

# HR INSIGHTS

Magazine

*from the eyes of industry leaders*

**EMPLOYEE  
RETENTION**

THROUGH

**JOB  
ROTATION**

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What Every Company Can Learn from In-N-Out Burger

A Cautionary Tale: The Counteroffer

Stay Relevant—or Fade Away

7 Tips for Implementing a Peer Learning Program

“Cool” Workspaces Improve Productivity

# From The CEO

## THE RESOURCE

**At The Resource we are passionate about our story and the stories of evolution our clients have to tell.**



Best Regards,

A handwritten signature in black ink that reads "Kathy Hartung". The signature is fluid and cursive, written over a light background.

Kathy Hartung, CEO

We like to say we are revolutionizing the way companies handle their greatest assets, their people. In practically every company in the US, the 80/20 rule still stands. You can *easily* identify your key employees, the cream of the crop. So often though, employees outside the top performing 20 percent get looked at as underperforming, when *really* it's just that they are in the wrong position.

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From the CEO to the leadership team to the entry level position, a person doing what they are naturally designed to do has the power to rewrite the story; the story of your company, the story of your life.

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# HR INSIGHTS

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The Office of Kristian Bjornard







# EMPLOYEE RETENTION

THROUGH

# JOB ROTATION



Imagine this scenario: an employee goes to work one day and feels like she's been doing the same thing forever. She thinks about her dinner the night before with a friend who recently started a new job and seems really happy with it. Then she opens up a new browser tab, navigates to LinkedIn, and clicks on "Jobs."

This scenario is probably more common than most managers realize. Even with well-structured surveys and good employee–manager relationships in place, it can be difficult for companies to unearth feelings of apathy and discontent among their employees. Many of the reasons people cite for leaving companies (unhappiness with their work, the need for new challenges, dislike of the manager or team, etc.) can be indicative of an employee's deep feelings of dissatisfaction that he or she can't articulate in normal daily interactions.

So what can companies do to identify—and resolve—employee unhappiness?

BY ERIC MAGNUSSEN

### SHAKE THINGS UP

Short of reformulating each employee's job description, the simplest way to keep employees happy is to implement a meaningful job rotation program. In a typical job rotation cycle, employees spend a certain amount of time (usually a few years) in a role before being offered the opportunity to move to other, equivalent-level positions within the company (often via expedited hiring processes). Enabling employees to try new jobs regularly within an organization is a great way to stave off the doldrums that lead people to leave for newer, more exciting opportunities.

Job rotations give employees the following benefits:

- opportunities to develop new skills
- chances to use existing skills on new sets of challenges
- better views into the inner workings of other departments and roles
- opportunities to build on existing relationships within and knowledge of the organization (because starting from scratch is often a huge hurdle when switching companies)

By trying new roles, current employees feel like they are getting chances to provide expertise, gain empathy, and become more "marketable" internally, all while remaining within the security of a company into which they have often invested years of time and labor.

An effective job rotation program addresses the following issues:

**Communication.** Promoting and advertising open positions (as well as the requirements for them) to current employees and providing a method for them to apply are key elements of any job rotation program. Keep in mind, though, that company policy or existing contracts may require that all positions be posted both internally and externally and that an appropriate number of interviews be conducted to determine the best candidate.

**The employee's current skill set.** To ensure that people are applying for the right roles, have the employee and his or her manager write up both an assessment of the employee's current skill set and a description of his or her current role. This information will facilitate matching individuals to the right jobs.

**The position's skill requirements.** The goal of a job rotation program is to help people find internal roles that make sense for them and for the company. Public job postings with long lists of requirements that only "perfect" candidates can meet can sometimes seem daunting. To encourage internal applicants, make sure a posting includes only the essentials (required software skills and specific certifications, for example). At the same time, though, don't feel compelled to open up every position for job rotations, because some positions might be critical or require a high level of expertise not present in the current employee base.

