



**JMT &**  
Associates, LLC

*Human Resources & Safety Consulting*

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## PEOPLE POINTERS

Volume 4, Issue 2 April 2007

### Use Innovation to Stay Fresh

By: Sandra Kay Neal, Ph.D.,  
Industrial Organizational Psychologist

Innovation is the key to staying fresh. Doing what you have always done may not get you what you've always had. The world changes and companies need to keep changing just to maintain.

To create an atmosphere of innovation, everything must be questioned. Try asking "why" about all the routine things that you normally do.

Assign a portion of all staff / management meetings into a questioning time. If a company has never done this before, it may take a few meetings before people realize it is OK to ask the "why" question.

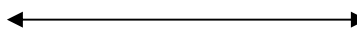
Once the "why" has been discussed, the second step is to ask "Is there a better way to achieve that goal?" What was once a good way may no longer be the best way. You won't find the better way unless you search for it.

Assign people with different perspectives (including line personnel) to work on the specific ways in which to achieve the goal. No one knows their job better than the person doing it,

and companies often neglect getting that information. But at the same time, someone who normally doesn't do something may see an alternative that the job experts can't see. Mixing groups of perspectives increases new insights.

Try a pilot project. Check out whether the new idea actually works before totally changing everything. Assign a completion date to evaluate whether the new idea works as expected. This is also a good way to correct minor mistakes that could be disastrous if tried on a large scale.

Use the success of the pilot project to encourage continued questioning. When people see that the innovation process produced something better, that will spark new ideas. Keep those ideas flowing. Bring new people into the process and start again!



### Employee Performance Appraisals – Good or Evil?

By: John M. Turner, Ph.D.,  
President & CEO

When we ask managers what part of their job do they really dislike, almost without exception we hear – performance appraisals. What do you think employ-

ees say about appraisal programs? Some of the more common comments we hear are: "It's a joke."; "It's a big waste of our time."; "It's based on favoritism."; and "It's not linked to our pay raises." We do hear other comments, but they are best not repeated here. With all the negative comments, why do so many companies use appraisals? A quote by Dick Grote sums it up, "Performance appraisals are like seat belts – most people believe they are necessary, but don't like to use them."

The success of your company depends on performance. Performance is driven by the individual efforts leading to achieving your company's goals and objectives. Human Resources can contribute to the company's performance by developing and implementing a successful performance management system.

Performance management is composed of the processes used to identify, measure, communicate, develop, and reward employee performance. Performance management links company strategies to results. All performance management efforts should be driven by business strategies. Some of the more common functions include:

- Provide rewards for employees who achieve their specific performance



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- objectives.
- Document employee performance for personnel actions; such as, promotions and counseling.
- Enhance employee performance by identifying the required developmental steps.
- Clarify the company expectations to each employee.
- Communicate to each employee as to “how they are doing.”

Performance appraisal is the process of evaluating how well employees perform their jobs and then communicating this information to them. Some common names for this process include: employee rating, employee evaluation, performance review and performance evaluation.

The culture of your company plays a vital role in the success of the performance management program. The following are the common components of an effective performance management program:

- Performance-focused company culture.
- Identifying and measuring employee performance.
- Legal and effective performance appraisal processes.
- Manager and employee training.
- Appraisal feedback.

At one end of the culture spectrum is a culture based on entitlement. This means that adequate performance and stability dominate the company. Employee rewards systems vary little from employee to employee and are not based on individual performance differences. As a result, the performance appraisal activities are seen as having little tie to performance and as being primarily a “bureaucratic exercise.” At the opposite end of the culture spectrum is the performance-driven culture. This culture focuses on company values, results, and information sharing. The performance appraisal system links company results to employee compensation and development. As you might guess, companies with performance-focused cultures will have higher growth in revenue, employment, and net income as compared to companies with different cultures.

A performance-focused culture must have the company’s owner and senior management’s involvement in continually reinforcing the importance of the performance management program. As the company owner or senior management, do you evaluate those employees that directly report to you? In many companies this is not the case. What message is this sending to your employees? In a truly performance-focused company, executive compensation will be clearly linked to company performance measures. This culture would not support large

payouts to executives when company results are mediocre, while employees receive little or no pay increases.

In order to achieve a successful performance management program, the important performance measures must be identified and used as part of the program. The following is a list that is common to most jobs:

- Quality of output.
- Quantity of output.
- Timeliness of output.
- Presence at work.

