 12 inches high. He came to work each day and simply responded to emails and phone calls (but not in a timely way) and when he had time he would simply pick off the top thing on his pile and start to work on it. People were constantly lined up at his door; he was always behind on his commitments and was always working on urgent things. So many fires were burning you could almost feel the heat just walking by his office. This guy was a CA and MBA, so there were no intelligence issues, but he just could not get himself organized. I understand he is no longer with that organization.

The good news is that the situation can be remedied by making some simple adjustments to the way you work. Following are some suggestions for better management of your workday:

• **Analyze your schedule. (This is key if you are serious about truly managing your time)** Keep a running tab of how much time you spend on each activity over the course of a typical week. Include everything you do during the day, including writing and responding to e-mails, handling requests from co-workers, attending to personal business, going to lunch, putting out fires, and participating in meetings. Be brief in your descriptions, though — after all, you don’t need this task to throw you off schedule even more. Then, analyze how you spent your time and make adjustments accordingly. For instance, was the majority of your time devoted to your top priorities?  If not, retool your schedule and minimize the attention you give to less-pressing responsibilities. Did you find that your week was consumed by last-minute emergencies?  While you can’t always avoid a crisis, you may find a pattern in the so-called fires and be able to address the root cause. For example, if the same project required your constant intervention, it could be that the wrong employee was assigned the task, and it needs to be given to someone else.

• **Schedule priority items when you’re at your peak.** Are you sharpest before lunchtime, or does your mind focus best in mid-afternoon?  A simple way to make the most of your time is to schedule more difficult tasks for when you’re at your best.

• **Block out time for specific tasks.** Set aside specific times throughout the day when you will tackle low-priority items, such as making and returning non-urgent phone calls. Group similar tasks together during these periods. By focusing on a single type of task, you’ll avoid wasting time and effort switching between one activity and another. Just make sure to keep an eye on the clock, and don’t allow tasks allotted for one time frame to extend into the next, unless a high-priority situation arises that requires your immediate attention.

• **Delegate.** Many managers spend hours on mundane tasks they should delegate to others. If your days are filled with tasks that could be accomplished by someone else on your team, such as creating a report outlining last month’s expenditures or organizing a client meeting for the following week, it may be time to let them go. Delegating not only saves you time but also makes you a better manager: You empower your employees and enable them to learn new skills. Letting others take on more responsibility also allows you to focus on strategy and other responsibilities that only you can handle.

• **Designate uninterrupted time.** If chatty co-workers are common distractions, or if you just need to focus on a pressing project, close your door to gain uninterrupted work time. Just be open about your need for some quiet time, so that your employees don’t misinterpret your actions. Above all, be flexible and realistic: Some days you will be more productive than others. Don’t worry if you temporarily get off track, and make sure you create balance by allowing yourself a daily coffee or walking break.

Making more effective use of your time while on the job requires commitment, as well as good communication with your employees. By creating a plan for prioritizing and achieving key objectives, you’ll be able to keep your to-do list from constant expansion. You’ll also know exactly how your workday was spent and, most importantly, you’ll have something to show for it.

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# Taking Control of Change – The Key to Improving Results

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**PERSONAL LEADERSHIP**

For organizations to survive and thrive in the new economy, employees at all levels need to develop and practice the qualities of Personal Leadership. Personal Leadership is essential to success.

How do we define success?  The aim of all human life is to be happy and the ingredients of happiness are the things we all have in common. We want to be healthy, have good relationships, meaningful work, financial independence, a feeling of growth and peace of mind.

The results of success are self-esteem (feeling good and valuable and important to yourself), self-respect and personal pride. This improves our ability to get along with others, our performance and our overall productivity.  There are four major qualities of Personal Leadership.

**The first is vision.**  Your vision is based on values and virtues.  Leaders know who they are and what they stand for.  **The second quality of leadership is courage.**  Leaders have the ability to face their fears and act in spite of them.  **The third quality of leadership is realism.**  Realism is the ability to see the world as it is, not as you wish it were. The essence of realism is integrity. **The fourth quality of leadership is responsibility.** Responsibility means self-reliance. Leaders volunteer for responsibility.

There are seven rules for Personal Leadership:

1) Your life only gets better when you get better.

2) It doesn’t matter where you are coming from, only where you are going.

3) Anything worth doing is worth doing poorly at first.

4) You can learn anything you need to learn and achieve any goal you can set for yourself.

5) You are only as free as your options.

6) Within every difficulty you face is the seed of an equal or greater opportunity.

7) The only real limits on what you can do are self-imposed.

Imagine if employees developed and practiced the qualities of Personal Leadership.  Productivity would improve and, importantly, the need for costly and disruptive terminations could be reduced.  Think about it!

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# Preparing - The Candidate Interview

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As HR Consultants and professional recruiters, we have seen and heard it all; things like the 10 minute job interview, the interview where the candidate's qualifications are not even discussed, the interview with no resume, no reference checks, no post interview follow-up and promises made in an interview which go unfulfilled. **Why is this?**

The simple answer for most of this is lack of skill or knowledge with the interviewer about the interview process.

Simply put, there is no substitute for good preparation. Your preparation for the interview should provide you with a number of questions that will help you get to know and evaluate candidates. But there's plenty more to do before, during and after the interview. If you follow these steps you will improve your interviewing skills:

**Before the Interview**

• **Put Candidates at Ease:** This is critically important and takes a different amount of time with each candidate. When a candidate is at ease and comfortable as they can be, the stage is set for more transparency than would otherwise be. Interviewing if often very stressful on candidates, so do your best to help candidates feel relaxed. Make sure each candidate is greeted and escorted, if necessary, to the interview location. Start with low-key questions.

• **Don't Judge on First Impressions:** As human beings we are all hard wired to process an immediate first impression, often even before the candidate speaks a word! People often don't make a great first impression but end up being great employees. Withhold judgment until you've had the chance to thoroughly evaluate a candidate's skills, knowledge, capabilities and potential.

**During the Interview**

• **Tell the candidate a little about the job.** Normally they would have seen a job description beforehand. Towards the end of the interview, you should provide a brief summary of the job, including the key responsibilities, reporting structure, key challenges and performance criteria. There are two schools of thought on this: telling too much about the job before the interview is good in that it allows the candidate to think of examples of similar work or responsibilities they had. However, a seasoned interviewee can easily present an image based on exactly what they know you are looking for vs. who they actually really are. I favor the approach of leaving more info about the job towards the end of the interview, and if the candidate is deemed not a fit anyways, you can easily skip this part.

• **It’s ok to change or add new questions based on how the interview is going:** Plan your questions, but don't feel you must ask only those you've chosen in advance. Be responsive to what the candidate tells you, and build new questions from their answers.  When asking behavioral questions which elicit a situational or behavioral response, ie) give me an example of a time when…? Tell the candidate that their answers will be confirmed in a reference check.

• **Listen:** If you are doing most of the talking during an interview, (common problem) you will not be able to obtain enough information to distinguish between candidates or to determine a candidate's true competencies. A common practice is to spend 80 percent of your time listening and only 20 percent talking.

• **Take Notes:** While you won't want to write down everything the candidate says, do write down important points, key accomplishments, good examples and other information that will help you remember and fairly evaluate each candidate. Relying too much on your memory, especially when interviewing several candidates for the same role is a common problem and also ill advised.

• **Invite Candidates to Ask Questions:** This can be the most valuable part of the interview. You can gain significant insight into a person based on what questions they are asking. For example, do they really want to be here -- is it the challenge of the job, advances in the industry or something specific about your company?... or is the candidate focused only on salary, benefits and time off? If the candidate has no questions, this is almost always a red flag, especially for more senior-level employees. Make a note of what the candidate asks, and be sure to follow up if you can't provide the answer immediately.

• **Follow Legal Interviewing Guidelines:** It is critically important that every interviewer at your company understand and follow legal hiring guidelines. The easiest way to keep your interviews fully compliant is to ask only questions that relate to the job, eliminating the potential for bias by not introducing questions or scenarios that will reveal irrelevant information.

**After the Interview**

• **Let Candidates Know What They Can Expect:** A frustration of many job seekers is that they are left hanging after an interview, or they are promised follow-up that never comes. The reputation of you and your company is at play here.  If the candidate is a good fit, be clear about what the next steps will be. And if the candidate is not a good fit… always end the interview on a positive note, but be genuine.  Don't tell the candidate to call you if you don't mean it.

•**Compare Notes and Reach Consensus:** The post-interview evaluation is the time to compare notes to reach a hiring decision. Each interviewer should be prepared to back up remarks and recommendations with specific examples and notes from the interview.

• **Deepen the Questions as You Narrow the Field:** Subsequent interviews with finalists are valuable opportunities to learn more about them. Consider adding several behavioral interview type questions. Get real examples of work or projects they did, what was it, who was involved, when, and what exactly was their role.

**Create a Positive Image for Your Organization**

You need to realize that you are also selling you and your Company as much as candidates are trying to sell themselves. It's important to treat people well during the interview process. You never want to lose a potential customer or cause a candidate to have a negative impression of your company.

Your interview process reflects the value your company places on each candidate and, by extension, each employee. Be a good ambassador for your company by conducting a professional interview, communicating honestly and basing hiring decisions on an honest evaluation of each candidate's capabilities. Not only will you make great hires, but you'll build goodwill in the community and enhance your future recruiting efforts.

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# The Power of Positive Feedback

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One of the most powerful management tools we have at our disposal is the ability to know when and how to provide positive feedback to employees. We often focus too much on the corrective or constructive feedback piece and ignore the very powerful aspect of providing positive feedback. Why is it so powerful?

There are a host of reasons; however, one that stands out in our minds is that positive feedback reinforces the likelihood that certain desired behaviors will be repeated. It is also validation to someone that they are appreciated and that they belong. Providing positive feedback relates to two of Maslow’s five hierarchy of needs, Esteem and Self-Actualization.

 One of the main reasons we provide positive feedback is to increase the likelihood of that same behavior to be repeated. As a very simple example, if an employee is always on time and a bit early for their workday, a simple “I appreciate you always being on time and here a few minutes early” goes a very long way in solidifying repeated behavior. As human beings we are consciously and sub-consciously always looking to be validated or accepted. To illustrate the power of positive feedback, a simple 10 second statement to an employee can often last for an entire lifetime.

**How to’s of Providing Positive Feedback**

Positive feedback should follow immediately after the behavior being reinforced is observed. The longer the feedback from the time of the event the less powerful it becomes. If not immediate, the thinking with employees is that if it was that great, why has my manager waited so long to tell me. Below is a brief checklist of the how to’s of providing positive feedback.

1.**Do it immediately**

Feedback goes stale when left unsaid too long, so give positive feedback as close to the event as possible.

2.**In Public and In Private**

Praise in public, criticize in private, that’s the general rule. But before you go praising in a public place think about what they would prefer. Some people get so emotional or embarrassed by public praise that it defeats your good intentions of doing it publicly. Do what’s right for the person.

3.**Practice Makes Perfect**

It’s easy to overlook good work or extra effort, so make it a habit to praise regularly.

4.**Does the Reward Fit?**

Keep the balloons and streamers for special occasions. Going over the top with rewards can be miss-interpreted as “buying” favors. Judge the amount of effort and reward appropriately.

5.**No Favorites!**

Avoid creating “favorites” by doing quick mental tallies of whom you’ve praised recently.

6. **Be Clear and Mean It**

The best positive feedback is sincere and specific. Tell the person exactly why you are praising them;

“Susan, that extra analysis was really appreciated by the project team and allowed them to make a decision immediately”.

Susan now knows exactly what to do next time to get praise.

7.**Catch People Doing Things Right**

The more you catch people doing things right, the more right things they will do! Encourage positive actions by letting people know when they do things well. Start today, and in only two-three weeks’ time, giving positive feedback will be a life-long habit.

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# 5 Most Common Hiring Mistakes Companies Make

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As management consultants and experienced recruiters we are often called in after a company conducted recruitment exercise did not work out. The hiring mistakes generally fall within these 5 categories.

1.**Too narrow scope in sourcing the market** – As an example we have heard where an expensive ad was placed in an industry magazine with just 3-5 responses. Often because of time restraints and perhaps an open vacancy, companies end up choosing from a far too small candidate source, or the process gets dragged out unnecessarily because of lack of qualified candidates found.

An effective recruitment campaign would include candidates from employee referrals, job board advertising candidates, industry networking candidates, trade association advertising candidates and local advertising candidates. Professional recruitment firms always have their own database of prequalified candidates. Additionally, if you know of a good person in the industry, direct contact or sourcing “passive” candidates is valuable. (this is often easier for a 3rd party to do) Even if you are doing everything else right, selecting from too small a candidate pool is very risky indeed from a candidate quality or a hiring timeliness perspective.

2. **Skill Set of the Hiring Manager** - More often than not, a hiring manager will focus too heavily on only relevant experience and job knowledge vs. the behaviors understanding which will go a long way in determining best fit. In our experience we see “poor fit” as the reason in about 90% of employment terminations, even when the person is actually competent to do the job! Being skilled in behavioral interviewing is critically important. Learning to do this is all explained in the recruitment module on our website.

3. **Poor or no reference checking** - We have heard all the reasons why people do not check references, frankly, none of which are really valid, if you know how to properly do a detailed reference check. A proper reference check will verify job skills and more importantly, the fit, or behaviors which the person operates within. There are several detailed reference checking forms in the recruitment module in the HR Power Center.

4. **Lack of orientation or on boarding program** - Too often we see new hires that are not properly oriented to the job and introduced to the Company....and they leave usually within 3-6 months. Hiring managers are often so relieved a new person is onboard, that they unconsciously let them find their own way, which is sending a poor signal to the new hire. A planned first 3-4 weeks is required, with regular scheduled check- ins with the boss. There is simply put, no substitute for this.

5. **Not understanding the cost/benefit of spending money in the recruitment process** - Frankly, sourcing candidates can be very time consuming and also expensive. Trying to go cheap here will unquestionably affect your quality of hire. Additionally, getting locked in on a certain compensation or salary number is also placing you at a great disadvantage. Sometimes, by paying even a few dollars more, you open up a vastly different candidate pool. The market will tell you what to pay in most cases.

Also, compensation now is often not the most important thing to job candidates. Other factors such as benefits, hours of work, telecommuting, work from home, daycare availability, public transit availability, career progression, vacation, etc. are all important. If your benefits plan is outdated, it will affect your ability to hire qualified candidates in the marketplace. The decision to save a few thousand dollars in the recruitment process, can have very long lasting negative consequences, with less than average performers working in a business long term. The payback for hiring a high performing individual far outweighs any 'savings' realized in a recruitment campaign.

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# Employee Accountability

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Employees generally want to know what is expected of them and how they are going to be measured. The start of a New Year or new fiscal period is often the time when we set objectives with employees, aligned of course to those of the department and organization.

However, even with the best intentions, objectives are often forgotten within a few weeks or months.

**Why is this?**

It is because once the objectives are set, it is often back to the normal day to day routine work not necessarily aimed at an end result or agreed objective. One of Steven Covey’s habits of highly effective people applies here. “Start with the end in mind”.