**Managers' participation.** Managers must understand that the company benefits most when an employee finds a good role (even if that role is on a different team). Therefore managers should actively embrace the program and look for positions for individual team members. Without managers' participation, a job rotation program cannot succeed.

**Company size.** Unfortunately, not every company is large enough to host a full rotation program. Smaller companies can instead utilize cross training, responsibility changes, and job shadowing as short-term solutions to employee dissatisfaction while evaluating whether to create new roles for some employees.

**Passive versus active.** It is important to remember that employees who are dissatisfied in their current roles will often first look to leave their companies completely, because their specific roles become microcosms for their view of their entire companies. For this reason, organizations must actively promote their job rotations programs and benefits, and express a general willingness to help individuals who want to try something new find the right place within their companies.

**Possibilities for career paths.** Sometimes a job rotation program can also be constructed to support certain career goals. For upper-management-related development, for example, a multidisciplinary program with regular rotations might be ideal. A company can create different types of job rotation programs (say, open-enrollment versions open to all employees and career-oriented versions targeting specific personal development goals) to meet different needs of both the organization and its employees.

## PLAN FOR THE FUTURE

Simply *having* a job rotation program isn't enough—especially because there's no rule of thumb about when is the best time in an employee's career for him or her to take advantage of it. Managers must be advocates of both the program and their staff, and employees should be encouraged and empowered to pursue such opportunities. Under such circumstances, when it is the right time for someone to try a job rotation program, he or she will. The end goal (particularly in today's competitive hiring environment) is to make sure that the company retains the talented employees and knowledgeable individuals already inside its own walls. ■

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Eric Magnussen serves as the vice president of talent for Cancer Treatment Centers of America® (CTCA) and is accountable for all aspects of the CTCA Talent function for a 5,500 employee organization. Eric is responsible for talent strategy, attraction and selection, employee development, succession planning, wellness and wellbeing, compensation and benefits.

# 7 TIPS FOR IMPLEMENTING A PEER LEARNING PROGRAM

BY KAREN MINICOZZI

Have you ever watched your favorite band perform live and thought, “I really wish I could learn how to play the guitar”? Thanks to the explosion of free online instructional content, anyone can now pull up a how-to video and be playing basic chords in a matter of minutes.

Such one-click-away easy access to new skills and information has fundamentally changed how people learn both as consumers and as employees. Research indicates that a majority of learning takes the form of informal knowledge sharing in a peer-to-peer setting. Thanks to new technology, companies can now provide their employees with that type of learning experience.



There are several benefits to developing a peer learning program. First and foremost, it unlocks a wealth of employee knowledge. Any organization is likely to have employees who are already experts in specific skills and continually train others. (For example, think of the person who's constantly called on to teach salespeople the secret to getting a stalled prospect to reengage.) What if that valuable information could be captured once and shared with the entire workforce exactly when they need it?

Besides saving everyone valuable time and resources, peer learning allows an organization to capture institutional knowledge that might otherwise disappear when an employee changes positions or leaves the company. Recorded training materials can also strengthen the accuracy of the content, especially when paired with short quizzes that check colleagues' understanding of it.

In short, peer learning enables a company to identify knowledge gaps so it can task the right people with closing those gaps in an engaging and efficient way. This approach can increase accuracy while cutting down on errors—which ultimately helps the bottom line.

To implement an effective peer learning program, follow these seven steps:

1. **Get executive support.** This first step is crucial to ensure that the program gets off the ground successfully. To earn their support, use clear data to show executives why peer learning is effective and worthwhile.
2. **Form a governance committee to set the program strategy.** Decide who will manage tasks such as corporate branding, program guidelines, and the creation of peer learning teams.
3. **Create a set of business processes.** Start by training employees on how to create peer learning content, then decide what business processes need to be in place to ensure accuracy, compliance, and alignment with broader organizational goals. User-generated videos can easily be developed and shared with peers;

be sure to have general guidelines in place for appropriate topics to address.

