



advantage

Table of Contents

WILL WORK FOR PAY	2
WHAT? VACATION PAY LAWSUITS - TALK ABOUT STRESS!	3
RATING JOB FACTORS HIGHER THAN PAY	4
HR PROS DON'T KNOW THEIR INDUSTRY'S TURNOVER RATE	4
REQUEST CERTIFICATION AT START OF EACH FMLA YEAR	4
THOUGHTS TO THINK ABOUT	5
GETTING ORGANIZED FOR MAXIMUM PRODUCTIVITY	5
Q & A	6
ARE THERE CHRONIC COMPLAINERS IN YOUR WORKPLACE?	6
IN A NEW LEADERSHIP ROLE?	6
ON-LINE TOOLS FOR EMPLOYERS	7
RECOGNITION BEGINS AT HIRE	7
VIOLATIONS - OSHA TOP 10	7
FOR YOUR CALENDAR	8
ON MY SOAPBOX	9



advantage

WILL WORK FOR PAY

A new study conducted by Total Compensation Solutions (TCS) reveals that the average salary for staff positions in nonprofit organizations increased almost 4% from 2006 to 2007. The study found that base salaries and total cash compensation offered by nonprofit organizations now rival pay offered by for-profit organizations. It is understood that this change is a direct result of the labor shortage and that nonprofits need to pay higher salaries in order to effectively compete for executive and staff positions in a highly competitive market. The study also found a significant change in the way nonprofit organizations pay their employees, noting that nonprofits link pay to individual performance and best practices in the market. TCS notes that this may be a response to increased federal and state regulation of organizations that have tax exempt status.

It has long been known that nonprofit organizations use generous benefits programs as part of their retention efforts, and employees of nonprofits have historically received better health insurance benefits and wellness programs than their counterparts in the for-profit sector. However, due to significant cost increases in health benefits, nonprofits have recently become slightly less generous. If this trend continues, nonprofits may lose a competitive advantage that they've enjoyed over the for-profit sector.

* * * *

Moving from the nonprofit world to that of IT professionals... a Dice salary survey of 19,000 IT professionals found that the average IT salary increased 1.7% in 2007, down from 5.2% in 2006. The survey also examined the factors that impacted average salary increases for these workers.

Dice found that the average salary of an IT professional now stands at \$74,570. In 2006 there was an almost 9% increase in the average contractor salary, which accounted for an overall increase of 5.2%. Then in 2007, contractors still saw the biggest increases (3.7%, for a salary of \$93,017) while full-time workers received average increases of 1.7% (\$72,003).

The results reflected that the most experienced IT Managers received the biggest salary increases: MIS Managers received 7.8% average increases while Project Managers received average increases of 5%.

Company size does matter and so does gender. IT professionals at large organizations (with over 1,000 employees) received an average increase of 2.3% while their counterparts at the smallest firms (less than 50 employees) experienced an average salary decline of 1.8%. It appears gender is also a factor, as men's salaries increased 2.4% (to \$76,582) while women's average salaries experienced no increase (remaining at \$67,507), thus widening the gender gap to 11.9%.

Other factors worth noting are location and industry. As you might imagine, IT professionals in Silicon Valley made out the best in terms of highest percentage increase, followed by Boston. When it came to industry, E-commerce employees saw the largest increases (4.6%) and Government/Defense and Computer Software IT professionals saw better than average increases (2.8%).

* * * *

So, HR, do you want to find out how much you're worth? Incentive pay has become firmly entrenched in the HR profession, too. A new Society for Human Resource Management (SHRM) survey of 88,000 HR professionals shows a "substantial rise" in the percentage of HR executives and HR managers who are eligible to receive incentive pay.

This trend shows that organizations increasingly value the skills that HR pros bring to overall business success. However, the flipside is that HR generalists and lower-level HR staff are often left out of bonus plans, according to SHRM's *2007/2008 Survey Report on Human Resources Personnel Compensation*.

Variable pay typically comes in one of two forms: short-term incentives (STIs) such as cash bonuses for fiscal-year results, and long-term incentives (LTIs) such as stock options. Both allow employers to reward performance without adding to their fixed costs. STIs are more popular, typically because they're easier to manage. In recent years, organizations have increasingly included LTIs in executives' long-term packages, and that's becoming true even in HR. The SHRM survey says the use of LTIs increased for all HR executive positions in 2007.