In other words, know each day what overall objectives are to be attained and just as importantly, why. We see it very important to [**involve your employees in setting their objectives**](http://www.twogreysuits.com/customer/download/Involvement_Objectives.pdf). Another significant reason employees often fall short on achieving certain objectives is because their manager does not manage employees to these objectives. It is not unusual these days to see managers so over loaded with their own work that the people management part of their responsibilities goes ignored. By “managing to these objectives”, I mean the process of periodic performance review feedback, where you would purposefully look at the objectives set, progress to those objectives and helping to ensure the objectives are indeed met.  This is where the solid people management acumen pays off. In the performance management section of The HR Power Center, everything is there to help managers and companies do proper job descriptions, [**set performance objectives**](http://www.twogreysuits.com/customer/download/Guide_Objectives.pdf), manage/coach in the interim, and do the formal year-end review.

There are lots of ways managers can make sure their employees' objectives are achieved. Here are five of them:

1. Encourage the establishment of SMART objectives

2. Help with prioritization

3. Remind employees regularly about objectives, milestones and due dates

4. Align employee and organizational goals

5. Monitor progress by having regular ongoing performance review meetings

In fact, our website has a number of documents that can help you and your managers do a better job of objective management.

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# Cutting The Cord On A Sick Employee: It Can Be Done…But Be Careful!

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By: Nav Bhandal

Keyser Mason Ball LLP

Barristers & Solicitors

A question that employers commonly ask is: if an employee is away from the workplace because of illness or disability for a significant period of time, is the employer obligated to continue to maintain the employment relationship?

The doctrine of “Frustration of Contract” provides that where the employment relationship becomes impossible to continue or where the employment relationship would be radically different than what the parties originally intended, the employment contract has become “frustrated” such that the employment relationship comes to an end. When this occurs, the employer is under no duty to give the employee common law notice or pay in lieu of notice – the employer’s only obligation, if any, is to pay the employee his/her minimum entitlements under the Employment Standards Act, 2000 ( “ESA”).

There is no clearly defined point in time where every employment relationship will be found to be impossible to perform or where every relationship will be found to be radically different than what was originally intended. Each case must be decided on its own facts. However, given that an employee may only receive the minimums under the ESA, it is not surprising courts will closely scrutinize whether the employment contract has indeed become “frustrated”.

This issue was most recently considered in Duong v. Linamar Corporation, 2010 ONSC 3159 (CanLII). In this case, Mr. Duong, who suffered from back problems for some time, was absent from work beginning in October 2005. He received weekly indemnity benefits until May 8, 2006 and he was later approved for long-term disability (“LTD”) benefits. The insurer discontinued Mr. Duong’s benefits effective September 30, 2008 because he failed to adequately participate in the recommended rehabilitation program. Mr. Duong did not appeal the insurer’s decision.

The Company received reports from Mr. Duong’s physician which continually stated that there had been no significant improvements in Mr. Duong’s medical condition. After the insurer terminated Mr. Duong’s LTD benefits, the Company advised him that he could provide medical information if and when he was able to return to work. Mr. Duong did not provide the requested information and in February 2009, the Company terminated Mr. Duong’s employment for frustration of contract on the basis that there was no prospect in the foreseeable future of Mr. Duong returning to work for the Company.

Mr. Duong commenced a lawsuit against the Company and the Court held that the Company was entitled to terminate Mr. Duong’s employment contract for frustration. The Court noted that sickness will not frustrate the employment relationship when it appears likely that the employee WILL return to work, but the longer the employee’s sickness persists, the more likely the employment relationship has been destroyed. The Court found that the employment relationship was frustrated based on the following factors:

There was no evidence that Mr. Duong would return to work in the foreseeable future, if at all.

Mr. Duong had not worked since October 2005.

Mr. Duong did not appeal the insurer’s decision to discontinue his LTD benefits, which supported the Company’s determination that there was no reasonable prospect that Mr. Duong would have returned to work.

The fact that the Company had a LTD plan did not mean that the Company agreed to employ someone with a disability indefinitely in spite of the employee’s inability to work. The insurer’s LTD policy itself did not provide that Mr. Duong’s employment would continue throughout disability.

**What Employers Should Take From This Case**

To successfully argue that the employment contract has become frustrated, an employer must establish that the employee’s incapacity to return to work will likely continue for such a period of time that it will likely be impossible for the employee to perform the work or the employment relationship will be radically different than what the employer and employee agreed to.

Employers should consider the following before making the determination that the contract has been frustrated:

**Medical Documentation** – Courts look for conclusive, updated medical reports of the employee’s poor prognosis for being able to return to work. Ideally, courts will want to see evidence that there is NO reasonable prospect of the employee returning to work.

**Length of Absence** – The longer that the employee has been absent from the workplace, the more likely that the court will find that the contract has been frustrated. There is no defined point in time for how long the employee must be absent, but an absence of a few months will likely not suffice.

Nature of Illness/Disability – The more long-term or serious the medical condition, the more likely that the court will find that the contract has been frustrated.

**Prognosis of Return** – The more bleak the employee’s chances of returning to work, the more likely that the court will find that the contract has been frustrated. If the employee’s medical evidence is unclear with respect to prognosis for returning to work, the employer should make further inquiries to obtain better evidence as to the employee’s ability to return.

**Employee’s Role** – The more important the employee’s position is to the employer, the more likely it is that the employee’s absence will adversely affect the employer and therefore, the sooner the employee’s contract becomes frustrated.

**Benefits** – If the employee is receiving LTD benefits, it will take longer before the employee’s contract becomes frustrated.

**Accommodation** – The Human Rights Code requires employers to work with employees and unions (if applicable) to find ways to accommodate the employee’s illness/disability up to the point of undue hardship.

The Duong case illustrates that employers can rely upon the doctrine of frustration to end the employment relationship but in order to be successful, employers will need medical evidence that the employee’s prognosis for returning is bleak. Even if an employee has been absent for the past, for example, five years, a court will most likely not uphold the termination if the employer fails to present medical evidence regarding the employee’s bleak FUTURE PROSPECTS of returning. Employers therefore need to continue to tread very carefully when going down the avenue of frustration.

If you would like to discuss the law re frustration of contract before you dismiss a sick/disabled employee, please do not hesitate to contact me.

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# Facebook Mistakes -The Career Killers

**This article is part of the TwoGreySuits Managing Employee Performance Series and is offered by our partner, TwoGreySuits as a service to our members.**

Facebook is arguably the most popular social networking site out there, with literally in the billions of users now. And while the site is known for the casual social aspect, many users also use it as a professional networking tool. With that kind of reach, Facebook can be a valuable tool for connecting to former and current colleagues, clients and potential employers.

In fact, surveys suggest that approximately 70% of employers are using Facebook to screen potential employees – even more than those who check LinkedIn, a strictly professional social networking site. In this seemingly newer era of authenticity, it seems we perhaps have gone too far without realizing who is capable of seeing our social media persona. What you say and how you act does matter, make no mistake! Don't make these Facebook mistakes – they might cost you a great opportunity.

Progressive companies are implementing policy guidelines of what is appropriate to say in regards to your employer via social media. Be careful, you may be surprised about how sensitive your employer is with what you even already have posted on your Facebook account. Here's a sampling:

**1.  Inappropriate Pictures**

Prospective employers or clients don't want to see pictures of you chugging a bottle of alcohol or dressed up for a night at the bar. What you see as perhaps innocent pictures of your personal life will likely not help to support the persona you want to present in your professional life.

**2. Complaining About Your Current Job**

It could be a full note about how much you hate your office, or how incompetent your boss is, or it could be as innocent as a status update about how your coworker always shows up late. While many complain about work at times, doing so in a public forum where it can be found by others is not the best career move. Though it may seem innocent, it's not the kind of impression that sits well with a new employer or boss.

**3. Posting Conflicting Information to Your Resume**

If you say on your resume that your degree is from McMaster, but your Facebook profile says you went to U of T, you're likely to be immediately cut from the interview list. Even if the conflict doesn't leave you looking better on your resume, disparities will make you look at worst like a liar, and at best careless, and certainly not authentic!

**4. Statuses You Wouldn't Want Your Boss to See**

Everyone should know to avoid statuses like "Ian plans to call in sick tomorrow so he can go to two interviews on Wednesday." But you should also be aware of seemingly harmless statuses like "Sarah is watching the gold medal hockey game online at her desk". Statuses that imply you are unreliable, deceitful, and basically anything that doesn't make you look as professional as you'd like, can seriously undermine your chances at landing that new job.

**5. Not Understanding Your Security Settings**

The security settings on Facebook have come a long way since the site started. It is now possible to customize lists of friends and decide what each list can and cannot see. However, many people do not fully understand these settings, or don't bother to check who has access to what. If you are going to use Facebook professionally, and even if you aren't, make sure you take the time to go through your privacy options. At the very least, your profile should be set so that people who are not your friend cannot see any of your pictures or information.

**6. Losing By Association**

You can't control what your friends post to your profile (although you can remove it once you see it), nor what they post to their own profiles or to those of mutual friends. If a potential client or employer sees those Friday night pictures your friend has tagged you in where he is falling down drunk, it reflects poorly on you, even if the picture of you is completely innocent. It's unfortunate, but we do judge others by the company they keep, at least to some extent. Take a look at everything connected to your profile, and keep an eye out for anything you wouldn't want to show your mother.

**Facebook Can Help You Get Hired - Or Fired**

The best advice is to lock down your personal profile so that only friends you approve can see anything on that profile. Then, create a second, public profile on Facebook purely for professional use. This profile functions like an online resume, and should only contain information you'd be comfortable telling your potential employer face to face. Having a social networking profile is a good thing – it presents you as technologically and professionally savvy. Just make sure your profile is helping to present your best side.

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# Holiday Parties and Company Liability

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As the holiday season is now upon us, many employers will be hosting office parties. We offer the following pointers and remind HR Power Centre members that they can download the Drug and Alcohol Use Policy which will help everyone enjoy a safe and joyous holiday party. This policy also deals with how to properly manage an intoxicated employee who attempts to drive home. Any non-members wanting this policy or for members quick access, send an email to info@twogreysuits.com and we will respond by sending you the policy.

Employers may be held responsible for other consequences that can arise out of alcohol consumption at work related events. For instance, in a case that has gone before the courts an employer was liable to pay damages for injuries sustained by an employee who had been the driver in a single car accident that occurred after the employee had been drinking at an office party.

Despite the fact that your office party may take place outside of working hours, employers and employees should be mindful of the fact that an office party is still a work-related activity. For employees, business codes of conduct and appropriate behavior are still applicable, even if your office party is not at your business premises. For employers, you may be liable if you fail to take reasonable steps to protect your employees against sexual harassment or other offensive conduct that may occur during these events.

Employee’s negative behavior at off-site meetings, conferences, and weekend retreats can be the subject of scrutiny, even if the conduct took place “off-duty.” Work-related activities are considered part of the “work environment.” For example, sexual harassment complaints can arise from off-site parties and attract liability.

Any breach of company policy during holiday parties may be cause for discipline, depending on the circumstances and seriousness. Employers will want to remind employees of acceptable and appropriate behavior at these social events, and that any complaints regarding inappropriate behavior will be followed up by the employer.

Here are some suggestions to manage your risk this holiday season:

• Send a reminder to employees by e-mail specifying that codes of conduct still apply at holiday parties, that excessive drinking is discouraged, designated drivers encouraged and that under no circumstances should employees drink and drive.

• If possible, hold social events outside of regular working hours, off premises and at a time in which employees will not be paid to attend.

• If alcohol is going to be served, attempt to limit consumption by avoiding “open bars.”

• Provide drink tickets, have a cash bar, or have the bar cease serving at a certain time.

• Ideally, it is best to have a professional bartender serving alcohol who is experienced in identifying intoxicated persons. Make it clear to the bartender, or other server, that he or she should not continue to serve employees who are visibly impaired.

• Offer food and non-alcoholic beverages.

• During the event, have announcements reminding employees not to drink and drive.

• Distribute free taxi passes, and deal with intoxicated employees immediately, not when they are about to leave.

• Designate someone at the party to monitor drinking and assist if someone is impaired.

• Ensure it is clear that attendance at social events is clearly voluntary.

• Reinforce the nature of the celebration by avoiding denominational entertainment, music or announcements during the event that have a religious overtone.

Your friends at TwoGreySuits wish you a safe Holiday party and happy holiday season.

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# Directors and Officers Liability Insurance

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Did you know that your Directors & Officers Liability Insurance may be affected by the state of your Human Resource policies?

Specifically, on the Directors and Officers Liability Insurance Application form are several questions having to do with HR Policies:

Does the Company have written policies or procedures in place with regards to termination, hiring, discipline?

Is there an employee handbook?  If yes, are employees provided with a copy?

Does the Company have written policies or procedures for employee complaints, or harassment and/or discrimination, anti-sexual harassment policies and procedures, accommodating the disabled?

Does the Company have written job descriptions for all positions?

Does the Company keep a personal file for each employee?

Are regular, written performance evaluations completed for and provided to all employees?

Of course these are basic and fundamental questions for any business, but the more important consideration is: Where does your company stand with regards to these important questions. By taking the proper time, and with the proper resources, you can and should be on good shape in regards to all of the above questions.

All of these questions can be answered yes, by utilizing the [HR Power Centre](http://www.twogreysuits.com/login.asp?Guest=Yes) on the TwoGreySuits website.

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# Poor Hiring Practices Can Lead To Lawsuits

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As the economy slowly improves, and with the expected upturn in hiring volume it is a good time to take stock of your hiring practices in an effort to avoid costly lawsuits. Our strong advice is to leave your hiring to proven & trusted professionals such as TwoGreySuits. However, if you choose to go it alone, here are some things to consider when you are again hiring.

**Review Your Application Form**

Many companies have outdated application forms which can really work against them. You could be open to a human rights claim with harsh penalties applied to you. Any questions that relate to a prohibited ground under human rights legislation, such as a history of workplace injuries, a history of attendance, even asking the name of the secondary school attended could invite external scrutiny into your business or organization.

**Study the Resume in Detail – Ask Probing Interview Questions**

We often see employers who always take the resume at face value. Studies have shown that people tend to embellish their previous levels of responsibility and also their skill sets in their resumes. In our interviews we ask very exact questions about the candidate’s claims. We want to know exactly what their involvement was in an accomplishment, and we also ask for verification of this with contact information of people they worked with to verify. (and we follow up on this) We are always leary of claims such as “increased sales 250%” or “rated in the top 5% of employees in the company”. If we cannot get a contact person or two to verify a claim, we simply ignore it. This is not to say the person is lying, but if they are making substantive claims and cannot back them up in any way, we will likely move to a candidate who can in fact back up their claims of previous successes. In fact, it is a learned skill to be able to form an opinion in an interview that the person is actually misrepresenting themselves, and frankly, we see this often.

**Reference Checking**

This is an area which is very misunderstood in recruitment. References should be done to verify resume claims and interview responses. Equally important is finding out exactly why an employee left or was terminated from an organization. Recording reference information is critical. We use a 10 page document and follow a prescribed set of probing questions. In fact, our references are so thorough, we have gained new clients from the people we are calling for references. Most people giving references (the glowing ones) don’t realize that they open themselves up to lawsuits if they are found to be giving an inaccurate reference. In the US, many states now have something such as

Fair Reference legislation, whereby a person will not be held liable for giving an accurate employment reference.

**Listening Skills in the Interview**

Listening skills in an interview are critical and often not up to speed in the interviewer’s case. Careful attention is required for words like, “we”, or “contributed” or “mutual agreement for termination”, etc. You must drill down and find out exactly what the person’s responsibilities and contributions were, not the group or department. When you tell a candidate in advance that all claims of accomplishments are required to be verified by a former manager, the interview landscape often changes. In fact, candidates that are embellishing their past accomplishments can be easily detected by a skilled interviewer.