4. **Identify experts in the office.** Companies with established peer learning programs usually see only a small number of their employees creating content, so having someone from each team responsible for recognizing and encouraging in-house experts will help jump-start participation.
5. **Promote a peer learning environment centered around trust and transparency.** Determine a review process to help manage quality control, provide constructive feedback, and encourage participation in the program. Ultimately, the content should be useful and accessible to everyone.
6. **Monitor how the content is being consumed.** Keep track not only of who is consuming content but also of who is creating it and how they are rating it. Then review low-rated videos to find out what isn't resonating with employees—and give recognition to employees who make great content that their colleagues find useful.
7. **Promote user engagement.** Comments and feedback will encourage discussion and can be used to improve the quality of the content over time.

Sometimes the best way to help an organization is to help its employees learn from each other. And sometimes the best way to encourage employees to share what they know is to show them how simple the process can be. ■

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This article originally appeared on the Workday blog ([blogs.workday.com](https://blogs.workday.com)).

# How to Make **FEEDBACK** a Force for **POSITIVE CHANGE**

BY KEITH FERRAZZI

Implementing a culture of feedback from scratch at a company is no simple task, especially if it hasn't historically been a part of the company's values. Too many times, managers and HR teams view feedback as a way to critique associates' performance and to highlight where they need improvement—which is exactly the wrong approach.

No matter how well-intentioned, feedback won't be received positively unless the giver has first earned the privilege to use that level of candor with a teammate. And that privilege is earned by building an environment of trust in which all teammates recognize that they are responsible for each other's success. With that knowledge as the framework for feedback, all teammates know that critiques are offered out of care for their personal and professional success.

The importance of trust was driven home when my foster son, Daniel, first came to me when he was 12 years old. By that point, he had been in over 30 foster homes—an experience that had left him distrustful and closed off to any parental guidance. I wanted so much to let him know he could trust me, but whenever I tried speaking with him, I was met with significant anger and resistance. Then one day, feeling disappointed in myself for not knowing how to fix a mistake I'd made, I came home and without thinking said, "You know what, I really messed

up today." He stopped playing his video game, looked at me, and said, "I messed up sometimes, too." It took me being vulnerable and letting my own guard down for him to see me as human and trust me enough to open up. That was a huge breakthrough for us and changed our relationship, because it created the chance for us to build psychological safety in a way he hadn't felt before.

Trust and psychological safety position feedback in a constructive light. Without it, the receiver will hear only criticism. Before a feedback system can be put in place, though, teams must experience three "awakenings"—transformative understandings (for both the individual and the organization) that lay the foundation for a supportive environment in which the receiver feels safe and understands the purpose of the feedback. Once these awakenings occur, HR executives and managers can take practical steps to spread this culture throughout the organization.

### AWAKENING #1: UNDERSTANDING THAT GIVING FEEDBACK IS NOT A RIGHT

No title in the world automatically gives someone permission to offer unsolicited feedback; that's a privilege a person must earn. Without a strong manager–employee relationship in place, direct reports might listen to their managers' feedback, but that doesn't mean they are likely to process it, let alone take action. HR teams and managers can help make sure the feedback resonates by building a sense of psychological safety that empowers everyone to give (and receive) feedback respectfully and effectively. Teach managers to take the time to think about and explain how their feedback is in service to the recipient's success. The ability to give feedback (whether it's personal or professional) that lands successfully enables managers to put their employees on the most direct track to reach their goals and enables the organization to be more productive and efficient.

### AWAKENING #2: UNDERSTANDING THAT FEEDBACK IS DIFFERENT FROM PERFORMANCE REVIEWS

When feedback is handled well, performance reviews confirm the progress made on commitments set throughout the year (and highlight where more work is needed). By the time a performance review comes around, nothing in it should be news to the employee. Instead, it should serve as a validation of the feedback received over the performance period.

### AWAKENING #3: UNDERSTANDING THAT FEEDBACK IS A GIFT—BUT IT'S UP TO THE RECEIVER WHETHER TO ACCEPT IT

Recipients of feedback do not have to agree with or take action on anything they hear. Feedback is just information for them to consider: recipients get to choose which pieces of feedback actually serve them and their priorities. Receivers are more likely to take action in response to feedback that's given with their interests truly in mind and that addresses how they can achieve personal success rather than how they are not meeting expectations.