Of course, some jobs will have specific job criteria. Most jobs will have multiple job criteria. Sometimes, different weights are placed on the measures depending on the importance to the job.

There are three basic types of information that managers can use to evaluate their employees.

**1. Trait-based.** This identifies a character trait; such as, attitude, initiative, or creativity. This type of trait is very ambiguous and can lead to favoritism. Court decisions have generally held that this type of appraisal is too vague to be used for employment decisions.

**2. Behavior-based.** This type focuses on specific behaviors that lead to job success.

**3. Results-based.** This type rates employee accomplishments. This type works well with jobs in which measurement is easy and obvious. That which is measured tends to be empha-



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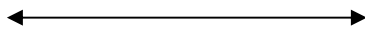
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sized. Caution must be used because this emphasis may leave out equally important, but immeasurable parts of the job.

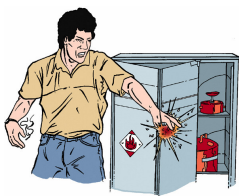
Note: Due to the numerous components of a successful performance management program, all the specific topics can not be covered in one article. Future articles will cover the following topics:

- Performance criteria.
- Performance standards.
- Legal concerns.
- How to use your performance appraisal tool.
- Who conducts the appraisals?
- Methods for appraising performance.
- Manager training issues.
- Appraisal feedback.



### Safety Devices

By: The Safety Department



You could be risking high dollar costs to your company if you are not enforcing the proper maintenance and use of Safety Devices.

Negligence (not using safety devices) or improper use or tampering with devices could result in costs including: property damage, medical costs, workers' compensation, insurance increases, lost time and lawsuits; not to mention OSHA citation costs that may reach the six digit figures if you are found to be out of compliance.

To avoid or reduce the risk of these added costs, you must:

1. Understand OSHA requirements.
2. Have a written plan in place.
3. Provide associates with the proper tools and training.

Before allowing any associate to operate a piece of equipment, evaluate each piece of machinery or equipment individually.

If the machinery or equipment is new, check the manual and note all hazard points. Ensure that all guards and safety devices are in place and working properly. Notify the manufacturer if there are any malfunctions. Do not tamper with any equipment that is under warranty.

If the equipment is older or used, determine if it is still manufactured. If it is, contact the manufacturer and ask for written information on the current safety features. Replace

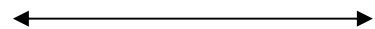
any missing parts that are not functioning properly. Discard equipment that has safety devices that **can not** be replaced or repaired.

Managers must also be familiar with the proper Safety Equipment so they can enforce the policy and recognize when something is wrong. Without knowledge of your safety program or policy, and the reason behind it, associates are more likely to bypass or remove safety features.

Have a daily or by-shift safety device check-off for each piece of equipment or machinery that must be completed and requires sign-off by both operator and supervisor before start-up.

It is important to include lockout/tagout and electrical safety in your Safety Device Program. Safety equipment must be on at all times, unless the equipment is locked out. Proper grounding and approved electrical devices must be used for repairs. Also include disciplinary action for associates who remove or tamper with safety equipment.

By taking the time to develop and implement a Safety Device Program, you could be saving an associate's life and reducing the risk of added costs to your company.





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### **Achieving Expectations**

By: P.W. "Bill" Smith, MEd, MHA  
President  
Pinnacle Coaching Services  
866-727-8050

One of the most important responsibilities a manager can do is to **communicate clear expectations**. If you as a leader decide that a particular project or assignment is a priority and can be realistically completed by an associate, then four steps come into play.

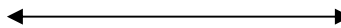
The first step is taking time to **communicate**. Plan ahead and prepare for the conversation. Stay out of the "fire-fighting" mode and be professional. Answer the questions of why, who, what, when and where. Let your associate ask questions and jointly discuss any concerns. Have them repeat your expectations in their own words.

The second step is to inspire mutual **commitment**. You want your business partner to "buy-in" to the project or assignment. The most productive people are those who've had a part in shaping the work they do and believe in what they're doing. Ask questions such as: "What do you think?" or "Can you do it?"

The third step is the **consequence** associated with completing a particular project or assignment. A great boss will make consequences a positive word. By setting up time frames and checkpoints you build in

responsibility and accountability. The objective here is for you and others to notice their efforts and have your fellow worker understand they're to do a good job.