**Clearly State your Expectations in Writing and in the Interview**

Always provide the candidate with a detailed job description. (no exceptions!) Clearly outline what is expected in the job in regard to productivity and meeting certain goals or timelines. Many candidates will over promise and under deliver. Your case for a just cause dismissal is much stronger when you clearly spell out the expectations in advance or as a condition of hire. Avoid at all costs oral promises. In fact, an offer letter should clearly state that there are no other employment provisions or compensation which is not specifically included in the offer of employment.

**Probationary Periods**

Most people think that the first three months of employment are probationary and that the employer can dismiss an employee during this time period for any reason and without any costs involved. Probationary periods which allow the employer to terminate without termination pay should be clearly stated in the employment agreement or letter of offer.

**Employment Termination Provisions**

It is a good idea to spell out the terms of employment termination at the time of employment acceptance. TwoGreySuits can help you with this too. Unprecedented damage awards are being awarded by the courts in amounts and areas that have never been seen before. A legal review sometimes is a good idea here.

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# The Dangers of Social Networking

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Few businesses or organizations are immune to the power of today’s social networking sites and tools. Reaching out to employees, customers and clients can also be a powerful way to build relationships that promote your objectives in an effective and efficient way.

Leaders who haven’t started thinking about how to use social networking, or those who haven’t put policies in place to control its use,  could wind up behind the curve or damaged by the incredible reach and viral nature of the web.

Interestingly, in our recent experience, many companies are ignoring the issue. They will only work out their response when faced with the first problem, and they are having to take drastic action that could have been avoided by early intervention. Employees are finding out the hard way what the acceptable boundaries are when using social media networking sites when mentioning their company name or commenting about products or in some cases, other employees.

The opportunity is twofold, first, what role should social networking have in business or organizations, and second, what are the guidelines or boundaries for employees who use social networks outside of work, when the subject is about their employer, products, or company employees? Let’s look at the ladder.

 **Ground Rules for Personal Postings**

It is prudent to separate employees work duties and their personal pursuits. Even if an employee is chatting or blogging about industry topics, their personal posts are just that: personal. However, they need to know these same posts can get them into both legal and workplace trouble if they’re inappropriate, offensive or threatening. This may include:

• Divulging proprietary or confidential information

• Making embarrassing or nasty comments about co-workers or managers

• Using company trademarks or logos or other images

• Making false or misleading statements about company philosophy, products, services, opinions or relationships to other organizations

• Posting information about stock offerings

• Making accusations against customers, clients or competitors

• Posting offensive content that is antisocial, bigoted or that promotes illegal or subversive activities

Case in Point:

• At a Company in Harrison, NY, two workers were fired after their boss logged onto MySpace and read their critical comments

• Three cops were suspended after they posted lewd remarks about the town mayor on a Facebook page

• Virgin Airlines sacked 13 flight attendants for criticizing the airline’s flight safety standards and insulting passengers in a discussion on a Facebook group.

• A woman employed by an insurance company called in sick, saying she could not work in front of a computer; she said she needed to lie in the dark to recover from her illness. However, when others saw she was posting to Facebook during her illness, she was fired from her job. (the woman claimed she was posting from bed using her iPhone, but her bosses didn’t buy the explanation)

All this adds up to businesses and organizations needing clear policies on social networking at and also away from the workplace. TwoGreySuits has a full suite of Social Media Workplace policies available in [The HR Power Centre](http://www.twogreysuits.com/powercentre.asp). Stay tuned for info on upcoming webinars and seminars on the topic of Social Media Policies in the workplace.

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# Exactly What Does HR Do Anyway?

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I pose this question because I know from many years of experience it is not at all clear to many people in business. It is interesting to see as consultants to management that very often even senior managers really do not have a good grasp on what an HR Mgmt. function can/should do in a business. In many cases, less seasoned or incompetent ‘HR Professionals’ have given the profession a poor name by exercising their “power” to be the 'HR Police' in a business, essentially telling managers what they can and can’t do when it comes to dealings with employees. These same ‘HR Professionals’ almost always lack the required skill sets to be effective in the HR function, so they resort to building their own personal power base – very bad for the company. If not this, often the less experienced HR Manager will take on the role of ‘counselor’ to all employees on any issue, when in fact they are usually not skilled to be doing this. (and at the expense of all the other things they *should* be doing)

***This is not at all what proper HR Management is about.***

I have personally had very smart, successful clients that are smart enough to know they need help on the people management part of their business, but they don’t really know in what areas or what an expected outcome could be, or exactly where an HR professional can truly add value. Ironically, these same people would all agree that solid HR Management in a business is a good thing; it is just that they can’t really articulate what this looks like. Why do you think this is?

My thinking is they cannot clearly see the connect between employee motivation, competence, culture and financial results. It is often easy to see when things go wrong, such as a poor performing employee in a key job; but what would it look like or what would be the result if a whole bunch of things were improved in a relatively short time period? What I mean is, if employees were very significantly motivated to perform their jobs better, if all employees were exceptionally competent in their jobs and in knowing how the business works, and if there was a culture such that it would on its own attract top performing employees.

I am not surprised at all anymore to go into a new and seemingly successful client and see quite a few of the very basics of good people management missing. For example: an unstructured hit & miss type approach to recruiting, poor people management skills in managers, (not treating employees with respect or not providing any meaningful performance feedback) employees whose jobs are not clearly defined, and lack of any feedback system on employee performance. And oh, yes, if all this is missing, you can bet there is also a lack of any people policies.

 So, then, what would it look like if all this were in place? The short answer is, VERY different. But why go through all this just to look different? Looking different is only one result of proper/professional HR management intervention. The real reason to do all of this is to run your business better, service your customers better, realize operating efficiencies, and ultimately improve the bottom-line financial performance.

 Why then, do so many organizations not improve their people management processes? My answer is that they have likely not worked in an environment where proper people management was ingrained, so they don’t have the proper frame of reference, or that even if they have seen this, they have no idea how to get there. The good news in all of this….a skilled HR Management consultant can have a huge impact and get all the above mentioned areas working properly in a relatively short period of time, because they have repeatable processes and experience at other company HR implementations.

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# The Evil Twin I Just Hired

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Have you ever hired a great candidate only to have their evil twin show up for work? During the interview process you met an individual with great credentials who you knew would fit into your company culture, but this is not the person who is now working for you and you find yourself questioning your ability to screen and hire.
In the many businesses we work with the hiring manager is often a person who has significant other time consuming responsibilities. Hiring is seen as a real problem for many managers, they usually are in a hurry to hire and they don’t have all the skills and tools at their disposal to make an informed hiring decision. How many times have you heard a hiring manager say that if the new hire doesn’t work out in 3 months they will try someone else. This is a signal that the hiring manager really does not know what they are looking for or how to look and is willing to gamble with new employees coming into the organization.
Ok, lets for a moment assume that the hiring Manager **does indeed have** well developed interviewing and selection skills and that they have also sourced candidates on their own via postings, etc.

Recruiting is about being highly skilled in interviewing and selection but just as importantly, **it is about being connected and having a large network and knowing how to access various talent pools out there**, especially with the advent of Social Media.

There is a difference between good recruiters and great recruiters. Many of us agree that great recruiters are great networkers and relationship builders.

We are seeing hiring managers and talent acquisition professionals/professional recruiters working together to define and create a combined talent strategy with the ultimate goal of hiring best of breed candidates from targeted sources. Some organizations have come to realize the importance in leveraging the networking capabilities of their current employee population to develop a list of “soft” targets – which develop over time for future opportunities.

As mentioned, excellent recruiters are excellent networkers, they engage people, and have a good solid system of evaluation, ongoing candidate contact and information storage. In other words they have a large list of ‘soft targets’.  Our experience tells us that most hiring managers are not very well networked, not all, but most. We see this quite often when managers are in job search mode and they don’t even have 3 or 4 industry contacts to network with!

In recruiting, having the hiring manager with well-honed interviewing and selection skills is actually only 50% of the required skill set. What most organizations are missing is the sourcing capabilities, or being networked into their own industry in a talent identification sense; knowing how to tap into talent pools, where to look, or having candidates in waiting, ready for that that next matching opportunity. Even having well developed interview skills internally in an organization, but going after a smaller talent pool because of lack of sourcing technology and capability can have an unknowingly negative effect on quality of new hires. In other words, you may have found the best candidate, but only in the 10% of the available sources or talent pools you looked at. In fact hiring from a posting is looking at a very small portion of the talent pool out there…the ones who just happened to see your ad, and who were actively looking. Having said this, sometimes you do get ‘lucky’ from an on-line posting.

This brings us to the question  - who is in charge of networking and identifying talent pools at your company? More often than not, nobody. This is a full time job. Even internal staff recruiters often do not have the proper time to do this.

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The People Principles: Ways to Build a People-Centered Workplace

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Let's admit it. Every workplace is fundamentally about people. Sure, we need information systems and technology and supply chains and metrics. Improvement in these areas is a good thing. But these are the inanimate aspects of work. The real heart and mind of every organization are found in its people. People are what differentiate organizations from one another, how they think, act, treat fellow employees and customers, etc.

If you truly want to bring out the best in people, you need to take action, whatever your role in the organization. Consider the following ideas and think about how you would rate yourself on each one as a manager. These ideas are time tested and are keys to unleashing human potential in organizations. More importantly, make a concerted effort to adopt some of these in the next few days and weeks and I guarantee you will start seeing a noticeable difference.

1. Think HOW, not what

Assignments and deadlines keep us focused on the work itself, sometimes so much that we lose sight of the people who do the work. Maintain a wider perspective. Instead of asking people what they're doing, ask them HOW they're doing.

2. Don't say, ask

You THINK you know the right approach or the right answer, and maybe you do. But if you want to engage and empower people, skip the statements and start asking questions. Go from "here's what I think" to "what do YOU think?"

3. Work it out now

When conflicts arise, letting them simmer is easier in the short term but destructive in the long term. Unless you're fond of grudges and hurt feelings, start resolving today's conflicts today.

4. Just say thanks

There's no need for fancy awards and rewards because there's no substitute for simple, sincere appreciation. Make a habit of putting your gratitude into words.

5. Take action inclusively

A bias for action is a good thing. But the action should be done WITH people and not to them or despite them. If you're going to implement anything that affects anyone, gather a group of co-creators.

6. Turn up the differences

A workplace full of do-as-you're-told clones would be so easy to manage. Look for and leverage those precious differences in yourself and your colleagues. As long as you have meaningful goals in common, you'll achieve uncommon success.

7. Tell stories

If you want to shape the workplace culture, become a raging gossip of good news. Look for real-life examples of employees serving each other and their customers. Then tell those stories over and over.

8. Engage people back…LISTEN

When someone tries to engage you in conversation, be conscious of your reaction. In a hectic work environment, it's easy to be dismissive. Listening to someone is the greatest respect you can offer an individual. Take the time to open your ears, your mind and heart.

9. Show your emotions

You're not a robot or a potted plant. If you're thrilled, angry, enthused, confused, curious, whatever, let it show in a constructive way. It's more than okay to be human.

10. Be the real you

We've all met people who are one way one day -- then someone else the next. It's no fun for anyone, including the chameleon. Get to know yourself, and remain true. Everyone will benefit.

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# Managing the Interview Process – a Candidate’s Perspective

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As an employer, when we think of the interview process we think of interview questions and the offer letter.  Once the offer letter is signed, employers often have a program to welcome employees on board.  That’s great, but what about before all that? How are things being handled from a candidate’s perspective during the interview process?

Most employers don’t think of the interview process from the candidate’s perspective.  Recruitment professionals do think about this.  They know that whether a candidate accepts an offer and stays in a job depends on how candidates are treated or how they perceive they are being treated during the interview process.  I say, how they perceive they are being treated because what is happening from a company’s perspective versus a candidate’s are two different things.

For example, a company is extremely interested in a candidate.  They have a first interview with a candidate and then take a few weeks before going ahead with the second interview.  There may be many reasons for this gap between interviews. from the company’s perspective. The candidate often assumes the delay indicates a lack of interest on the part of the company.  Even though the candidate was extremely excited about the position after the first interview, their enthusiasm is often dampened by what they perceive as a lack of interest on the part of the company.

Let’s say the candidate is called in for a second interview and all goes very well.  The company says they are very interested and that there may be an offer.   Then the company takes a week or so to put an offer together.  There may be many reasons the company has for taking a week, sometimes more, to put an offer together.   From a candidate’s perspective, they have now been in the interview process for a month or more.  Shouldn’t the employer know by now if they are interested? Are they hesitating or looking at other candidates? The candidate has put things on hold and built up anticipation for the role over that month.  How the offer stage is handled can affect the candidate’s future feelings about the organization once they are in the new role.

**How do you prevent this from happening?**
·     Keep the interview to offer time under two weeks

·     Have the candidate do first and second interviews on the same day

·     Make sure the hiring managers who will sign off on an offer are available

·     Be clear about your level of interest with candidates and what the next steps in the process are

What about the candidate who doesn’t get the job after all that?  How you treat an unsuccessful candidate will affect the opinion many people will have of your organization.  A candidate takes their family and friends on their journey through the interview process.  They will know how you treated the candidate and how the candidate perceives their treatment.   Remember, those friends and family of the candidate may include a future ‘dream hire’ for your organization.  In real estate location is everything.  In the hiring process, perception is everything.

**How can you avoid leaving a negative perception in a candidate’s mind?**
Respond, even if it is by email or form letter to every application you get.
De-brief candidates after each interview with your company (you will learn a lot about your hiring managers this way, as well)
Let candidates who are no longer being considered for a position know in a respectful manner as soon as you decide you will not hire them. Thank them for their time

Trying to view your hiring process through a candidate’s eyes, and adjusting your process, can make a big difference to new employee morale and job satisfaction in the future.

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# Attitude Is Seriously Under-Rated, In Fact - It Is Everything

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People who harbor poor attitudes or people, who beat themselves up easily, generally blame it on other things which have happened to them in life. Maybe it is personal relationship problems, financial problems, perhaps a recent job loss. They see themselves as victims. But it doesn’t have to be this way.

Don’t let poor attitude convince you that you're not in control. This is a downward spiral. You have the power to choose your attitude, and ultimately your life’s outcome.

 The process of human change begins within us. We all have tremendous potential. Each of us has the ability to put our unique human potential into action and to acquire a desired result. But the one thing that determines the level of our potential, produces the intensity of our activity, and predicts the quality of the result we receive is our attitude.

Attitude determines how much of the future we are allowed to see. It decides the size of our dreams and influences our determination when we are faced with new challenges.

No other person on the planet has control over our attitude. People can affect our attitude by teaching us poor thinking habits, unintentionally misinforming us or providing us with negative sources of influence, but no one can truly control our attitude unless we voluntarily surrender that control.

**Our Attitude is 100% within our Control**

In other words we have the power to decide the way in which we respond to things happening around us that are often out of our control. As an example, when you are driving along the highway and see that you are going to be in a traffic snarl, all the brake lights coming on, overhead illuminated delay signs, maybe the sounds of tires skidding, we can choose how to respond or think about that situation. We can choose to curse, get angry, try and place blame, worry about being late, etc. (all things which raise our blood pressure) We can also choose to think of this unexpected downtime as new found time to do other things, phone your loved one (hands free of course) or to simply relax by putting on some good music, or in other words to decide to accept it for what it is and to immediately put the delay time to better use, such as relaxation even as simple as deep pleasurable thought.