According to the survey, HR jobs that saw the biggest bump in pay in 2007 were focused on international HR, diversity, and compensation and benefits. One-third of the top 20 HR positions with the highest percentage increase in median compensation were those in which comp and benefits were the primary skill. We think it is safe to say that the ongoing talent wars and the increasing complexity of comp and benefits plans make compensation experts more valuable than ever.

Three other trends also play a role:

1. **Big firms pay bigger.** Human capital issues become more complex as organizations grow, so it's logical that median HR compensation grows along with organization size.
2. **Geography matters.** The highest compensation for HR positions can be found on the West Coast (they must be talking California since Oregon and Washington have lots of small firms), followed closely by the Northeast.
3. **For-profits are profitable.** The survey says private, for-profit companies typically pay more to HR pros than nonprofits, governments, or educational organizations.

If you would like to see the additional information on compensation by position, click here [Compensation Numbers](#).

WHAT? VACATION PAY LAWSUITS - TALK ABOUT STRESS!

According to an article in *The National Law Journal*, a newspaper for the legal profession, employee-initiated lawsuits based on allegations that employers are cheating them out of vacation pay are on the rise. It often begins when an employee goes to a lawyer with claims related to wage-and-hour issues, and then it's discovered that the employer was also violating state laws regarding vacation pay. Some say employers are looking for ways to cut corners and one way they try to do so is to take away the vacation pay. One area of conflict regards employer "use it or lose it policies" which often result in an employer's refusal to pay a departing employee for unused vacation time.

Some recent large class action settlements are sure to catch the attention of employers and we guarantee they have already caught the eye of plaintiffs' attorneys around the country. Take a look:

- In 2005, Denny's Corp. settled a lawsuit for nearly \$7.8 million over vacation time accrual practices in California.
- In 2006, Adecco USA Inc., a staffing agency, settled two vacation pay class actions for more than \$3 million "over claims that it wrongfully denied more than 15,000 employees compensation for vacation benefits."

Adecco USA is again facing a pending class action suit in Illinois based on similar allegations, and AutoNation, Inc is facing one in Washington. The pending class action against AutoNation alleges that it "engaged in a scheme that caused more than 550 employees to lose one year's worth of vacation time."

As employers, we all know that vacation is a voluntary benefit. However, employers don't have as much flexibility as they may think they have about how and when it's paid. While there are no federal or state laws that mandate paid vacations, if employers do choose to offer such benefits, they have to follow certain state laws regulating vacation pay.

There are 10 states that require employers to pay out accrued vacation benefits to employees at the time of their departure: California, Illinois, Iowa, Louisiana, Maine, Massachusetts, North Carolina, Oregon, Rhode Island, and Tennessee.

The article also notes that some states differ in terms of whether an employer can deny payment of vacation benefits to employees if the employer has a policy in place that stipulates employees would forfeit their vacation pay under certain conditions.

Given the desire for flexibility that employees are expressing, HR Answers recommends that employers consider moving away from vacation and sick leave to a combined Paid Time Off bank (some organizations call it Earned Leave). This concept rewards employees who rarely use sick leave, and takes the organization out of the role of "cop," trying to check on what type of time an employee is using. This is particularly relevant now that so many leave laws allow employees to use whatever time they have on the books to cover their absences. It is hard to keep calling it "sick leave" when employees may use it for a variety of reasons.

Organizations that operate 24/7 may also want to include holiday pay in their PTO since they must remain open and only some of the employees can actually have the day off. By including holiday hours, the employee can take those hours at any time it is convenient for the employer and employee without as much difficulty in tracking holiday hours.

Editor: Deborah Jeffries, PHR, CPC. Advantage is published monthly and is designed to provide information on regulations, HR practices and management ideas and concerns. The intended audience is managers, supervisors, business owners, human resource and employee relations professionals. If you have questions about the content, an opinion about the information, questions about your subscription, or if you need additional Advantage binders, please give us a call at (503) 885-9815 or e-mail djeffries@hranswers.com.