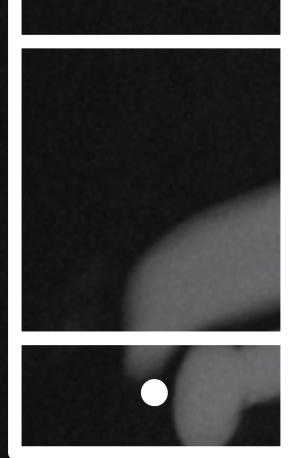
Feedback can be a powerful tool for inspiring and supporting employees. But only through conscientious planning and execution can it become an integral part of a company's culture. ■

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Keith Ferrazzi is the founder and chairman of Ferrazzi Greenlight, where he has spent over a decade addressing the behaviors that block global organizations from reaching strategic goals and transforming them into new habits that increase shareholder value. More recently, in partnership with Zappos' Tony Hsieh and Groupon's Brad Keywell, Ferrazzi launched Yoi, a digital onboarding tool that drives transparency, improved coaching, and real-time feedback between busy managers and their new hires. He is also the author of the bestsellers *Who's Got Your Back* and *Never Eat Alone*.



1



2



3



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5



Youth Recruiting:

# *5 Data-Driven Best Practices*

BY JON-MARK SABEL

With final exams and graduation ceremonies behind them, the class of 2017 finds itself in a very fortunate position: the economy is near full employment. In fact, research by the National Association of Colleges and Employers indicates that employers expect to hire 5% more graduates this year than last.<sup>1</sup> This is great news for recent graduates, but it means that companies will need to cater to their preferences even more in order to get them on board (especially for traditionally hard-to-fill roles).



## MOBILE: NO LONGER “NICE TO HAVE”

Like the graduates of the last several years, the members of the class of 2017 make heavy use of their smartphones when performing job-related research. In fact, in a 2017 survey of recent graduates conducted by Yello, over one-quarter of the respondents said they had used mobile devices to apply for jobs.<sup>2</sup> A mobile-friendly application process is no longer a differentiator between companies—it’s a necessity for all of them.

Companies that haven’t already made the jump to a mobile-friendly application process should probably reevaluate their priorities. Endless fields and forms don’t work well on mobile devices, so applications should ask only for the most pertinent information. Recent graduates all look the more or less the same on paper anyway, so screening decisions can be delayed until after an initial phone call or video interview.

## KEEP THEM ENGAGED

Maintaining open lines of communication during the interview process is critical for keeping a new grad’s attention, and texts or specialized messaging applications (such as WhatsApp) can be more effective than e-mail for outreach with younger applicants. Unlike e-mail, text messages are almost always read: one survey found that “about 90% of all text messages are read within three minutes of their delivery—and over 99% of all text messages are read by the recipient.”<sup>3</sup> In the Yello survey, 86% of respondents “felt positively when text messages were used during the interview period” (an increase from the previous year, when 79% of respondents felt that way).<sup>4</sup> Clearly, SMS reminders and check-ins are an effective vehicle for engaging young candidates and giving the hiring process a more personal feel.

## LET THEM DIFFERENTIATE THEMSELVES

Recent graduates know that their inexperience makes them look very similar on paper. They want the opportunity to stand out from each other. Video interviews, for example, offer one way for recent graduates to make their own individual impressions on companies. In fact, these candidates welcome the use of this technology during the hiring process: 76% of respondents to the Yello survey said they “felt positively when video interviewing was used during the interview period.”<sup>5</sup>

## MOVE QUICKLY

Nearly three-quarters of the respondents in the Yello survey “turned down an offer because the company was too slow in its response.”<sup>6</sup> In other words, they grew tired of waiting to hear from the company and either gave up on it or found work elsewhere. It should come as no surprise then, that companies should treat getting back to applicants as a top priority, particularly in fields (such as STEM areas) that are in high demand but have few qualified candidates.