No one really makes us “angry”. We make ourselves angry when we decide to respond by having no control over our attitude/response. What someone else may have done is irrelevant. We have the luxury of choosing how we respond, not they. They merely put our attitude to a test. Can you allow yourself to be upset or disappointed? Absolutely. But our attitude will serve to quickly bring us out of this state and not let it affect us going forward. If we select a volatile attitude by becoming hostile, angry, jealous or suspicious, then we have failed the test. If we condemn ourselves by believing that we are unworthy, then again, we have failed the test, we have allowed our attitude to affect our go forward actions.

If we truly care about ourselves, then we must accept full responsibility for our own feelings and how we choose to respond to certain things. We must learn to guard against those feelings that have the capacity to lead our attitude down the wrong path and to strengthen those feelings that can lead us confidently into a better future.

If we want to receive the rewards the future holds in trust for us, then we must exercise the most important choice given to us as human beings by maintaining self-control over our attitude. Our attitude is an asset, a treasure of great value, it largely defines who we are as human beings and it must be carefully thought processed and expressed accordingly.

When you have the right attitude, you can do truly remarkable things. Think for a moment of the successful people you know in your life and how you would describe their attitudes. I’d wager there aren’t any long lasting poor attitudes in that group.

**Everyone Has the Power to Change Their Own Situation.**

Any day we wish, we can discipline ourselves to change almost anything about ourselves, we can choose to open our mind to new knowledge, and we can start something new. We can start the process changing our attitudes. We can do it immediately, or next week, or next month, or next year. The point is we have within us the power to change by understanding that how we choose to respond to events today will determine how things will unfold for us in the future.

**Everyone Can Create Their Own State of Well-Being**

Having the right attitude is a “must have” for success and happiness. The right attitude is one of the fundamentals for living a good life. That is why we must constantly examine our feelings about our role in the world, what gifts and talents we bring to the world and about our possibilities for achieving our dreams.

It is our emotional nature that governs most of our daily conduct in our personal and business worlds. It is the emotional aspect of our experiences that determines our behavior. How we feel about life's events is a powerful force that can either hinder or inspire us to take immediate action on any given day. With the right attitude, human beings can literally achieve anything. With the wrong attitude, they can be road blocked and crushed by simple things that would otherwise be considered insignificant.

You can have more than you've got because you can become more than you are. The major thing that makes the difference is our attitude and how we choose to respond to events or things happening around us….and the good news in all this is that it is 100% within your control.

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# Shhh...Don't Say Anything...

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The question many employees in the workplace contemplate is when to speak up about a business practice, process or decision that is not right or on which they disagree. More often than not, the easy route is to go with the flow because this is somewhat expected, has little employment risk, and is less stressful, and the path of least resistance so to speak. Why has our business culture largely evolved to one where you are conditioned to go along with poor business decisions because the other option of speaking up is too risky?

I know a PhD colleague of mine who was let go as a CEO. He had come to the conclusion that our business culture is evolving to one where we chew people up and then spit them out. In other words people are just the tools of the real business power brokers and that people are tolerable in their contribution as long as they don’t overstep their bounds. The flip side of this is that those who figure out how to successfully challenge the status quo, often rise through the ranks and end up being power brokers themselves who often ironically do not genuinely welcome the thought of having their own thinking challenged. In the course of my HR consulting career, many times I have heard employees confide in me that they cannot raise certain valid business issues because they would end up getting fired for it, or some lesser form of added job stress. This is an issue for sure. But, why is it like this and more importantly, what can be done about it?

I suggest that a healthy organizational culture is one where employees are encouraged to speak up at any level without any fear at all of retribution, and furthermore, that this is clearly articulated as a core company value – no fear of retribution for speaking up. Taking this to the extreme, wouldn’t it be interesting to work in a culture where it was a requirement to say at all times what is on your mind about what is going on in the workplace. Of course this would represent a chaotic state. But we don’t need to go to that extreme.

Why employees are fearful of speaking up is not that hard to understand. The risk very often far outweighs the benefits of doing so. Another reason is that employees are not trained in how to properly raise issues in a proper business sense without it often looking like a personal vendetta. Interestingly, as an HR Consultant, when I go in to assess an organization, I always glean more information from talking with non-management employees than looking at policies, financials, or even talking with executives. One of the reasons is that I inherently know that management is often more guarded because there is more at stake for them if they choose to open up.

In a recent client situation, this fear of speaking up was so well ingrained in the culture of the organization, that it was affecting business results in a significant way; it was affecting their ability to bring on desperately needed qualified resources. The culture had evolved to one where if you didn’t agree with all decisions coming from senior management, then you simply did not fit in the organization, and would eventually be terminated. Surprisingly, this goes on every day in many businesses. So, the $64 million question –

How do you prevent this?  The best answer I know of is that the top person, usually CEO is the one who sees value in employees being encouraged to speak up where they see improvements would help the organization. This is not to say at all, that all employees need to be in agreement about every decision our business process, it says that employees input is valued and respected without fear of retribution. It also does not mean that every decision is first sent to employees before finalization. We should never expect that all employees would be capable of making senior management decisions. Additionally, there should be a stated ideology which says that employees are encouraged and have the opportunity to input, but that at the end of the day, after consideration has been given and final decisions explained transparently, the company decision often will hold and that employees are expected to fall in line – but only after the opportunity for input and understanding has been provided.

Bottom line; a healthy culture in an organization starts with the behavior and thinking that goes on at the very top level. The value of an employer encouraging employee input without fear of retribution must be clearly believed, stated and followed.

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It’s Easy – Just Fire Them**!!**

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Employee terminations are something we have all seen and many of us have experienced. As HR consultants, we have been involved in our share of terminations and we will never be comfortable with this aspect of our professional lives. Our real concern currently is that the termination option is used too readily by many businesses as a solution to either poor hiring practices or poor management practices or in many cases, both. We are also appalled but not surprised to hear that many companies are adopting the practice of “trying people out” and selecting who they feel is the best of the lot. Unfortunately, they usually don't tell the person being hired that they are on trial and that the chances of staying with the company are quite slim.

Of course, it is common practice for new employees to go through a probationary period which should be designed to not only allow the company to determine if they've made the right choice but as well to give the new employee the opportunity to do the same. But there are a number of companies who knowingly hire people under the revolving door concept. In other words, they assume a number of hires won't work out and are quite comfortable with going through the process again in three months. As bizarre as it sounds, this is normal business practice in some companies.

Our point is that this “Revolving door” idea is an incredibly expensive way of doing business. And, it flies in the face of treating people with respect. It is demoralizing, deceitful and frankly, an abdication of responsibility by companies that don’t provide hiring managers with proper recruitment skills or with the skills to allow them to effectively manage employees. The idea of knowingly hiring someone who has a 50% chance of working out is just plain poor business practice, it is expensive, insensitive, and sends the wrong message to the existing employees. We are not suggesting that companies should live with non-performers, quite the contrary. Our point is that too many companies give managers the latitude to unilaterally decide if someone won't make the "grade" and, by doing so, support the idea that this is acceptable business practice. Anyone who has been terminated knows the emotional trauma that's experienced. So, why have we become dehumanized to the point of not really caring about what the terminated employee has to go through and more importantly, what should companies do about it?

First, they should understand the significant costs of “planned” turnover. This is measured in the time which managers and others spend in the process, recruitment fees, lost productivity, training costs, lost sales, customer perceptions, lower employee morale, and the degradation of often very decent and capable people. Many studies on the true costs of turnover indicate that they range anywhere from 1-2X the annual salary of the terminated employee.

Planned turnover is a very expensive way of doing business and the approach can be altered if the hiring managers are trained in all aspects of interviewing and selection and managers and supervisors are trained in the basic skills of effective people management. In our experience, it is rare indeed to find a manager who has received training in interviewing and selection and rarer still to find someone with a natural instinct for recruiting excellent people. They do exist but in very small numbers.

As professional recruiters at TwoGreySuits we have mastered both parts of the equation and as an integral part of our recruiting assignments, we work with the client hiring manager to bring them up to speed on both, thus increasing the likelihood of long term job success.

In conclusion, planned turnover at the point of hire is very expensive, demoralizing, and more importantly can and should be changed as an accepted way of doing business.

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# ****As a Manager, You Must Know How to Provide Feedback****

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**Knowing how to provide feedback to employees is a MUST HAVE skill in being a good people manager!**

When well done, it builds solid relationships based on candor and integrity.  On the other hand, poorly expressed feedback will demotivate others and make for bad business and strained relationships.

Feedback is a stated observation/perception of another’s conduct or performance. It should be given with the same introspection and care in which it is to be received.

The message must be delivered in a thoughtful and well balanced manner (you control this) and received in a similar mature way (you don’t control this).  Consider that the ‘real’ message received is based on 3 factors: 7% on what is said; secondly, 43% on how it is delivered; and thirdly, 50% on body language as interpreted by the recipient. These guidelines will help you give proper feedback:

• **Get the facts** – first, do your homework.  Ask questions to get the facts, get the **right facts** and get the **facts right**.   Be open to new information, for, if you have partial information you will predictably give inaccurate feedback. You will then look bad.

• **Know who you are dealing with** – Assess how the other person will react and tailor your message and method of delivery to that person.  Generally, give positives in public and negatives in private; however, break this guideline if the person gets embarrassed easily and prefers these types of conversations to be done privately.

• **Give them the feedback FIRST** - The recipient of feedback deserves respect and courtesy – especially if the feedback is about something that went wrong.  If you talk about someone behind their back and then, if they hear gossip from another person, you become the executive ‘weasel’ whose leadership role has now been compromised.

• **Do it face-to-face** – Particularly if feedback deals with criticism, mature adults deal with tough situations face-to-face, not by impersonal emails or by phone. Give it in person - this also lets you see the person’s reaction, thereby ensuring that the appropriate message has been received.

• **Do it fast** – People affected by important information need to hear it quickly – whether it is good or bad news.   Few things are worse that waiting in suspense and feeling you are being controlled by someone.   Once all facts are on the table, people are more relaxed and it is easier to deal with virtually any situation.

• **Deliver the message in balance** – Try to sandwich the positive and negative messages. This is all about balance, not manipulation, e.g., you could discuss a person’s positive intentions, critique a specific situation that did not work out, and then express confidence that you believe in them and that you see they are motivated to get better results next time.

• **Do it with tact** – Be direct and be sensitive.  Give feedback on a person’s actions/issues, not on their personality.   Never assault their personality.   If you need inspiration for this, think of your own worst experience, that is, when you were on the receiving end of a poorly delivered feedback that didn't sit well with you.

• **Keep cool** - Discuss things professionally.  If you find yourself being hooked into a mental or emotional battle, ask questions for clarification.   Or, if someone is ‘losing it’, take a breather.   Buy some time - things said in anger rarely turn out positively.

There are certain truths that endure: People want to be important, want to matter and be valuable.   They crave self-esteem.  By what people say and do, one message they regularly deliver is: “… notice me … I count! ...”.

Effective feedback is a gift that will make most people in most companies more successful.   While your gift to them costs you just a little time, recipients say that receiving it is priceless!

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# ****Social Networking - or “Not” Working****

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**SOCIAL MEDIA - COMPANY POLICY**

Company policy around Social Media is fast becoming a hot topic of conversation around the water coolers in the workplace. In some cases employees are getting clobbered with harsh discipline for things they didn't even know there was a policy on. With the increasing use of many social media such as twitter, Facebook, blogs, MySpace, YouTube, linked in, etc., employers are struggling with what is and is not appropriate for use during company time and even outside of the normal business hours. Social media has become an important and every day component of how we now communicate, and it is certainly spilling over into the workplace. In terms of what is or is not appropriate for use at work, confusion abounds!!!

An overall philosophy statement used now by many companies often looks something like this: “While you are on company time, please refrain from online activities that don’t bring value to the Company. Think of your personal time online just as you think of personal phone calls or emails.” Many managers would say they have a very significant time theft issue going on in the workplace (unproductive social media use) and also that it is not that easy to deal with or properly address. Sound familiar?

Many employers now block access to certain websites such as game sites, social networking sites, entertainment sites, shopping/auction sites and sports sites. Some companies even use URL blocks to stop employees from visiting external blogs.

The other side of all this is the fact that social networking sites are a valuable part of marketing and advertising in today’s market from a business perspective. Many organizations are figuring out how to leverage off this, as an example, having a corporate Facebook page to which all employees can contribute.

Many managers would tell you they are having difficulty in drawing the line on use of social media in the workplace. We often hear that employees want access so they can communicate at lunch or on breaks as this is the best way they know of quickly getting up to date with everything going on as opposed to even a few years ago when numerous (more time consuming) phone calls would serve the same purpose. What is an employer to do when an employee has MSN open all day on their PC so they can communicate with their spouse who is at home with the newborn? Every time the employee hears a “bling” they stop what they are doing and connect on line with their spouse. Get the point – where is the dividing line? Employers need to take into consideration that social media has quickly become an important and significant cultural mainstay with how people choose to communicate, especially the younger generations.

**So, what is the answer then?** Some companies, for example, have a very simple blogging policy which says. “Please be smart in your on-line activities. They reflect on both you and the company. The ability to publish things that never go away and can be forwarded endlessly, well, it gives us pause, and we hope it does you, too.”

Check out our website, [www.twogreysuits.com](http://www.twogreysuits.com/) for all the latest in social media polices for your company, including a few free social media policy downloads. (Take the tour)

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# Hiring Right !!!

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**Recruitment and Selection**

Hire right the first time. Be very careful who you select as a recruiter, go for experience vs. expediency and fancy brochures. A mismatched employee will cost you thousands of dollars. Think about the wasted personnel agency fees or, if you do it yourself, the hundreds of advertising dollars and the minimum of 3 days of management time it took to complete the paper work, screening, interviewing, and reference checking. Add the 3 to 5 days of training time your staff put in, the wasted time putting the person on payroll, the poor work quality, the mistakes, the absenteeism and the inevitable dismissal, yet another cost.

Also consider the fact that employees win 70% of wrongful dismissal cases. Canadian Courts are sending a message that the employer-employee relationship is not to be taken lightly. When you sit down to choose the best candidate, be clear about the job/person fit. Do not expect that you will never have to guide and train this employee but satisfy yourself that she/he has the basic potential or "key ingredients" that are compatible with you.

**Preparation**

The first step is to be prepared. There is no substitute for being well prepared. While we all have busy schedules, be aware that research shows the likelihood of hiring the best candidate from an applicant pool using an unstructured interview process is as successful as selecting a resume from a pile while blind-folded.

Another compelling point is that unstructured interviews leave you susceptible to many different personal biases and, as a result, increase the chance of a human rights complaint being lodged against you.