RATING JOB FACTORS HIGHER THAN PAY

We have been hearing over the last year that pay has worked its way up the list of important job benefits to employees. It was never in the Top 5 and last year it made the list. However, a new national poll finds that job security and health care insurance rank much higher than pay on Americans' list of important characteristics of a job.

The poll, conducted by Princeton Survey Research Associates for the Center for State and Local Government Excellence, surveyed 1,200 adults. Respondents were given a list of 15 benefits and characteristics considered important in choosing a job.

Respondents ranked "health insurance plan" as the most important job benefit, with 84% deeming it "very important." "Having job security" and "being in an environment with clear policies and procedures" were tied for second, with 82% of respondents rating them as very important. The rest of the top 10 characteristics were rated as follows:

4. Retirement or pension plan **76%**
5. A flexible family-friendly workplace **71%**
6. Getting quick decisions on issues at work **69%**
7. Working with talented managers **68%**
8. Having the potential for promotions **66%**
9. Being creative and intellectually stimulated **66%**
10. How much one is paid, the total compensation **65%**

That's right - according to the poll Americans rated pay as only the **10th** most important job characteristic, below benefits such as "Getting quick decisions on issues" and "Working with talented managers."

According to a press release from the Center for State and Local Government Excellence, respondents were divided on whether state and local government jobs or jobs in the private sector offered the best compensation. Respondents reported that government jobs offered better benefits and job security, while private sector jobs offered better opportunities for innovation and promotion.

If you would like to learn more about the Center for State and Local Government Excellence, visit www.slge.org.

HR PROS DON'T KNOW THEIR INDUSTRY'S TURNOVER RATE

More than one in four respondents to a recent Compensation.BLR.com poll said that they did not know the voluntary turnover rate for their industry.

When asked, "How does your voluntary turnover rate compare to your industry average?" 34% responded "Lower than industry average" and 27% responded "I don't know what our industry average is." Meanwhile, 20% responded that their organization's turnover rate was "Right about at industry average" and another 20% reported that it was "Higher than industry average."

An employer's rate of turnover is almost always a clue to organizational health. Depending on when, where, and why employees are leaving their jobs, employers may want to make adjustments in management strategies, benefits, or compensation. Tracking turnover is critical to early discovery of trends, both positive and negative, that impact the productivity and vitality of a company.

When industry turnover data reveal an employer's correspondingly high rate of turnover or a significant amount of "flight" to competing employers, the employer should begin to seek out more information as to why employees are leaving. This can be done via exit interviews (article in our May issue), focus groups, and employee attitude surveys. In these ways, the employer may begin to piece together the turnover puzzle and respond accordingly.

Information on turnover rates by industry can be found at the U.S. Department of Labor's Bureau of Labor Statistics website at <http://www.bls.gov/jlt>.

REQUEST CERTIFICATION AT START OF EACH FMLA YEAR

In previous newsletters we have updated you on the rules and guidelines for FMLA. If you have not heard, we want to make sure you know this too. A new U.S. Labor Department opinion letter makes clear that you can require employees to provide new medical certification—not just recertification—for their first FMLA absences in a new "FMLA year." (You can choose to calculate FMLA leave for employees in one of four ways, including as calendar years or a 12-month period starting at the employees' first FMLA absence.) That opinion letter holds true with a court ruling that said FMLA leave "cannot be taken 'forever' on the basis of one leave request."



THOUGHTS TO THINK ABOUT

Whatever you may be sure of, be sure of this: that you are dreadfully like other people.

— James Russell Lowell

Pocket all your knowledge with your watch, and never pull it out in company unless desired.

— Lord Chesterfield

The obvious is that which is never seen until someone expresses it simply.

— Kahlil Gibran

Everything should be made as simple as possible ... but not simpler.

— Albert Einstein

True eloquence consists of saying all that should be said, and that only.

— La Rochefoucauld

It's like magic. When you live by yourself, all your annoying habits are gone!

— Merrill Markoe

If you think you're too small to have an impact, try going to bed with a mosquito.

— Anita Koddick

Commit yourself to a dream ... Nobody who tries to do something great but fails is a total failure. Why? Because he can always rest assured that he succeeded in life's most important battle—he defeated the fear of trying.