## LET THEM BRING FRIENDS

Referrals are consistently proven to be one of the best sources of high quality talent. Considering that recent graduates are likely to have friends who studied the same fields, asking new hires for referrals could be the perfect way to fill similar positions (and especially useful for identifying candidates in hard-to-fill STEM fields). Most of the recent graduates surveyed by Yello are eager to help on this front: “96% of respondents want to refer friends into their companies.”<sup>7</sup>

The world is constantly evolving—which means the job market keeps changing, too. Nothing stays static: companies’ staffing needs shift, the relevant talent pools expand and shrink, and new communication technologies emerge. Unless they can adapt to and accommodate the expectations and preferences of recent graduates who are entering the workforce, organizations will have trouble tapping into this valuable group. Fortunately, implementing a few proven strategies can help any company improve its youth recruiting. ■

Jon-Mark Sabel is a copywriter and content marketing strategist. This article was originally published by HireVue ([www.hirevue.com](http://www.hirevue.com)).

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# What Every Company Can Learn from **IN-N-OUT BURGER**

BY KATHLEEN DE LARA



Icons from the noun project

When it comes to hiring, retention, and management strategies, In-N-Out Burger gives its competitors a run for their money. Founded in California in 1948, the fast-food chain now has locations throughout the American Southwest and boasts one of the lowest turnover rates in the industry, thanks to its employee-focused practices. Companies in *any* field, however, can apply In-N-Out's approach to their own organizations.

## TRAIN THE TEAM PROPERLY

As in most fast-food restaurants, In-N-Out employees learn on the job. In fact, each employee receives constant and thorough training and evaluation from the time of hire all the way through the end of his or her stay with the company. In 1984 the company took this approach a step further by establishing In-N-Out University, which gives top employees the training they need to move up into management positions. Eligible team members are employees who have worked full-time for the company for at least one year and have stood out as leaders in their stores. The format of In-N-Out University training encourages team members to openly ask and discuss questions as part of their learning process.

Although the training at In-N-Out University focuses primarily on best practices for delivering high-quality food and service, organizations in other industries can use a version of this model to increase the skills and capabilities of their own employees. A company can foster the continual growth of its team by providing ongoing training through a mix of channels (e.g., guidebooks, lectures, videos, hands-on practice) and clearly communicating critiques, concerns, and praises.

Naturally, companies would tailor the training to meet their particular needs. For example, a curriculum-based training method for recruiters can gradually build their skills in sourcing qualified candidates, outreach, screening and interviewing, and onboarding. Similarly, hiring managers and HR specialists could receive the training they need to excel in their specific roles.

## RUN LEAN—BUT DON'T CUT CORNERS

Since its founding, In-N-Out has maintained the same fundamental business philosophy: “Give customers the freshest, highest quality foods you can buy and provide them with friendly service in a sparkling clean environment.” Everything that happens at In-N-Out supports the execution of this philosophy—and that means a zero-tolerance policy for cutting corners. Customers know this well, which is one reason why they keep buying the company’s burgers, fries, and shakes. By making sure that its employees, too, understand the importance of this approach, In-N-Out engages them in the organization’s success.

Companies that use transparency and provide top resources and full attention to their teams can motivate them to maintain an unshakable commitment to developing a positive customer experience. In the staffing field, this can take the form of training and encouraging recruiters to personalize their outreach; stay in constant, controlled communication with prospects; and follow up with candidates whether or not they’re selected for the position. These actions in support of a “top-quality product” (in this case, excellent hires) can boost team morale and therefore support stable and steady growth.