Start by understanding clearly what you are looking for. Overcome the urge to react when an employee says she/he is leaving. Ask questions like: Do I need to replace this position or can the tasks be reassigned or contracted out? Assuming you need someone, do you need a part-time intermediate, a permanent junior or a full-time temporary? Is the perfect person in your own firm waiting for a promotion? What about other departments? Also prepare and/or review the job description, has the company changed so much that a different combination of skills would be better? Summarize your thoughts with a Hiring Criteria list. A sample of a typical list is provided below:

**Hiring Criteria List**• Type and Level of Experience: The more experience you ask for, the less training time needed but the more salary required. Think about your time vis à vis the higher cost "trade-off".
• Type and Level of Experience: Consider the benefit of grads from job-specific education programs. They come "job ready" with a guaranteed fixed minimum of knowledge, skills, and ability.
• Computer Skills: Be specific about software programs and level of typist necessary. What are your needs? For jobs requiring heavy usage of computers, request 50-60+ wpm. For occasional letters and using the computer as an analytical tool, speed is less important than knowledge of the software.
• Other Skills: Does the position call for specific "sets of skills" that you should look for (i.e. courses or accumulated experience in supervisory, project management, customer service)?
• Physical Requirements: Any light lifting? Prolonged time in front of a computer screen?
• Language Requirements: What level is required to competently do the job? Consider the position only, not your preferences. According to recent legal rulings, if the position requires clear, succinct English, particularly for dealing with clients, then it can be considered a bona fide occupational requirement for the job.
• Personality and Demeanor: Tolerance for stress, team player, patient, flexible?
• Availability: Is shift work necessary? Is start date important?
• Work Ethic: Hard working, good attendance, professional?
• Retention: The expectation is no longer "cradle to grave". Stars will stay a year or two without a promotion, good workers maybe 2 or 3 years

**Interview Preparation**

Structure your interview. Aside from the above reasons, this ensures you are prepared in advance and keeps the hiring criteria fresh in your mind. Being organized for the interview also adds an element of professionalism and leaves a good image of yourself and your company in the candidate's mind.

**Questions**

Prepare questions specifically in relation to your Hiring Criteria list. Write a criterion on the left side of a piece of paper and a "behavior-description" or "performance-based" question relating to it on the right side. Leave room in the margin for the candidate's response. "Behavior-description" questions ask the candidate to describe actual behaviors and events in previous jobs to prove her/his ability. With "performance-based" questioning, the applicant explains scenarios that will be typical of the job you are hiring her/him for. For example, if you need the candidate to handle difficult clients on the phone, have her/him actually resolve a typical problem in the interview, or better still, work through a role-play. If the job involves skills which can be tested, set up a short series of practical tests such as typing a business letter or conducting a sales call.

Use very few traditional questions such as "what are your strengths and weaknesses" or "tell me about your hobbies" and recognize them for what they are worth. They will tell you something about the candidate. But will they really help you decide how well he/she handles pressure or what his/her organization or problem-solving abilities are? Use the majority of time to ask questions about the areas on which you need information.

**Tips For Screening Resumes**

Is it easily read and well-presented with bullets, white spaces and under two pages? Beware of long narrative accounts of a personal life story with no obvious thought to format.  Scrutinize it for the mandatory minimum experience, education, and skill requirements. Don't try to use the resume as a crystal ball into the candidate's personality type. The face to face interview is better for finding out about personality.

Look for periods of unemployment, gaps in work and education history, frequent changes in careers. Changes in employers may also be a concern, but keep in mind it is now more common for aspiring, up and coming employees to change positions every 2 - 3 years. Certainly you can retain them longer of you have a plan for high performing/high potential employees.

Conduct Telephone Interviews. A few relevant questions over the phone will save you countless hours of unnecessary interviews to candidates who don't have the experience, don't want to commute to your location, or have too high salary expectations. Questions to include are: a brief background check, computer skills, the commute issue, salary and start date.

**Tips and Traps of Interviewing**

The location should be presentable and free from interruption. Begin by explaining how long the interview will take, that you will explain the job in detail and that he/she will have an opportunity to answer questions. With these concerns out of the way, the candidate will concentrate better. DO NOT begin with a long soliloquy about yourself and your company. Get the candidate talking. Ease the tension by asking for a brief history of work and school. Then ask your pre-prepared, job-specific questions. Listen to the responses. Probe for answers until you are satisfied you can make a good evaluation in that particular area (i.e. organizational skills). Only after you finish the questions should you review the job, talk about your company, corporate culture and expectations you have from your staff. Don't oversell the position. Point out negatives as well as positives. False expectations built up during the interview process are a top contributor to later disgruntlement in today's workforce. End by giving your best estimate of when you will make a decision. Be sure to get back to people when you promise; your professional reputation depends on it.

**Second Interviews and Reference Checking**

There is no fixed number of interviews. Generally, the more people who meet and approve of the candidate, the better the job/person fit tends to be.

Do reference checks on your best candidates. It is a hard, investigative process but avoid the temptation to skip it. Speak to immediate supervisors only, people who know the person's work, character references are not much good because they do not know the person's work. Ask questions about the areas that are still bothering you. It is very important to confirm the situational/past behavior answers from the interview. Do not contact the current employer of the applicant unless you have the express permission of that applicant and the applicant understands the possible ramifications of such a contact.

**Avoiding Discrimination in the Selection Process**

To avoid discrimination, keep focused on the job requirements. Think about what the job requires as opposed to what your preferences are or what you have always had. If a specific height, weight or age cannot be proven to be a bona fide occupational requirement, do not make your selection based on it. A bona fide occupational requirement is one which is necessary to the economic, safe or effective performance of the job.

Be aware that your interviewing notes can be subpoenaed. Do not write down any fact about a person that is irrelevant to the position. Even if an applicant volunteers the information, such as whether she is married or how many children she has, it is still illegal to use it for the purpose of selection and should not appear on any paper related to the selection.

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# It’s Not My Job

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When the statement “It’s not my job” is spoken, it generally carries a negative connotation. It hints of “I don’t want to help you any further”, “I will only do what is expected of me”, or “that’s not part of my job description”.  Let’s look at the team concept. In any sport, is a team consistently successful based on individual effort alone? While individual effort can make or break a single game, it requires a team effort to experience a winning season. Why would it be any different in the workplace?

Every time we have heard a fellow coworker or anyone in previous companies we’ve worked at say “**it’s not my job**”, we cringe. People need to take collective responsibility at organizations – they need to have the thought process that says, ‘the person is asking me to do something I don’t know how to do; either I can ask for training in this or I can find out whose job it is in the organization', if it the task doesn’t have an owner, the thought process should be that the employee is happy to take it on.  Or should it???

Here is the other side of this: It reminds me of a company a friend told me about. They had this really great culture where everyone from the CEO down, took full and collective responsibility for what happened at the company. Everyone answered the phones; when a courier turned up anyone who happened to be around would sign for a package; people in finance and admin roles stayed close to the core of the business and ‘got’ what the business did, they knew who the customers were, so they could engage with them too. This created a really strong culture that was the heart of the organization. But as the company grew, it was decided that there needed to be more organizational structure and individual responsibility so workers could be more focused on their respective roles. A mantra of ‘that’s not my job’ was encouraged to focus on individual responsibility because work responsibility seemed to be too loose or informal.

Most managers would not support the idea of employees saying ‘it’s not my job’. Whatever the size of an organization, if every part of it can be encouraged to live and breathe what it does; rather than be head-down and siloed in their own role or department, that kind of culture will shine through and really contribute to a company’s success both internally and externally. If you care about your company, the next time you hear this, don’t walk away, get to the root of it, find out whose responsibility it is, and more importantly, that the work indeed gets completed.

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**It’s as simple as that. Why wait?  Don’t let important people management issues go unresolved when you can deal with them today.**

# Interview Tips for the Interviewer

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At TwoGreySuits, our short list candidates describe their interviews with the hiring manager, and it varies greatly. In many cases, we are told that the hiring manager isn’t structured in their approach, they didn’t spend enough time and they rely too heavily on their gut feel which can be dangerous. Interviewing and selection skills are rarely if ever taught to Managers.
….So you've had a crazy day, with tight deadlines, meetings and “urgent” matters coming up. Now you have to interview candidates for a Marketing Assistant position. If you don't have a human resources department to guide you along, here are some tips for how to prepare for and conduct a job interview -- from the other side of the desk.

**Tips for Interviewers**

Remember that candidates are deciding whether they want to work for you just as much as you are trying to decide whether to hire them. You have only about an hour to make a good impression on the candidate. Follow these steps:

**1.** Write down a list of questions that directly relate to the job's responsibilities. If you don't have a job description, list the key responsibilities of the position, and then draw up a list of questions that relate to the direct job responsibilities.

**2.** Ask behavioral questions, as in "tell me about a time when you..." Ask for specific examples of past performance and behavior.  Specifically ask for names of people, place, times, as this is easily checked in a reference call. Previous behavior and successes are a good indicator of future performance and behavior.

**3.** Review the candidate's resume before the interview. Ask questions about the environment of the places the candidate has worked, for example, “what did you like or not like about the culture of the company?” This way you can see if they would be a fit in your own company culture.

**4.** Outline the interview structure for the candidate. First, give a brief description of the company, and then outline the job duties. Tell the candidate you will leave time for any questions near the end of the interview. Ask the applicant questions as more information is revealed about their experiences. This sets up the parameters of the interview, keeps you both focused, and gives the candidate an idea of what to expect.

**5.** Don't talk too much. TwoGreySuits suggests the hiring managers should talk only about 30 percent of the time. Allow candidates time to describe their skills and qualifications during the interview. Make sure you've covered all your questions and you haven't missed anything.

**6.** Extend professional courtesies. Offer candidates a glass of water, and ask if they had difficulty finding the place. Be on time. Consider giving them a tour of the office. Give them an opportunity to speak with other team members or prospective coworkers, if appropriate.

**7.** Watch nonverbal signals. Just as you are looking for eye contact and appropriate dress, the candidate is looking for those unspoken signals from you. Be sure your tone of voice is appropriate and professional. Clearly articulate the job's duties and the company's mission. Dress as you normally would, and pay attention to manners. You are a representative of your company and department, so make sure your actions reflect this.

**8.** While being polite and professional, don't get too chummy. Keep all your questions job-related. If you spend the interview chatting, you may make a hiring decision because you liked the candidate versus whether the person is truly qualified for the job.

**9.** Whether it's by email or phone, follow up to let candidates know whether they got the job. This is one more way of extending a professional courtesy and gives the interview process closure.
**10.** Hiring is serious business. If you want to get a 100% guaranteed excellent hire, consider using the professionals, TwoGreySuits.

We cover all aspects of interviewing and selection in the HR Power Centre’s Recruitment Module.

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# Who Is In Charge of Hiring?

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In the many businesses we work with, the hiring manager is often a person who has significant other time consuming responsibilities. Hiring is seen as a real problem for many managers, they usually are in a hurry to hire and they don’t have all the skills and tools at their disposal to make an informed hiring decision. How many times have you heard a hiring manager say that if the new hire doesn’t work out in 3 months they will try someone else. **Red Flag.** This is a signal that the hiring manager really does not know what they are looking for, or how to look and is willing to gamble with new employees coming into the organization.

This brings us to the question, who is in charge of hiring at your company? If you work for a large company you may have an HR department or even a full time recruiter to handle the hiring needs. Anyone who knows anything about hiring will tell you it is a very time consuming and difficult task. Conducting 5-6 full scale professional interviews in one day can be very draining.

So, what should a company do to get a hiring manager ready to interview and select? The sad answer is that very few companies actually take the time to find out what the hiring skills are of the hiring manager. It is very often assumed that any manager should know how to hire people. This is an incorrect assumption and can lead to all sorts of employee problems down the road. We are seeing a trend to outsourcing recruitment even in smaller companies. This is a smart idea on many fronts, with the only caveat being, you **must** select the proper recruiter as there are many unqualified recruiters out there working for large recruitment firms. Selecting the right recruiter starts with developing the relationship before you have a recruitment need. This is how we have built our reputation at TwoGreySuits.

If you go it alone, do yourself a favour and insist your hiring managers have some basic interview skills and more importantly that you know what behaviors in addition to what skills you are looking for. Members of the [HR Power Centre](http://www.twogreysuits.com/powercentre.asp) can gain all the info they need in our Recruitment module.

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# The Key to Success

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The right person in the right job is the key to success for both the employer and employee. When employees are motivated to do excellent work, the organization reaps the rewards. When employees are provided feedback on their work, they will strive to continue excellent performance or improve current performance. In the absence of feedback, employees may think you don't appreciate or care about them or their work, or worse, their perhaps poor performance gets unofficially endorsed.

Recruiting quality employees is just the first step in building a great team. The bigger challenge is keeping them on board. Here are four steps you can take to recruit and retain top performers.

**HIRING AND KEEPING THE BEST**
 Of course, you want to attract and keep great people. The hiring process can be costly and time-consuming, so once you’ve selected your top candidate, you want them to stay with you! Here are four steps you can take to recruit and retain the best:

**1. Define What Your New Hire Needs To Do**

Before you start the hiring process, take the time to define what you need the person to accomplish. Surprisingly, this critical step is often overlooked. By first defining exactly what you need accomplished and then hiring to those requirements, you may well discover an ideal candidate you would not have considered otherwise. To illustrate, a client we worked with typically hired salespeople from within their industry. But the company’s two top salespeople previously sold in completely unrelated industries. We defined what made these two successful -- their ability to open doors and be hands-on in the delivery of solutions – as the key requirement to hire more similar salespeople. Industry experience was helpful, but not as important as these two fundamental skills.

**2. Let the Candidate Talk about Themselves**

Here is a simple but powerful rule that will reduce your hiring mistakes: Focus on understanding the candidate’s individual accomplishments. Ask all candidates to give details in the first person (“I did this”) on what they have accomplished in past roles and jobs. Specifically look for person, place and time; specifically, who else worked with them on the accomplishment, where was this done and what time was this in (month and year). Their answers will also be easier to verify in a detailed reference check.

Many people want to describe things in the plural, saying, “We did this; we did that.” An experienced interviewer will ask what their specific role was in the accomplishment. If a person cannot describe in detail how they accomplished something, they may be overstating their involvement in the accomplishment. By using the right interviewing techniques, you can uncover the best fit for your company.

**3. Ask Your Top Candidates What They Want**

If you are genuinely interested in hiring an individual, communicate that interest by asking the candidate what they seek in their next role. Ask questions related to the candidates background before you tell the candidate exactly what you are looking for in skills and behavior. Take the time to ask questions that will help you learn about the person’s goals and desires. Listen very carefully to the answers and ask follow-up questions.

What you learn may even help you shape the job description for the people you ultimately hire. You’ll also convey a genuine interest in these people, and few managers do that during the interview process. As a result, you will stand out in their minds. If your interest is sincere, this is one of the most effective recruiting tools at your disposal.

**4. You Are the Key to Keeping the Best**

The best people want opportunities to work on the best projects and with the best clients or customers. They also want to develop personally and professionally. These people can always get a job (even in a down economy), but they often have a hard time finding an organization (and a boss) that takes an interest in helping them develop and achieve. Simply put, good people want good bosses.  The number one reason, supported by significant and varied research, of why employees leave their job is directly related to their immediate manager. So, if you want good people to stay, ensure your managers are properly trained, that they know how to give feedback (positive and constructive) and that they are capable of helping people become more competent in their jobs. This is the key.

To prove the point…write down the name of the best boss you ever had. Why did you enjoy working for this person? Chances are it wasn’t their intelligence or technical ability. More likely, the key was their confidence in themselves and you. The best bosses believe in themselves and their people, and this translates into a work environment that entices a talented person to take a job and stay with it.

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# Tune Up Your Team for Action

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Economic slowdowns or fear of this can make people sluggish and lose focus, so we’ve compiled several easy ways, other than money, to give your team a motivational tune-up. You want them to be ready for action when the economic up-turn begins.