— Robert H. Schuller

GETTING ORGANIZED FOR MAXIMUM PRODUCTIVITY

Are you on top of everything—but can't get to the bottom of anything? Do you start your day overwhelmed by paper, emails, and various "to do" lists? How much of your day and energy is spent looking for information in your office? Do you have interruptions that get in the way of your workflow?

The typical person spends an average of 30 minutes per day looking for things. That's three weeks a year of unproductive time! WOW!! Now multiply your total number of employees times 30 minutes each, times the average rate of pay. Holy Cow!! This is costly to employers!

In order to remain competitive, highly successful, and profitable, organizations need to constantly look for ways to get more done, in less time, with less stress. Your employees may be extremely knowledgeable and have the highest level of skills and abilities, but without a solid foundation of organizational skills, they will struggle. Organizations often will offer additional education on improving communication, dealing with difficult people, time management, and the like. Well, we suggest taking it one step further.

On May 14th, HR Answers is offering a new program called the GO System. It's simple—"GO" stands for Getting Organized. The GO System includes extremely simple, powerful, and practical tips that address the major issues causing chaos and disorganization in an office environment:

- Handling incoming items (paper, voice mails, emails, etc.)
- Email efficiency and electronic information management
- Prioritization issues
- Rational use of time
- Project management issues
- Personality issues
- Psychological issues & self-defeating behaviors

We believe the differentiating factor of this presentation is that it is about life, behavior, and attitude, and not only a set of tools you can use to get organized.

For those chomping at the bit to get started, here's a tip that you can utilize to help you begin getting organized: Use a timer as a tool in your office. It can help you spend a set amount of time dealing with email (it has a tendency to be addictive and all-consuming!) or any task you want to block out a certain amount of time to do. It can also help you from losing track of time so that you can get out of your office at closing time!

Q & A

Q: Some of our employees get a lot of spam e-mail that advertises porn sites. I'm concerned that an employee will consider this junk as creating a hostile work environment. What can we do?

A: Yours is a problem facing many employers. To protect your organization, attack it in three ways:

1. Adopt a communications policy that says employees may use computers for business purposes only, and that visiting a web site containing sexual material is grounds for discipline.
2. Invest in software that filters and screens your e-mail system based on sexual content.
3. Instruct employees to delete pornographic spam without opening the messages. Employees who get lots of porn spam may be accessing porn sites. Investigate and act promptly.

ARE THERE CHRONIC COMPLAINERS IN YOUR WORKPLACE?

While most of us do our share of complaining, some people seem to really go for it in this arena, says Bonnie Lowe (www.best-interview-strategies.com) in the *Career-Life Times* newsletter. You know the type: The boss is stupid, the pay is low, the cubicles don't cut it, the coffee in the break room is terrible, and on and on.

Everyone whines at least a little in the workplace from time to time. That's not what we're talking about here. We're talking about those people who make you tense up as soon as you see them because you know the first thing out of their mouths is going to be something negative.

If you're the helpful type, you might be tempted to listen to the individual and offer the poor complaining soul some assistance. But please don't. This is actually a mistake. It can encourage the complainer to continue, it lets them know that you are someone they can complain to, and it often can be a waste of your time because they are not looking for someone to solve their problems. Instead, we encourage you to tell them that complaining is a real downer, and you'd prefer not to hear it anymore. Or you can tell them you understand that they are unhappy about the situation, and you would be happy to listen or help only if they are willing to offer up two solutions or ideas for whatever they are complaining about.

Usually, chronic complainers don't really want to stop complaining; they get some benefit or payoff for doing so. For them, it's a habit, and one they need to break.

If you would like to learn more about stopping others (and perhaps yourself) from complaining or whining and about having a positive approach and a positive workplace, we encourage you to join HRA for our "No More Negativity" program being held in Tualatin on April 18th from 8:00 a.m. - 11:00 a.m. Registration information can be found on our website [HRAnswers Workshop Registration](#).

IN A NEW LEADERSHIP ROLE?