The fourth step is **coaching**. To guarantee the best outcome both the boss and associate must stay involved. If the boss has the time and inclination, they may wish to tackle this step; however, many progressive business executives use the expertise of an external coach. The external coach meets on a regular basis, usually once per week, with an organizational leader (executive, manager, director, etc.) to enable, advise and assist them in achieving defined expectations. An experienced coach asks probing questions, discusses concerns and options, and may use various assessments to provide insightful feedback for their client's continuing leadership development.



### **Rising Health Care Costs Put Pressure on Small Businesses**

By: Jim Patterson  
Assistant District Manager - Wooster  
Colonial Supplemental Insurance  
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Although double-digit health insurance cost increases affect all business owners no matter the size of their company, smaller businesses feel more pressure because they typically

don't have as many benefits options available to them as large companies. Yet employers need to offer a competitive benefits package to compete with larger companies for qualified employees.

Voluntary benefits offered at the worksite can help small businesses lessen benefits program management pressures by providing much-needed solutions: voluntary products to help employees fill gaps in their core benefits and benefits communications to help employees better understand their benefits and the value of what employers provide them.

### **Voluntary Products Expand the Benefits Program**

More and more small business employers are putting in high deductible health plans and some are even adopting consumer-driven health care plans. Either way, employees are taking on more responsibility for their health care expenses. Voluntary benefits can help employers better manage their benefits program costs and help provide employees with coverage choices to meet their out-of-pocket medical expenses. Adding a supplemental health insurance product and other voluntary benefits such as life insurance, cancer insurance and short-term disability can expand an employer's benefits program. For example, if an employer has a high-deductible health plan, employees could choose a supplemental health insurance product to help pay for their



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additional out-of-pocket expenses.

With voluntary benefits, employers can pay a portion or all of the premiums for the voluntary benefits, or let employees pay for the additional benefits themselves.

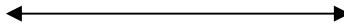
### **Benefits Communications Helps Employees Understand and Appreciate Their Benefits**

Small businesses typically have little to no human resources staff, which means the business owner often handles HR duties in addition to all the other responsibilities. In many cases, employers do not have the time and resources to fully communicate their benefits program. Yet employees who understand the benefits they have and the value of what their employer provides appreciate their company more and use their benefits more responsibly, according to the Watson Wyatt WorkUSA® 2004 study.

Having a voluntary benefits partner who can communicate one's benefits program — both core and voluntary benefits — and help employees make educated coverage decisions can help take the load off of an employer. Find a voluntary benefits partner who's experienced in conducting one-on-one benefits communication sessions and who's willing to provide this valuable service at no cost. Many larger companies have staff or outside partners to help them with benefits communications and enrollments. But by partnering with a quality volun-

tary benefits provider, small business owners can take advantage of these services at no additional expense. It's a huge competitive advantage.

Voluntary benefits can help all employers relieve some of the pressure from increasing health insurance costs yet still remain competitive in the marketplace. The benefit to an employer is an enhanced benefits program, savings in program costs, quality benefits communications and an effective enrollment process. Employees will benefit from having more coverage choices to meet their needs, plus they'll understand and appreciate the value of what their employer provides for them.



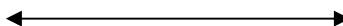
## **SURVEY**

### **Generation Gap?**

When asked if they would feel comfortable reporting to a manager who is younger than them, 587 employed adults responded:

- Somewhat uncomfortable: 11%
- Somewhat comfortable: 33%
- Very comfortable: 51%
- Don't know: 5%

Source:  
Office Team, Menlo Park, California



## **ABOUT US**

**JMT & Associates, LLC** is a full service Human Resources (HR) and safety solutions provider. We partner with small, mid-size, and large companies to develop and improve HR processes and procedures. We offer extensive "real-world" experience in a variety of industries, including: manufacturing, service, union, union-free, profit, not-for-profit, private, and public sectors. Our level of involvement ranges from complete management of your HR needs to providing project-based assistance to your in-house HR person, depending on your specific business requirements. These services range from basic policy development to in-depth HR strategic planning. We begin with a comprehensive HR assessment of your current policies and procedures, then we provide a detailed analysis and a "roadmap of recommendations" to maximize your HR investment. We then provide the necessary follow-up to ensure process effectiveness.

**Areas of Expertise:** Coaching & Leadership Development, Compensation & Benefits, HR & Safety Compliance, Diversity, Employee Relations, General HR, HR Assessments, HR Policies & Procedures, HR Strategy & Planning, Labor Relations, Organizational Development, Performance Management, Job Analysis, Job Descriptions, Employee Assessments, and a variety of HR & Safety Training



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