Currently, the economic slowdown has flooded the market with skilled workers. However, this dynamic will soon change. The economy will turn around, and millions of baby boomers will be retiring in the next few years, leaving a large staffing gap in organizations, and employees will be in the driver’s seat when it comes to employment choices. Therefore, keeping your employees motivated should be a key strategy for running your business today, and more importantly, for the future. Here is how we suggest you can do this:

**MOTIVATING EMPLOYEES FOR SUCCESS: KEY MOTIVATORS**

**Compensation** -- The first thing we usually think of to motivate employees is compensation (money and benefits). It is one of the main issues people consider when deciding to join an organization. However, recent studies suggest that money is well down the list of things that are important to employees these days. However, it is still very important to know where you are paying relative to market, because employees paid well below market are at risk of leaving.
New employees are motivated by the challenges of their new job and the opportunity to apply their skills and knowledge to prove their worth to their new boss. Existing employees who are well entrenched in their position may be less inclined to apply themselves as much to their tasks and responsibilities. They know they won’t be seeing an increase in pay anytime soon. Therefore, you need to find additional ways to motivate employees. Here are 8 other ways employers can motivate their staff:

**Management Training** -- Make sure managers are well trained. The number one reason why an employee quits their job is unhappiness with their manager (supported by extensive research). Exit interviews may not reveal this, but it is true! Poor people management is poor business! Give your managers the training to effectively motivate and develop employees.

**Goal Setting/Challenge**– Employees want to have goals for which they can strive. They want to know what are the employer’s expectations and their specific responsibilities…and they want their performance to be evaluated accordingly. They earn a sense of accomplishment when they reach these goals. Setting goals is often overlooked as a way to motivate employees. If the job is very routine, it can become de-motivating and uninspiring, resulting in low morale and higher turnover rates. It is also important is to avoid setting unattainable goals. They don’t work because employees will develop a sense of helplessness, which is de-motivating. Good managers will properly challenge employees and help them become more competent as they reach their goals.

**Continuous Improvement** – When you give employees the opportunity to continue their learning (on the job or by taking courses or attending seminars), they are more likely to achieve their full potential and strive towards new goals and aspirations.

**Respect** – The Golden Rule applies at work -- treat your employees the way you would want someone to treat you: be courteous, professional, considerate and fair. A high standard of workplace behavior will help to retain the best employees.

**Equality** – Ensure managers treat their employees equally regardless of their gender, marital status, job title and status, etc. Adhere to the relevant provincial or federal employment standards acts to avoid non-compliance issues. Ensure you have an updated HR Policy guide so all employees and managers know the meaning of equality in the workplace.

**Tools and Resources** – Make sure employees have all the necessary tools to do their job effectively. This may involve supplying the latest technology or simply giving them a better work station with adequate lighting. The proper tools and resources will go a long way to stimulate better employee performance. Many companies underestimate this.

**Feedback and Recognition** – This is very effective and costs nothing! Sometimes just a simple comment such as “Great job!” or “I appreciate your input and feedback” can go a long way to keep employees motivated. Make employees feel appreciated and valued for their efforts and opinions.

**Listen to Employees** – Allow employees the opportunity to share their opinions and make their voices heard. After all, these are the individuals who are supporting your company from the ground up. They deserve the chance to share their viewpoints.

While many employees are self-motivated, the above suggestions will help to boost someone who requires it. Implementing various retention and incentive programs within your workforce will help employees to maintain a high level of motivation.  Although receiving a salary, health benefits and vacation time off is sufficient motivation for some employees, in the long run you can find other ways to continually inspire and motivate employees. With these simple techniques you can help your employees to stay energized and enthusiastic about their work. Companies that are successful in the future will have figured this out.

**ONE FINAL WORD.**  Giving employees positive and constructive feedback can truly motivate them to strive for success. The absence of feedback gives an employee the feeling that you don’t care about them, or that everything is OK, which may not be the case. Communicate well, and you shall be rewarded!

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# Toxic Leadership

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Many people, at some point in their careers, will encounter a toxic leader. This is a manager who bullies, threatens and shouts, and whose mood swings dictate the office atmosphere. Toxic leaders are bad news for organizations. They bleed the energy and enthusiasm of employees, and often lower organizational productivity and damage corporate reputation. For small or start-up organizations, the toxic leader may even prove fatal to the business. To tackle the toxic leader, organizations must first understand who or what they are dealing with. What Makes a Toxic Leader Tick?

**What Makes a Toxic Leader Tick?** This can be a difficult question to answer, and has been widely debated. Some people believe that the need for power and recognition is what ultimately creates and motivates the toxic leader. Others think that incompetence or insecurity drive toxic behavior in some people. The toxic leader is often described as self-centered, often petty, abusive and interpersonally dangerous and harmful. Toxic managers can appear in different guises; the control freak manager, the unethical manager, the overly aggressive manager or the dictatorial and passive aggressive manager. Regardless of the guise, employees always know one when they are faced with one. Toxic leaders prefer an unstable environment where their own unpredictable behavior is the norm. They are often moody and their emotional sensitivity is high. They are difficult to work for, because they often change their minds, can’t sit still and pay little or no attention to others. Toxic leaders often shout, weep, sulk, and gush, often without any apparent sense of embarrassment.

**What We Can Do…** The best way to tackle toxic behavior is to prevent it from occurring in the first place. Organizations can accomplish this by:

• Developing an organizational culture that strongly discourages toxic behavior. Have a stated set of organizational values, then interview with the goal of determining whether the candidate subscribes to those values. Detailed reference checking is also essential. Utilize a rigorous hiring process that screens out those who are likely to be, or become, toxic managers.

• Rewarding and promoting leaders who demonstrate that leadership success is not attained via toxic behavior.

 Where toxic behavior is apparent, it is important to talk to the individual to try to get to the root of the problem. For instance, their behavior may have become toxic due to an ongoing stressful situation in their personal life. If an organization decides to try to help a toxic manager, they should be offered coaching with a qualified professional, who can get to the root of their toxic behavior and help them to change. It is also advisable to encourage the individual to have a medical examination to assess whether any underlying condition could be driving their toxic behavior, e.g. anxiety, depression, etc.

**Conclusion**

We are not perfect. We all have our own particular behaviors, some that are engaging and others that are less so. It is important to be able to spot even the earliest signs of toxic leadership, and intervene to prevent such behaviors from harming employees and the organization even further. The [HR Power Centre’s](http://www.twogreysuits.com/powercentre.asp) Recruitment and Performance Management modules can be particularly helpful in dealing with these issues.

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# Employee Engagement

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Much has been written about Employee Engagement. In management training we conduct we’re often ask to what level participants think their skills, wisdom, knowledge and experience are currently being utilized, and the average answer is about 50-60%. (and these are managers!!!) What do you then think employees would say?

The level of employee engagement can have a significant impact on productivity. Organizations that have disengaged employees are likely to suffer financial consequences. They are likely to incur costs as a result of increased employee turnover, recruiting costs, the training of new employees and overtime compensation for employees who support vacant positions.

**Top tips for engaging employees:**

Ensure there is ample top-down communication. Employees will feel more valued if they believe they are being kept informed by senior management of any issues affecting the organization. Quick emails work great.

Where possible, use empowerment as an engagement tool. If the organization’s employees are empowered it will create a greater sense of responsibility and demonstrate a commitment to career development. Matching employee skills with the most suitable job will ensure that your employees are challenged. This is particularly important. If an employee believes that they are not using their skills and knowledge to the full potential, there will be increased disengagement and a strong reason to seek other employment.

Develop clear rules on accountability. Employees can feel particularly disengaged if this issue is not clear. Clear communication on accountability will ensure that all employees are aware of who is responsible for that and there will be no confusion on this issue.

Employee appraisal systems must be clearly understood by employees and consistently applied. The method of performance management is important. There is likely to be increased disengagement with the system if one manager has the sole judgment of an employee’s performance as it might encourage a degree of bias. A 360 degree appraisal system might be considered as an alternative.

Disciplinary issues should be dealt with in a fair and consistent manner. Disengagement will occur when employees believe there is inconsistency in this particularly sensitive area. If employees see a manager not addressing disciplinary issues, there is a sense of “why should I care then.” Employees will demonstrate higher levels of engagement if they receive appropriate levels of training and development. If employees believe that they are receiving enough career development opportunities, it will strengthen their levels of engagement.

Employee engagement is an ongoing process and must be at the forefront of employers’ minds if they are to manage organizations where employee commitment is strong. By actively working to engage employees, the organization will experience considerable benefits.

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# Just Cause: The Law and Practice In Relation To Job Performance

**This article is part of the TwoGreySuits Managing Employee Performance Series and is offered by our partner, TwoGreySuits as a service to our members.**

By Megan Burkett, Employment Lawyer (at the request of [TwoGreySuits](http://www.twogreysuits.com/))

An employer can dismiss an employee by providing reasonable notice of termination of an employee’s employment contract, or pay in lieu thereof. In the alternative, an employer can dismiss an employee without reasonable notice or pay in lieu if the employer has just cause to do so. Providing reasonable notice is the most common option, as just cause is an increasingly difficult standard to satisfy. Generally, the court takes a contextual approach in deciding whether the employer dismissed the employee for just cause. The court will determine whether the nature and seriousness of the employee’s conduct can be reconciled with sustaining the employment relationship, or whether the conduct of the employee has made it impossible for the relationship to continue.

Establishing just cause on the basis of incompetence or poor performance is arguably one of the most difficult grounds to substantiate in court. To establish that an employee should be dismissed for just cause on these grounds, the employer will have to show

1. that the employee has, over time, performed below the objective standard of performance expected for the position held by the employee;
2. that the employee has been notified that his or her performance is being questioned, giving the employee the opportunity to address the employer’s concern;
3. the employer must then provide the employee with this opportunity; and
4. if the performance does not improve, the employee must be provided with a warning that specifically states that failure to improve will result in termination of employment.

All of these factors would be addressed in a properly drafted progressive discipline policy. It is important for employers to understand that there is a gap between the theory and practice of the law of just cause. Only with this understanding can employers take the steps necessary in attempting to bridge this gap. Employers are urged to put a progressive discipline policy in place. This type of policy imposes increasing levels of discipline and provides employees with an opportunity to improve.

For example, an employer could begin imposing verbal warnings, then written warnings and finally termination. The severity of the incident should justify the level of discipline imposed. The final incident prior to termination, also referred to the culminating incident, should be substantial enough to justify the termination. Employers should also keep in mind that the progressive discipline policy is meaningless unless it is circulated to and understood by all employees, and adhered to in an efficient and consistent manner. Termination for just cause should only be used in select circumstances where an employee’s behavior or performance clearly meets the standard. It is important to assess each situation and determine whether an employee’s behavior or conduct is enough to satisfy the standard of just cause.

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# Hiring: Getting the Right Fit

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We have all heard the stories about people that just plain don’t fit in a company, and the inevitable question always asked is, “How did that person get hired here in the first place?”

By far the most common reason we hear when we go into a client company to try and help turn an employee’s performance around, is that “they just don’t fit here”, and not being a fit is quite often the reason for employment terminations. It is easier to train someone to be technically competent than it is to try and change behavior or personality of someone.

As HR consultants with plenty of recruiting expertise and experience, we have found that companies’ don’t spend nearly enough time or effort in the recruitment process, and this is where we usually come in. Just think how different a company would look in terms of employee and overall company performance if the proper time and attention was expended in the recruitment process.

Frankly, recruitment is a skill that very few managers have, and it is ironically one of the skills that can really set a manager apart from others. Surrounding yourself with competent people that culturally fit makes the manager’s job a lot easier.

**So, exactly how do you get the right fit?**

It all starts with knowing in detail what you are looking for, not just in terms of technical skills but also in terms of behavioral fit. By this I mean, does the person behave in a way which matches how the organization wants and maybe already has people behaving? As an example, if the behavioral competencies are not a fit, the person may be capable of doing the job, but at the expense of perhaps not being at the team player level required. To extend this example, let’s suppose in this case the person’s behavior is one of always putting their own job priorities first when asked for help on something else. At some point, coworkers will stop asking the person to pitch in and help. Sometimes this gets raised with the manager, but often it does not for fear of reprisal.

When the team player requirement is not there and goes unchecked, the result often is in employees working around a person, and in some cases deciding to leave to go to an employer where people work together better. On recent recruitment assignments at all levels, more often we hear job candidates talking about making sure they find the “right environment” for themselves, and when we press what they really mean by this, many times, they go on to explain examples of previous employers where a certain person did not fit with their own values or did not fit in the company to the point of them deciding to leave. This is truer when managers don’t fit, because employees are often at a loss in terms of getting a manager to change their behavior, so they leave.

Other examples of fit are the values set of a person in terms of honesty, trustworthiness, conscientiousness or seemingly small but important things like punctuality and attendance. A skilled recruiter will probe into behaviors which can reveal how a person will behave. As an example, one of our clients has a 15 minute morning huddle at the 8:30 starting time with her team to plan the day and to see that certain priorities are being given the proper attention. These huddles also serve the purpose of teambuilding. So, in the interview process when we looked for someone to join that team, we were interested to find out about punctuality, whether or not the candidate was a morning person, and also in what was the most productive part of their day. In one case, we heard in the interview that the person was a self-confessed “night hawk” and had a starting time of 9:30 at the current job. This was cause for us to probe a bit further. In this specific case, when we went further and asked about being a “nighthawk” in a reference check, the manager explained that the candidate was very competent indeed but had a history of not being able to be to work on time, so they agreed to a later starting time to retain the employee. The history of lateness went on for over two years until they changed the starting time. The simple premise behind behavioral interviewing is that “past behavior is the best predictor of future behavior”. So, in this case with inflexible starting times, and the 8:30 huddle every day, we decided not to pursue even though the candidate fit in every other respect. With all due respect to the candidate, they said they were trying to change some things like getting to bed earlier because they planned to join a fitness club and go there before work in the morning.

Life experience tells us that this type of change is not always that easy to do, and we did not want my client to be the ‘experiment’. It was just too important that the candidate be there for the 8:30 huddles each day, and if they weren’t, they simply would not be a fit. There is much more about fit which can be said but our major point is, do what you can to find out about fit in the interview process vs., hiring the person based on good technical skills, only to find out later that they “don’t fit”.

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# The Importance of Employee Background Checks

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Employers have been held legally liable for the negligent actions of employees whose background was never verified. Nearly thirty percent of job applicants falsify or exaggerate information or credentials on their resume. Were you aware that:

• Organizations lose 6% of annual revenue to fraud and abuse.

• Did you know that 33% of people lie about their education on their resumes?

• Fraud and abuse costs U.S. and Canadian organizations more than $400 billion annually.

• The average organization loses more than $9 per day per employee due to fraud and abuse. (Courtesy of the Association of Certified Fraud Examiners)

Perhaps the area of greatest vulnerability will continue to be losses related to information systems. The majority of crimes (77 percent) are perpetrated by company employees (survey by the American Bar Association).

Negligent hires cost companies large amounts in recruiting, training, re-training, lost opportunities and potential legal costs. Bad hires have a negative impact on morale, productivity, work quality, and internal and external relationships. A thorough background check helps to identify positive and negative career and behaviour patterns that may affect the future success of the employee. A properly conducted background check not only weeds out undesirable job candidates, but also helps identify top performers the company may have overlooked (if a background is requested on the top three candidates, the company may discover that their second or third choice is the top performer or best choice for the position).

A single, well-placed dishonest employee can wreak havoc with an enterprise. Just one bad hiring decision - one thief, drug abuser, or violent criminal can significantly impact a company’s productivity, earnings, reputation and employee morale. A comprehensive, legally permissible, fairly executed Background Investigation and Pre-employment Screening program can go a long way toward preventing losses and mitigating the damage caused by a bad-hiring decision. Experts have found that background investigations and pre-employment screening can aid in preventing certain types of workplace violence by identifying, and weeding out applicants with a past history of violence. Your organization can take cost effective steps while conducting its due diligence to reduce the costs of internal losses resulting from hiring, or promoting, the wrong people.