## TREAT EMPLOYEES WELL

In addition to its delicious food and superb service, In-N-Out is also famous for its generous employee compensation. Employees’ starting hourly wage is well above minimum wage, with “an expansive set of benefits, including 401(k) plans, paid vacation for part-timers, and health, dental, and vision plans for full-time workers,” while store managers typically make at least \$100,000 a year (plus monthly bonuses for reaching sales goals). With these incentives, the company’s retention rates outstrip their competitors: at In-N-Out, “managers’ typical tenure is fourteen years . . . and part-time associates remain, on average, for two,” whereas only about half of fast-food employees make it past the one-year mark.<sup>1</sup>

The lesson here is clear: treating employees well pays off. By rewarding their teams appropriately—and refraining from sacrificing decent pay for the sake of their budgets—companies can motivate employees to perform at their best. When management regularly recognizes employees who exceed already high expectations, they feel valued and are therefore more likely to stay with the company.

## FOCUS ON QUALITY, NOT QUANTITY

In-N-Out’s main menu of core items (burgers, fries, and shakes) hasn’t changed much since the chain was founded in 1948, and the company stands out by not following its competitors’ practices of chasing food trends and trying to serve everything under the sun. To maintain quality throughout the organization, In-N-Out also limits the growth rate of its management team and hasn’t rushed to expand throughout the entire country. (To put that growth in perspective, In-N-Out has 313 stores in 5 U.S. states, whereas McDonald’s, which was founded just a few years earlier, has nearly 37,000 locations in 120 global countries.) By training thoroughly, promoting from within, and treating employees well, In-N-Out nurtures its team members and encourages them to consider their jobs not as temporary gigs but as career opportunities. Every company can take a page from the In-N-Out playbook by giving employees the tools, resources, and support they need to feel that they are more than just position-fillers but valued, long-term members of the company. ■

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Kathleen de Lara is the inbound marketing manager for Entelo. Entelo ([www.entelo.com](http://www.entelo.com)) gives companies a competitive advantage in building great teams. The Entelo platform leverages big data, predictive analytics, and social signals to help leading companies such as Facebook, Microsoft, and Salesforce to find, qualify, and engage with in-demand talent.

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## Company Leaders and Their Impact on Candidates

ALLAN MAGUIRE

Company leaders have an enormous impact on every aspect of their organizations. They set the tone and chart the course. They embody their organizations' values, articulate their visions, and establish company culture. And while great leaders build great businesses, bad leadership can lead to plummeting profits and stock prices, lower staff engagement and retention, and even an inability to attract top talent.

As new generations of workers approach job opportunities with the eye of a discerning consumer, they research companies, read what former employees say online, and ask friends and family for feedback. In this environment, companies that want to employ the best of the best need to have excellent employer branding. Those at the top are expected to lead from the front and represent everything the organization stands for, and a leader who gets that wrong will undermine not only the company but also how it's perceived in the job market.





## A TALE OF TWO LEADERS

For example, compare Facebook's cofounder, chairman, and CEO, Mark Zuckerberg, with Uber's cofounder and former CEO, Travis Kalanick. Both are extraordinarily successful men who have built groundbreaking startups and transformed them into some of the biggest and most profitable companies in the world. They are both driven innovators who are worth billions of dollars. But they have entirely different leadership styles and qualities. Consequently, one of them has achieved stellar approval ratings (currently at 98%) from his employees, and the other was recently forced to resign from the top position at his company.<sup>1</sup>

Although both men are responsible for the business environments they create (including what they deliver in perks and wages and how they treat the people who work for them), they have achieved very different outcomes: Facebook has been named a Best Places to Work winner seven times by Glassdoor (and is currently ranked number two), whereas Uber doesn't make even it into the top 50.<sup>2</sup> While Facebook is known for its generous maternity/paternity leave packages, 401ks, and free lunches, Uber has been ordered to repay its New York City drivers "tens of millions of dollars" after taking more than its share of customer fares.<sup>3</sup>

It's not hard to imagine how these companies look to potential employees.

Leaders give potential employees a window into what their working lives will be like. Zuckerberg is popular with his employees for several reasons. They see him as open and approachable, he holds weekly meetings with employees, and he thanks them personally for a job well done. His office has glass walls, and he values the input and creativity of the people who work for him.