New leaders can fall victim to several pitfalls when negotiating a transition in the workplace. Michael Watkins (<http://discussionleader.hbsp.com/Watkins>) gives a few tips in his book *The First 90 Days* ("Pitfalls readymade for new leaders," by Rachel Zupke on *CNN.com* and *CareerBuilder.com*). Here are some challenge areas to look out for:

- **Becoming remote or unapproachable.** Leaders sometimes rely on reports, emails, or other written analysis of issues in lieu of meeting with colleagues. This can lead to isolation and an impression that your need to know about the organization is stronger than your desire to deal with the real issues at hand.
- **Appearing arrogant or insecure.** While these two qualities might seem worlds apart, they're not. If you need to be seen as the person who always has the answer, beware. You could be perceived by others as a jerk or an incompetent leader. Instead, it's advisable to develop a strong curiosity about what's really going on, along with a willingness to listen to what others have to say. Coming in with your ideas about what is going on is natural, but attaching yourself to those ideas no matter what else happens is a bad idea.
- **Being all over the map.** This usually arises from trying to do too much and from not having a real plan—or not sticking to a plan you do have. Prioritization of tasks and activities is the key.

- **Hanging out with the wrong people.** You will be judged by the company you keep and the advice you take. Be careful when you choose whom to listen to, as many people, competent and otherwise, are going to try and bend your ear and try to influence you.
- **Failing to get in touch with everyone.** Many leaders communicate to those above them and those below them but fail to touch base with those “horizontal” to them. There is often great focus on impressing one’s boss and setting the “right” stage with one’s staff, but individuals often do not try to impress their peers. Peers often see the “real person” and are more likely to be your greatest hurdle. Good solid communication with your peers will strengthen your position.

ON-LINE TOOLS FOR EMPLOYERS

The U.S. Labor Department recently debuted a useful and free tool that employees (and you) can use to calculate an employee’s overtime pay. The web-based Fair Labor Standards Act Overtime Calculator Advisor (www.dol.gov/elaws/otcalculator.htm) asks a set of questions about pay periods, hours worked, hourly pay scales and additional compensation. **Advice:** Employees will be using this tool to check whether you pay them correctly, so you should get to it first.

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To discover how fast and accurately applicants can type, sit them down to take a free typing test on www.typingtest.com. It works in your web browser and gives words-per-minute results, plus accuracy numbers. Test an applicant’s Word, Excel, and PowerPoint skills at www.ExpertRating.com.

RECOGNITION BEGINS AT HIRE

Use photos to put a face (not just a name) to new hires. “*Sue Johnson will be joining our staff, starting next Monday.*” Such e-mails are great, but unless employees are in Sue’s department, they may not know her as she passes by in the hall. *One idea that is fun and helpful:* Take a photo of all new hires and post the picture in a high-traffic area (lunchroom, copy room, etc.). That way, co-workers can easily identify them and greet them with a “Hi [Sue], welcome to the company!”

VIOLATIONS - OSHA TOP 10

We’ve seen it all before. Everyone is trying to copy the great idea that David Letterman had years ago with his Top 10 list. Now even OSHA had gotten into the groove. This list provides you with a glimpse of the challenges employers are facing, but more importantly it shows you the cost that goes with these safety issues. And, of course, so many of these on the list are avoidable by your employees when they are thoughtful, concerned about, and focused on safety in the workplace.

<u>Violation</u>	<u>Total Violations</u>	<u>Total Penalties</u>
1. Scaffolding	10,176	\$8,873,714
2. Fall protection	6,726	\$7,870,509
3. Hazard communication	6,282	\$1,312,327
4. Control of hazardous energy (Lockout/Tagout)	3,827	\$6,807,849
5. Respiratory protection	3,660	\$1,134,059
6. Powered industrial trucks	3,411	\$2,252,357
7. Electrical – Wiring methods, components, and equipment	3,111	\$1,507,658
8. Ladders	2,867	\$1,561,285
9. Machine guarding	2,627	\$3,276,262
10. Electrical – General	2,438	\$1,436,670

Obviously, the quickest way to reduce workers comp cost is not to have any accidents and to have employees always thinking “safety first.” But here are four other tips for you as well:

1. Establish an accident-prevention program. Many states offer free consultations with safety specialists. Find details at www.osha.gov/dcsp.
2. Investigate all accidents, not just ones resulting in claims.
3. Report accidents promptly. Delays lead employees to contact lawyers.
4. Stay in touch with injured employees and their doctors. That will help you design an appropriate return-to-work plan.