Pre-employment Screening Services Include:

• Criminal History Check

• Credit Bureau Reports

 • SIN Verification

 • Drivers Abstract/MTO

• Employment/Personal/Professional References

• Lien Searches/Civil Litigation Search

• Address Verification

• 2nd Generation Interviews

 • Education/Accreditation Confirmation

• Professional Associations

Be sure that your pre-employment screening services vendor has full access to conduct criminal records checks. Verify that your vendor provides criminal record reports that contain the subject’s full detailed criminal record – not just the indication of a record. This provides the potential employer to make a decision based upon what the details of what the conviction(s) are for, when the conviction(s) took place and if there are a number of criminal convictions for the same offence. Another vital part of a pre-employment screening program is the ongoing periodic revisiting of certain criteria on key personnel. For example, anyone in a position of trust, handling cash or bookkeeping, or driving a company vehicle should have their criminal, credit and drivers abstract run and verified on a regular ongoing basis. Another service you want to make sure your screening vendor offers is real time web based access to your reports. This enables you and your staff to securely log on to a web server and view the status of your pending screening requests as they are being conducted. You will be able to see the status of your screening request, view the results obtained to date and even print your report directly from this interface.

Since we work in a global environment, time differences are no longer an issue as you can access your reports twenty-four hours a day, seven days a week. We all realize that recruiting takes time and that time is of the essence when attempting to hire the right individual for a position.

By being able to access the results of the screening in progress, an employer can feel confident in making an accelerated offer to a candidate that they might otherwise have lost. One of the benefits of a web based real time system is that it could be used as a cost reduction tool. Since results of the screening process can be viewed and monitored as they are being conducted, a recruiter may see that a candidate will not be a good match for their company. At this point the remainder of the screening process could be cancelled on this individual and another better-suited candidate could be submitted for screening. This value added service could assist your recruiting efforts and save you and your staff valuable time and recruitment costs. The hiring of an individual is a big decision for your company. You should have all the facts to make an informed decision. A small investment today could prevent a large loss tomorrow. A properly administered background-screening program will provide companies with the information needed to make secure and informed hiring decisions.

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# From Independent Contractor to Employee

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By: Megan Burkett (at the request of [TwoGreySuits](http://www.twogreysuits.com/))

Megan is a lawyer and a member of the Keyser Mason Ball, LLP Labor and Employment Group. Her practice is focused on employment and labor issues, particularly as they affect employers. For additional information about Megan or the firm, please visit www.kmblaw.com.

From Independent Contractor to Employee: If your company uses the services of an independent contractor, at some point you should consider the following question: **at what point does an independent contractor become an employee?**

A mischaracterization of the relationship can result in liability under numerous statutes. In order to ensure that the relationship is correctly classified, there are a number of characteristics that differentiate between an independent contractor compared to that of an employee.

**Implications under Statutes**

What are the implications of mischaracterizing an employee as an independent contractor? For tax purposes and in the context of employment law, it is important to accurately characterize the relationship. The Canada Revenue Agency may disagree with characterization and conduct an assessment of the relationship. This can create problems for both a company and also for the independent contractor. A company should be remitting taxes on behalf of an employee and the remittance would not occur if the company incorrectly thinks that a person is an independent contractor. In addition, a person who believes they are an independent contractor may be in for a surprise when they have been deducting business expenses and then find out that the Canada Revenue Agency considers them to be an employee. For employment law, an employee is covered under various types of legislation including the Employment Standards Act, S.O 2000, chapter 41 (the “ESA”), the Employment Insurance Act, S.C. 1996, c. 23, the Canada Pension Plan, R.S.C. 1985, c. C-8, and the Canada Labour Code, R.S.C. 1985, c. L-2, to name a few.

Each of these statutes have their own definitions of an employee, so even through a person is an employee under one statute, they may be considered as an independent contractor under another. Companies will have obligations under some or all of these statutes for an employee.

A company may be liable after the fact where an employee was incorrectly classified as an independent contractor. Under the Workplace Safety and Insurance Act, S.O. 1997, chapter 16, if a person is injured and it is determined that they are in fact a worker and not an independent contractor, then the company has an obligation to pay contributions. In the event the employer wants to end the relationship with a person, the classification is important since as an employee the person may be entitled to remedies under the ESA and the common law for wrongful dismissal, which would not be available to an independent contractor.

**Characterization of the Relationship**

When using the services of an independent contractor, you should be looking for someone who operates their own business and will be providing services to a number of different companies. The contractor can even provide services to businesses in competition with you. The business operated by the contractor should have its own GST registration number and the business should submit invoices for the services rendered. The independent contractor should sign a contract clarifying these terms and confirming the status of the relationship. However, classifying a relationship as that of an independent contractor is not enough. The entire relationship between the parties must be examined. The line between independent contractor and employee may begin to blur when the answer is “yes” to some or all of the following questions:

1.Does the company control the contractor’s activities?

2.Does the company provide equipment to the contractor?

3.Does the company assume all the risk in the projects with the contractor?

4.Does the contractor maintain an office at the company and only works out of such office?

5.Does the contractor participate in the company benefit plans?

6.Does the company reimburse the contractor for expenses?

7.Does the contractor work during hours specified by the company?

These questions do not represent an exhaustive list, since each individual relationship must be analyzed in its totality. However, it does provide an indication of whether the relationship is no longer as the parties have classified it. It is also important to examine the duration or permanency of the relationship.

If the independent contractor has been providing services for the company for years, has become dependent on the company for income, and is performing little or no services for other companies, that is an indication that the relationship is becoming that of an employer / employee.

**Conclusion**

In order to ascertain where the relationship falls, the company should begin by analyzing all relationships with independent contractors. Each relationship should be assessed individually. This is a good exercise for the company to engage in to establish where their obligations fall with respect to these workers and to determine the steps company can take now to ensure that the relationship does not astray any further.

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# Maximizing Employee Performance

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Do you recognize this slogan? “Our product is steel. Our strength is people” Or, how about this old adage, “people are our most important asset”. As superficial as these words sound, they are absolutely true and the sooner businesses recognize this and start doing something about it, the better off they’ll be on many levels. ***How is your company doing?*** Are people your most important asset? Find out by completing the checklist below. And, unless you’re completely satisfied with the results, you need to take action. That’s where we come in.

**Maximizing Employee Performance: A Checklist**

Do you have a clearly defined corporate mission and goals?

Is your organizational structure clear?

 Is your reporting structure clear?

Are your corporate goals and objectives well defined?

 Do you have written job descriptions for all positions in your organization?

Do your employees know what they are accountable for?

 Do they have personal objectives?

Do you have a consistent hiring process?

 Do you have a good orientation process for new hires?

Are your training programs well-advertised and adequate?

Do you have a coaching or mentoring process for employees?

Are all of your supervisors and managers well trained in “people management”?

Does important information always reach all of your employees?

Is there good communication in your company, top-down and bottom-up?

Are your policies well defined? Do you have an employee handbook of policies?

Are your procedures and work processes well defined?

Are your compensation packages competitive?

Are your wages competitive? Are your benefits competitive?

 Do you have a good bonus or pay-for-performance system?

Do you have a good performance management process?

Does your performance appraisal process focus on positive, continuous improvement?

Have you ever been legally challenged on an employee termination?

Is your company equipped to manage through a union organizing attempt?

Do you have a confidential counseling program for troubled employees and their families?

Do you have a process for successfully resolving employee conflicts?

Do you have a process for dealing with management–employee conflicts?

Do your employees use very few “sick days”? Do you have a lot of long-term employees?

Is employee turnover minimal?

Is your employee output/production at maximum?

Are all of your employees reliable and rarely absent from work?

Is your morale high?

Are your customers regularly satisfied that you meet or exceed their expectations?

Do your employees participate in various office gatherings or events?

Are your WCB costs as low as they can be?

Do you have a Privacy policy?

Do you have social media workplace policies?

If you answered “NO” to **any** of the above, it may be time to look at your organization with the objective of maximizing your employees’ performance to improve business results. [Take The HR Power Centre Site Tour](http://www.twogreysuits.com/powercentre.asp) and then get your decision makers to sign up and start making people a strategic competitive advantage in your business.

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# So, Who REALLY Has Time For The People Issues?

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Probably the most disrespectful thing you can say to an employee is that you don’t have time to deal with their issues. This is a statement that cuts very deep – and it happens a lot. Managers may think they have valid reasons for this response; they may simply not have the physical time available, they may not know how to deal with the issue or they may not care to deal with it. Some typical issues are: training requests, time off requests, questions about decision making boundaries, business process questions or people policy questions such as vacation, pay raises, benefits, etc. Some infrequent questions could be around privacy and confidentiality, harassment claim procedures, maternity leave, jury duty leave, etc.

**The number one reason cited in most surveys as to why employees leave a company is the treatment they receive from their immediate manager –and this often revolves around not getting responses to valid questions and concerns.**

The labor market is going to get significantly tighter and you will feel the effects. The baby boomer demographics are being felt and there will soon be more people leaving the labor market than entering it. *This means it’s going to be an employee’s market out there.*

In the years to come, expect to see job candidates turning the tables and asking the employer questions about people policies, management behavior with examples, benefits, career development opportunities and pay practices to name a few. Smart companies are getting ahead of the curve and gearing up for what will be an unprecedented time in history where new entrants to the labor market will have great latitude in choosing their employer. This is the coming reality and the statistics bear it out. Consider this future scenario. In 2020, successful companies A and B are in the same labor market for additional resources as business has been brisk, their products are in demand and they are experiencing profitable growth. An advertisement is placed for a senior buyer or a customer service rep. Company A has a positive environment in terms of friendly people, office space, decent benefits and a promise of continued growth. Company B has that plus they’ve invested in people management structure and processes. People have job descriptions and are working to specific objectives, career planning is the norm, they have a training and development policy, a full suite of HR policies, and a well understood system of performance reviews and pay increase processes. They also have invested time in providing their managers with people management skills.

**Who do you think will employ the best candidates?**

We may think, naively, that current and potential employees will not be interested in these issues but let’s be very clear on this point. Potential employees will, without doubt, be in the driver’s seat. They will have choices to make and they will unquestionably be doing their own due diligence on potential employers. In addition, companies that don’t put the essential HR basics in place will risk losing good employees to those companies that have. The bottom line here is that the companies that don’t have time to deal with people issues now and don’t put the [HR basics](http://www.twogreysuits.com/powercentre.asp) in place will have the tables turned on them, as their current or future employees, really won’t have time for them either.

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# Common Questions We Get About the HR Power Centre

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Users of the [HR Power Centre](http://www.twogreysuits.com/powercentre.asp), our customers, use the HR Hotline or the email address hrhotline@twogreysuits.com feature regularly to ask us questions about using the site effectively. These questions and answers will be added to the FAQ's on the site. Below are some of the questions we receive as well as questions we have answered in the past. The site has more than 300 frequently asked questions and answers categorized by topic in each of the 6 modules. Check it out, get the answer to all your HR questions.

Q. I am reviewing the EPR (Employee Performance Review) and objective setting. Should we not be setting objectives for the improvement in behavioral competencies it seems to be a separate rating on the EPR ?

A. When implementing the HR Basics module, there is a natural sequence that should be followed – prepare job descriptions, set performance objectives and then complete the performance review process. Once the top five competencies for a position have been agreed to using the Competencies Questionnaire, they are entered on the job description and the related Competencies Assessment Sheets are attached to the employee’s EPR. You will then want to share with the employee the “Competencies with Observable Behaviors” for the five competencies relevant to his/her job so they know what these behaviors look like in action. By observing the employee throughout the rating period, the manager will be in a position to rate the employee on the competencies when the annual review rolls around. When setting performance objectives with your employee for the first time, there should be one on behavioral improvement. You may want to have the employee commit to a competency improvement objective with which they are comfortable using the Competencies with Observable Behaviors as a guide. At the end of the first rating period, the manager will have enough observable data to set the next year’s competencies improvement objective so that actual observed deficiencies are addressed.

Q. How do I accommodate the on line aspect of the program for example the behavioral competencies. Do I just have people use my password for access to the system is there another way?

A. You should download the Competencies Questionnaire with the built in scoring key and save it. You then email the Questionnaire to each employee and their manager asking them to separately complete the questionnaire and the scoring page. This should be done after you have communicated the objective of the exercise to everyone involved. The Manager and employee will meet after the exercise is complete to discuss their individual ratings and resolve any differences. Once consensus is reached, the final list of the top five competencies is given to the person administratively responsible for inclusion on the job description and the EPR. Incidentally, there are usually very few differences between the Manager’s and the employee’s individual ratings.

Q. Could you explain how the Personal Action Plan form works with the objective setting document?

A. The Personal Action Plan form is for use by Managers and Supervisors to capture their commitment around improving their People Management Skills. Once the plan is complete and approved by their manager, it should be recorded as one of their objectives on their Employee Performance Review along with other performance objectives agreed to and be the subject of regular progress reviews/coaching during the rating period. The Personal Action Plan form and the Guide for its completion appear in the “Setting Performance Objectives” of the Getting Started module as well as in the “People Management Skills” section of the Performance Management module. We did this because there are two People Management Challenges that directly relate to setting objectives and we wanted to make sure that the forms were available there as well as in the Performance Management module. When you have objective setting discussions for other objectives, you should use the Objective Setting Worksheet found in the “Setting Performance Objectives” section of the Getting Started module.

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# Dealing With an Older Workforce with the Absence Of Mandatory Retirement

**This article is part of the TwoGreySuits Managing Employee Performance Series and is offered by our partner, TwoGreySuits as a service to our members.**

By: Megan Burkett, Employment Lawyer.

Without much fanfare, the end of mandatory retirement in Ontario took effect on December 12, 2006. For employers, this change represents a new challenge when dealing with older workers, particularly since it is now much more difficult, if not impossible, to force older workers to leave the workplace at a preset age. One of the results of Bill 211, the “Ending Mandatory Retirement Statute Law and Amendment Act, 2005” is that an employee can no longer be forced to retire at age 65. The definition of age under the Ontario Human Rights Code was changed so that there is no longer an upper age limit of 65. Therefore, age cannot be the determining factor as to when employment should come to an end. An employer can still have a mandatory retirement plan with a defined age. However, the employer must prove that the age in the plan is a bona fide occupational requirement (BFOR). The test for a BFOR is onerous, and can be described as follows: 1.The employer adopts the fixed age job requirement for a purpose “rationally connected” to the performance of the job; 2.The requirement is imposed honestly, in good faith, and with a sincere belief that such a limitation is necessary for a legitimate work-related purpose; 3.The requirement must be necessary on an objective basis for carrying out the work; and, 4.It is not possible to accommodate the individual employee without imposing undue hardship on the employer.

Basically, this means that it is necessary to take an individualized approach to retirement. It will be very difficult, if not impossible, to satisfy this test on the basis of age alone. The abilities of each employee will have to be taken into account in making a decision. An important consideration will be whether an employee can meet the demands of the job. Obviously, it will be very difficult to establish that age alone defines an employee’s ability to perform the requirements of the job. Where an employee is experiencing difficulties in meeting these demands, an employer will still have an overall obligation to accommodate that employee to the point of undue hardship. In other words, mandatory retirement is effectively gone. Does this mean that an employer cannot terminate an older employee? Of course an employer can still terminate. All that this change means is that an employer cannot arbitrarily impose a contractual term that requires an employee to leave at age 65. However, an employer will still be able to terminate an older employee, either for just cause or with notice or pay in lieu of notice (ie. by providing a package).