One software engineer, writing on Quora while he was still working at Facebook, noted that trust is one of the top factors that inspires admiration for Zuckerberg:

He doesn't make all the decisions, in fact far from it. We feel entrusted and empowered to drive our features the way we feel is best for the people that use Facebook. This is drastically different from many top-down corporations. We're happy with the balance between management-mandated and grass-roots-inspired decision making.<sup>4</sup>

In contrast, in early 2017 Kalanick was filmed berating one of his own employees, an Uber driver who brought up the issue of

low pay. When the video of this interaction went viral a month later, Kalanick apologized: "To say that I am ashamed is an extreme understatement. My job as your leader is to lead . . . and that starts with behaving in a way that makes us all proud. That is not what I did, and it cannot be explained away."<sup>5</sup>

But the damage had been done, and even this apology could not dispel customers' and investors' concerns about the company's toxic culture. When the results of an investigation into Uber's aggressive business practices; flouting of laws; and problems with sexual harassment, discrimination, and bullying were published in June, the company realized that it could not recover without ousting Kalanick (who was forced to resign) and changing its values.

## LOOK TO THE LEADER

Because candidates can find out what it's like to work somewhere just by looking online, the value of good leadership can not be underestimated. As representatives of their organizations, leaders should model the behaviors that are expected of all employees and live their companies' core values. A leader who serves as a good example can be a powerful force that helps build a strong employer brand and attract top talent. But a leader who fails to be a positive public figure can make potential candidates think twice about joining the organization. ■

Allan Maguire is the director of digital marketing at JazzHR ([www.jazzhr.com](http://www.jazzhr.com)), where they're on a mission to make recruiting and hiring easy, effective, and scalable no matter what growth looks like at your company. The Jazz Performer Platform doesn't just help your company grow, it can help your recruiting process grow up, putting you on the path to hiring "Performers Only."

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A CAUTIONARY TALE:

# *THE COUNTEROFFER*

BY CHUCK CSIZMAR

Without warning, Bob has just given his two weeks' notice to his manager. Bob is one of the department's best team leads, and his departure will leave a hole that will be hard to fill, especially in the short term. His manager is trying to figure out what to do, and the question of a counteroffer pops into her mind. She thinks, "Maybe if I give Bob what he wants, he'll stay. I should find out what's he's been offered and promise the same. Problem solved!"

Unfortunately, it's not that simple. Whether or not Bob decides to stay, a counteroffer will have multiple negative effects. Other discontented employees will note the manager's response. Bob's relationship with his colleagues has already been damaged by his resignation, and any new "arrangement" might create internal strife about inequitable treatment.

No matter what happens to Bob, productivity and morale could be affected throughout the department (or even the organization). In short, the manager's "solution" of extending a counteroffer might actually create even more problems. Here's a closer look at the many implications of a counteroffer from different angles.

### THE EMPLOYEE PERSPECTIVE

If an employee has made the decision to leave and subsequent actions have progressed to the point where an offer has been received, then she has already left the organization mentally. That employee has already resolved any internal debate she might have had over making a change and is comfortable with her decision. She may even be eager to leave as soon as possible, because the new employer offers a fresh start with new challenges, new faces, increased responsibilities, and of course more money.

Increasing that employee's rewards package *might* entice her to stay. Or it might have no effect at all on her decision. It's difficult to give her what she wants without knowing her true motivation for leaving. And it's difficult to know her true motivation unless she's willing to disclose it.

It's possible that the key catalyst for her resignation is dissatisfaction with something other than compensation. Maybe she has a friction-filled relationship with her boss, for example, or feels that she has a dead-end job. Perhaps she's frustrated with using dated technology or having a long commute. In those situations, a counteroffer focused on more rewards will surely miss the mark.

### THE EMPLOYER PERSPECTIVE

When a manager extends a counteroffer, the other employees will find out about—and discuss—it. They may get the idea that the way to get a better deal with the company is to threaten to quit. "After all," they may think, "if it worked for Bob, why wouldn't it work for me?"