FOR YOUR CALENDAR

Open up your Daytimers, computer calendars, Palm Pilots, and of course those Blackberries. The following is a look at upcoming events, special days and other diverse and fun activities you will want to be aware of and get scheduled. To register for our workshops, please call any of our offices, send an e-mail to Erika Wilson at EWilson@hranswers.com, or simply register online at www.hranswers.com and click on the "Workshop Registration" tab at the top of the homepage.

MARCH

Employee Spirit, International Listening Awareness, National Craft, National Kidney, National Nutrition, National Women's History, International Expect Success, International Ideas, and Spiritual Wellness Month.

- March 17 Saint Patrick's Day
- March 18 Awkward Moments Day
- March 20–26 National Bubble Week
- March 23 Easter and National Puppy Day

APRIL

To help you plan ahead, here's a look at what we have planned so far for April and beyond.

- April 2, 9, 16, HRA Series (Tualatin)
23, & 30 Beginning Supervision Series
8:30 a.m. – 12:30 p.m.**
- April 18 HRA Workshop (Tualatin)
No More Negativity (Repeat Performance)
8am-11:00am**

MAY

- May 14 HRA Workshop (Tualatin)
Getting Organized!
8:30 a.m. – 3:30 p.m.**
- May 21 HRA Workshop (Tualatin)
Harassment Awareness for Supervisors
8:30am – 11:30am**

ON MY SOAPBOX

If you have ever interviewed someone for a position; if you have ever been responsible for staffing an organization; if you have ever speculated on co-workers who seem to have a far different definition of what competent and complete performance is, then the results of a recent survey will be of interest to you. The results may help us explain and understand the difference between those individuals who accept positions but do not bring their full energy and intellect to the work, and those who commit everything they possess to their job success.

The survey was conducted by David McClelland of Harvard University. The study area was “high achievement motivation (AM) people.” He and study colleagues found that people who possess this level of job accomplishment:

- “Are driven to achieve superior results
- Set challenging, but realistically attainable goals
- Are not gamblers, choosing to focus on what they can influence rather than depend on chance
- Accept a degree of risk as long as their efforts affect results
- Are aggressive in pursuit of excellence
- Are more excited by personal accomplishment than extrinsic rewards
- Are more turned on by workplace success than praise, and
- Crave specific feedback on their efforts and accomplishments, not their social attributes.”

By tracking these high AMs, researchers found that the individuals receive pay increases that are higher than the norm, promotions more often than their counterparts, and are constantly thinking about ways to improve their performance so that they can feel positive about their increasing job contribution.

It sounds like these are people we want to hire and retain. But how to discern them from others we are interviewing is the question. What questions can we ask that will help us identify them? What answers should we listen for when they are responding to our inquiries?

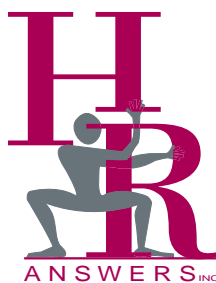
I think the answer to the questions above can be found in the characteristics that Dr. McClelland and his colleagues found that high AMs had in common. What if you asked the following questions, and then listened very carefully to the answers:

- How do you think about the risks associated with any decision you make about work?
- Tell me about two occasions when you feel you were aggressive about achieving excellence.
- Describe for me the difference between a challenging goal and something unattainable.
- What have you done to obtain feedback about your efforts and contributions to other employers?
- We all love to have someone acknowledge our success or accomplishments. What else turns you on about work beyond praise?
- Tell me about two occasions when you have been able to influence the decisions of others or the outcomes of a project.
- What are two of the most recent changes you have made about the way you do work because you thought they would improve your performance?

By asking these questions, and listening intently for positive patterns and genuineness of response, you are more likely to hire a high AM. And isn't that what we are all looking for in our new hires?

We know the talent wars will continue for the next decade or more. We know that a positive, capable workforce can mean the difference between just getting by (or not) and a growing, thriving organization. We know that successful people are more likely to help our organizations reach desired levels of performance. Now all we have to do is figure out how to hire the best and then retain them. Understanding the value of the McClelland research, and being able to operationalize it in our hiring is a strong first step.

- Judy Clark, President



“Whatever the Question”

PLEASE FEEL FREE TO VISIT OUR WEBSITE:

WWW.HRANSWERS.COM