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IMAGINE

Envision a workplace in which all of the interactions are linked to the same overall business objectives. Imagine that all of your performance management systems, compensation plans and training and development activities are all tied together and aligned to realize the company's goals. Visualize an organizational culture in which the various functions work together in harmony like a symphony orchestra. What a huge competitive advantage you would have if this was the way of life in your organization. The REAL beauty of human resources management is the ability to instill an organizational philosophy that incorporates all of these systems into the day-to-day operation.

The vision comes first. The second is the inspiration from a small group of thoughtful, committed people to make the vision a reality. The third is the execution of a plan that puts it all together. How much more effective will your organization be if you were able to harmonize your performance management, compensation, training and development initiatives?

Performance management is a competitive advantage. A truly great performance management system takes the overall strategy of the organization and converts this into departmental plans of attack. Likewise, these attack plans are further broken down into individual results-oriented tasks that must be accomplished, giving individual employees accountability for meeting organizational goals and, in turn, giving employees a greater sense of accomplishment and contribution.

Money is not a motivator. Bill Gates is no longer motivated by the fact that he is the richest person in the world. However, the perceived lack of equity in pay scales, both internally and in the marketplace, is definitely a de-motivator. Most compensation plans are nothing but imitations of what is done in other organizations. Since the survey says that a majority of other companies in your industry has a merit increase budget of 3.5%, then you must follow the trend. Such copy-cat compensation schemes are doomed to failure.

Align merit increases to the organizational goals and objectives. If the company is growing at 10% a year, the employees who helped get you there should be rewarded at a rate that is better than the 3.5% merit budget the rest of the world is doing.

On the other hand if revenues are going in the wrong direction, definite changes need to be made. In this case, reward those you want to keep and do not reward those who are mediocre.

Great companies embrace changes in the marketplace and technology. They have the ability to change quickly to respond to employee and customer

needs and implement greater operational efficiencies using technology.

Training employees on technological upgrades, changes in the marketplace, new product introductions as well as an analysis of competition will go a long way to increase loyalty of employees.

Develop people for the future. Although it is similar to training, development is geared toward giving employees the skills they need to advance in the organization before a promotion is made.

The working world is changing. How many times have you heard the phrase, “You should be thankful that you have a job?” People are no longer just thankful for a job. They want more. They want a career and the ability to make a difference. As a company, all you have to do is figure out what makes your people tick by getting the right talent for the right job. This is not an easy task.

Your only competitive advantage is your people. Are they on board with you?