As a practical matter, in the event of a termination, this change now means that an older employee over the age of 65 will be able to file a Human Rights Complaint, alleging discrimination on the basis of age. For this reason, it will be important for employers to properly manage performance. This is always a good idea, but it is even more important now as a result of this change, as the employee personnel file will be an important element of the defence to a complaint. For this reason, it should become company practice to keep detailed and accurate performance records on every employee. These records will have to be relied upon when making a decision as to whether an employee can continue in their job. In addition, performance reviews should be conducted regularly or at least on an annual or semi-annual basis. An employee that is terminated must be provided with termination notice or pay in lieu thereof, in the absence of just cause. The Employment Standards Act of Ontario defines minimum notice and severance pay. However, it does not end there. Under the common law, an employee is also entitled to notice or pay in lieu of notice. Since age is a key factor in the common law assessment of how much notice an employee receives, the decision to terminate an older employee can be quite costly. An older employee can argue that it will take them much longer to find comparable employment, relative to a younger employee. In addition to Human Rights complaints, an older employee may also commence a civil action for wrongful dismissal if he or she is not offered a proper termination package. An employment contract that defines the termination notice period can be used by employers to limit common law entitlements. The request to have an employee sign a contract can be made when an employee receives their initial offer of employment with the company, upon a promotion, or upon receiving additional consideration such as a bonus. Now more than ever, using employment contracts to limit termination liability makes sense. In regards to benefits, it is at the employer’s discretion to continue providing benefits to employees over the age of 65.

The recent changes did not impact this part of the law. Currently, as before, the Employment Standards Act does not require an employer to continue benefits after the age of 65. However, employers should be aware that claims of alleged discrimination could occur. Due to this risk, an employer may want to continue benefits to employees over the age of 65 – subject to the costs associated with this. The insurance industry is currently dealing with the implications of an older work force, and more products may be made available. Overall, older employees bring experience and know-how to the employment relationship. But employers also face increased liability. Simple changes to the approaches taken with all employees will help to reduce potential problems, thereby changing the challenge of an aging workforce into a real opportunity

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# My Time is At a Premium ---- I’m Too Busy For HR!!!!

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This is a phrase we have heard quite often as HR Consultants to management. Whenever we hear this phrase, we chuckle to ourselves. We know from our combined 60 plus years of experience that a good part of the reason they are ‘too busy’ is usually because they’re spending too much time trying to resolve people issues without the structure and knowledge to do it efficiently.

Interestingly, when we have been asked to do work load or work balance assessments for organizations, one of the areas where managers are surprised to find they are spending a lot of time is on people issues. Unfortunately, they don’t automatically jump to the conclusion that they could re-capture a lot of time if they were better structured around managing these very same people issues.

Managers are sometimes “too busy for HR” because they simply have never been exposed to the importance and impact that effective people management can have on a business. Being structured around people management would include having clear HR policies, employees working to agreed upon performance objectives, and managers capable of developing employees to become more competent in their jobs, while also knowing how to deal with employee performance issues.

We estimate that >80% of companies with 10 - 100 people are losing 30-50% of their people productivity because they don’t have a structured approach to managing their employees’ performance. By this we mean creating complete job descriptions, negotiating performance objectives, putting in place a structured performance review process and giving managers the skills to effectively coach their employees. TwoGreySuits’ [HR Power Centre](http://www.twogreysuits.com/powercentre.asp) has been carefully designed to help small to medium sized businesses address these concerns. All the information, forms, processes, educational pieces and guides are right at your finger tips. You don’t have to waste time looking for answers. It’s is all right there in front of you in the six key modules in the [HR Power Centre](http://www.twogreysuits.com/powercentre.asp). Think about the time to be saved and the productivity gains to be captured. Really, how can you be too busy for HR?

# Why Invest In An Employee Benefits Plan?

**This article is part of the TwoGreySuits Managing Employee Performance Series and is offered by our partner, TwoGreySuits as a service to our members.**

By Don McGowan, Principal, McGowan Insurance Services Ltd. (416-805-9999) at the request of TwoGreySuits

**Breaking the Paradigm: Employee Benefits, an Investment vs. an Expense**

More and more, employers are shifting their thinking around benefit plans. Many businesses now consider employee benefits as a business investment rather than simply a cost of doing business.

 It’s about investing in your employees’ health and wellbeing and in your company. Investment in your employees has a rippling effect. Customer satisfaction is directly related to employee satisfaction. Healthy and productive employees who enjoy helping customers, create satisfied clients who enjoy their sales or service experience. Satisfied customers tend to be repeat customers. Improved customer retention drives increased/repeat sales and profits and boosts your marketplace valuation. So, the key to all of this is employee satisfaction.

 Investing in your employees, including their health and wellbeing, is the same as investing in your company. An added bonus to investing in your employees is improved employee retention. This means less time and money spent on recruiting and training new employees, which means fewer dropped balls in the sales/service process and therefore, more satisfied customers. No matter how you look at it, it all links back to your employees, your most important asset. They are the ones making and selling your widgets. They are the ones who are in regular contact with your clients. They are the ones who make your clients feel special and make them want to do business with you. So how can you reward them? Rewarding employees with purely monetary gains drives your payroll taxes up. Rewarding them through a benefit plan allows you to give them something they can really use without driving-up other costs. Employer premiums for accidental death and dismemberment, critical illness, long term disability (depending on tax treatment at the time of claim), health and dental care are not considered to be taxable benefits and, therefore, do not drive additional payroll taxes. Rewarding your employees with something that can improve their health and wellbeing can also help reduce hidden costs. Healthy employees tend to be ‘at work’ thereby reducing absenteeism costs. Absenteeism brings with it a whole host of hidden costs including unhappy clients because their needs are not being met. When should a company start a benefit plan?

The answer is simple: Whenever you want to invest in your company. There are benefit plans available for one to thousands of employees. There are defined benefit plans, flexible benefit plans and combinations of the two. Life, accident and disability benefits are usually defined so everyone knows that a certain amount is paid when something happens. Health benefits can be a little more complicated. Not every employee needs orthodontia coverage, so a plan that offers that and excludes something else may not be all that useful or rewarding to them. A good way to provide health benefits to employees without limiting their coverage is to set-up a Health Spending Account or a Flexible Benefit Plan where they can choose what they want to have covered. What benefits are appropriate for a new plan? Standard benefit plans often include life insurance, accidental death and disability, long term disability, weekly indemnity or short term disability, health and dental. Many plans now also include critical illness – a monetary benefit that helps when a covered individual is diagnosed with a critical illness, such as cancer. The benefits you select depend on your employee population. Not every group needs the same levels of benefits – younger groups are often more interested in health and dental benefits (the more immediate benefits) – older groups are more interested in disability and life insurance. Your benefit consultant can help you determine the best mix of benefits for your group. A new way of thinking about benefits Employee benefits should no longer be thought of as a cost centre but as an investment centre. They are a way to invest in your company and gain attractive returns including:

 • Reduced Employee and Customer turnover

 • Improved Customer Satisfaction & Retention

 • Improved Repeat Sales and therefore Improved Total Sales

• Improved Profits, Equity & Market Place Valuation

Companies and governments in both Canada and the U.S. who have made this leap are reaping the rewards. The Ontario government provides free flu shots every fall and saves in reduced hospital visits due to influenza. Motorola Inc. refers to its core values of quality and people when making health investment decisions. With this focus, they have seen improvement in both cost savings and human benefits. Investing in the health and wellbeing of your greatest asset is something you do both for your employees and for your company.

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# Written Employment Agreements

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Written Employment Agreements Help Businesses Manage Risk. One of the most common relationships that individuals enter into is formed in the context of their employment. It is also one of the most complex. Among other things, the complexity of the relationship between employee and employer arises out of the sheer number of issues, whether they are of a legal, inter-personal, or social nature. One of the best, and least expensive, things an employer can do to protect its interests throughout the employment relationship is to have a written employment agreement. A properly drafted agreement goes a long way towards giving the employer the flexibility and certainty that is required for a successful operation of a business and efficient management of a workforce.

**Where the Value Lies:**

An employment contract exists between an employer and an employee whether or not the terms of this contract are set out in writing. The primary benefit of a properly drafted, written contract is the reduction of the uncertainty that inevitably arises when the relationship is not explicitly defined. A written employment contract establishes a certain degree of stability while minimizing the potentially costly effects of the relationship coming to an end. Perhaps the most important advantage of a written employment contract is that it affords the employer a greater degree of control over the effects of termination by defining the employer’s exposure and obligations upon termination of employment.

Without a written contract, the employee’s entitlements are grounded not only in statutory minimum standards, but the common law as well. In some circumstances, the courts have awarded common law entitlements of up to 24 months of pay to dismissed employees. Pay can include not only wages and benefits, but under the common law, bonuses and commissions as well. These are amounts that most employers expect do not continue beyond the end of the relationship.

The contract can explicitly detail the specific grounds for termination, including conduct that will justify termination for cause, and can also set out the specifics of the employee’s benefits entitlements, and their severance and termination pay. Bonus amounts can clearly be taken out of the severance formula with clear and well drafted language. The element of certainty is of particular interest to employers in the realm of actions by employees for constructive dismissal. In an action for constructive dismissal, the employee can claim that the employment relationship was terminated if an employer unilaterally alters a fundamental term of the employment contract, resulting in the employee leaving his or her job. Changes to a fundamental term of the employment contract can include a change in job function, pay or geographical location of employment. Employers can limit the possibility of successful claims for constructive dismissal using written employment contracts by, for example, explicitly including sufficiently clear job descriptions, detailed explanations of pay structures and by allowing the employer flexibility to change the terms of the contract as needed. Written contracts of employment can also control, to an extent, an employee’s conduct after termination of employment. For example, former employees can be restricted from working in the same industry as their former employer and from soliciting their former employer’s existing customers. Former employees can also be held to a strict duty of confidentiality in respect of, for example, trade secrets and client lists. In the event of post-termination conflict, these contractual terms, typically referred to as “restrictive covenants”, are scrutinized heavily by the courts. This warning, however, is not meant to discourage the use of these clauses, but rather to ensure that employers are aware that the effectiveness of a written contract is inextricably linked to the skill with which it is drafted. A written employment contract can also limit the ability of the employee to claim entitlements based on allegations of verbal promises made by the employer, for example, a verbal promise to be promoted or to receive an increase in pay. Employers can limit the potential for liability arising during the course of the employment relationship by defining the entire scope of the employment relationship explicitly and in its entirety, while explicitly precluding these types of allegations. Properly drafted contracts will be also include a provision that affords the employee an opportunity to obtain independent legal advice prior to signing the contract. While the courts retain the discretion to assess the totality of the circumstances of the employment relationship rather than just its form, this provision can help to bolster the enforceability of the contract in the event of conflict because it can have the effect of minimizing the disparity in bargaining power typically associated with employer-employee relationships.

**Concluding Comments:**

A written contract of employment is a valuable element of an employer’s proactive approach to people management in the workplace. It can be a useful tool in managing the vastly complex and uncertain relationship between employers and employees. The vast majority of workplaces would greatly benefit from having a written employment agreement. Such agreements, however, are best entered into before the start of the employment relationship. In an effort to make workplaces as stable and as productive as possible, employers should give serious thought to the use of written employment contracts for the purpose of defining the parameters of their employment relationships.

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# Human Resources – I’m Too Busy

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When you ask small business owner/managers what business issue literally keeps them awake at night, they say one or more of the following: "My cash flow….collecting money….increasing sales…keeping the bank happy…making payroll" Ask them where Human Resources management fits in and they’d probably say "Human Resources? I’m too busy for that fluffy, big company stuff. I don’t have the time or the money. I’ve got a business to run." And yet, when they find themselves in a messy people issue, the same owner/manager is willing to pay his lawyer or other advisers whatever it takes to make the problem go away and keep him out of court or even worse, jail. Sometimes that runs into thousands of dollars and sometimes the problem still doesn’t go away.

Unfortunately for the Human Resources profession, the business owners’ perception of Human Resources management is more fact than fiction. The Human Resources function has done little over time to promote the notion that good people practices and a healthy financial bottom line go hand in hand. Consequently it is perceived, with some justification, as a non-value added expense that should be avoided if at all possible.

 In this article, we hope to dispel that perception. In our combined fifty plus years of corporate and consulting HR experience, we have learned two important lessons;

 1) Good people management does have a direct and positive relationship to a strong bottom line

 2) Managing people is not rocket science although some HR professionals and consultants would have you think otherwise.

Spending just 5-10 minutes a day doing something different than you are doing now with your employees will pay huge dividends but you have to know what to do differently. It could be as simple as asking employees for their ideas or encouraging an employee’s behavior through positive reinforcement. It could be communicating policies so that employees understand the company’s expectations or developing a work improvement plan to bring an employee back to acceptable performance. None of this is hard to do. So, what does it really take to be a good people manager? Well, it all starts with hiring the best people you can find. Then you have to get them to perform to their maximum potential. You have to reward them appropriately for that performance. You have to give them some structure or boundaries within which they can work comfortably and finally you have to understand risk and how to minimize it.

 Let’s take a look at each area in greater detail.

**Hiring:**

The cost of employing the wrong person can be enormous: wasted time, wasted training, mistakes, replacement costs, legal action ... the list goes on. Studies have shown that the true cost of turnover can be as high as one and a half times annual salary. Making the right decision can therefore directly contribute to improving business performance. There’s no question that building a set of interviewing skills requires practice, an opportunity that the small business person doesn’t get. However, learning and following some basic recruitment principles improves the probability of hiring the right person. The people factor is what distinguishes successful organizations from unsuccessful ones. Managing Performance: Managing Performance in the workplace involves letting employees know what is expected of them, how they are doing, and how they can do an even better job. Only then can employees contribute their best, use their abilities to the fullest, and feel connected to their organization. Managers need certain skills to manage performance effectively. In most cases building these skills requires basic behavioral change. Given the right tools, anyone can make it happen. Again, this is not rocket science!

**Rewarding Performance**

Employee pay and benefits are too important to ignore. Small and medium sized businesses sometimes think that taking a proper approach to this important issue will be both complex and costly. It doesn’t have to be either. Remember, the primary objective for establishing a solid Pay and Benefits program in any organization is “to attract and retain the quality of employees you need to achieve your business objectives”.

**Managing Risk:**

Managing risk is one of the cornerstones for developing a solid platform for business growth and organizations that understand risk and put measures in place to manage it are likely to be more successful over the longer term. Penalties for non-compliance with legislation can be significant, in some cases threatening an organization’s survival. It is important to recognize that risk management is a complicated area and may require the advice of legal counsel in certain situations.

**Policy Administration:**

People expect to be treated fairly and consistently at work. The best way to accomplish this is to establish and communicate a set of people policies that reflects the organization’s values and culture while ensuring compliance with applicable legislative requirements.

**Conclusion:**

Given the right tools and processes, any small business owner, manager or administrator can manage the core of their business, their people, like a professional. Good people practices and a healthy financial bottom line go hand in hand and our fictional small business manager should be sleeping peacefully in the knowledge that his approach to managing the people side of his organization is giving him a stronger bottom line and a more successful company.

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