Seemingly successful counteroffers rarely succeed in the long run, though. Employees who accept counteroffers often end up leaving anyway (usually within six months), because other unresolved issues remain sources of continued dissatisfaction. More money doesn't solve those problems, and because counteroffers typically address only the quick-fix money issue, they usually serve only to buy the manager a bit more time.

Once an employee has submitted his resignation—even if he later rescinds it—his relationship with the company is forever altered. Even if his immediate manager still thinks highly of him, it's unlikely that upper management and HR will retain positive thoughts of him. In short, his career prospects at that company will have been dealt a fatal blow.

If a manager extends a counteroffer and it is rejected, the same internal damage will be done as if it had been accepted—so managers had better be careful before taking this action. In any case, the employee is no longer considered loyal and cannot be trusted to remain with the organization for the long term. He is regarded as "for sale."

### DOING IT ANYWAY

If an employee tells a manager that she is just thinking of leaving (and doesn't actually have an offer in hand), then management has more maneuvering room. When dealing with threats, the company should always tread carefully and try to avoid extending counteroffers. However, if the departing employee is critical to the organization or the company needs to buy time until a replacement can be put in place or a project completed, negotiations may be an option to consider. (Keep in mind, though, that line managers may be motivated to advocate counteroffers more because an employee's departure would make their lives difficult and less because the separation would have an adverse impact on the business. For this reason, personally affected line managers should not make the call on whether to extend a counteroffer.)

Before making a counteroffer, a manager should

- learn about the other offer that the employee is considering,
- ensure that the organization's period of vulnerability is minimized,
- develop a backup employee as soon as possible, and
- be prepared to deflect other employees' complaints about favored treatment, dangerous precedents, etc.

Word *will* get out about any extended counteroffer. So managers need to have a story ready that rationalizes their decision and staves off the "What about me?" calls from other employees. At the same time, in companies that allow managers to consider counteroffers, the approval process should be visible enough to ensure that the business justifications for this decisions are discussed and evident. ■

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## “Cool” Workspaces Improve Productivity

BY PIERRE BATTAH



Employers have long understood that when people feel “at home” in the workplace, they’re less likely to leave their organizations and more likely to work harder. Workspace design can have a positive impact on performance, collaboration, and creativity, which in turn can affect an employee’s ability, motivation, and opportunity to be productive. For that reason, employers also address environmental concerns such as thermal comfort, access to daylight, noise control, and crowding. Many employers (especially those located far from restaurants) also recognize that providing some type of onsite food service could improve employee productivity (though in recent years some have taken those amenities to a new level: it is quite a jump from offering generic cafeteria fare for lunch to providing chef-prepared gourmet meals for employees to take home for dinner).

When “best workplace” ratings became popular several years ago, many employers sought to improve their rankings by offering onsite gyms, childcare, and relaxation rooms. Pool tables, foosball tables, and ping-pong tables soon started appearing in youth-oriented workplaces (mostly in the technology industry) and have since been joined by other popular amenities such as firefighter’s poles, treadmill desks, and nap pods. With Google and Facebook paving the way for a “Disneyfication” process that transforms companies into “fun” workplaces that feel more like playgrounds, employees are now pushing their scooters down office hallways in many sectors (not just technology).

Funky furniture and video games in the employee lounge aren’t the only perks that make employees happy, though. Some employers have decided to offer amenities that fall less under the category “fun” and more under the category “practical”: multiple-use spaces for lunchtime meditation, dance, and yoga classes; shuttle service between the office and nearby train and bus stations; and onsite dropoff and pickup for dry cleaning are just a few examples. (However, the video game crowd might argue that the ability to take a break and escape through Minecraft has great “practical” value, too!)

Critics argue that many of these amenities are designed to keep people at work longer. They suggest that rather than having a workplace massage therapist or stress-busting games, employers should focus on giving people greater flexibility and control over their work in order to strengthen their ability to manage stress. These critics have a point. At the same time, though, thoughtfully implemented “cool” workplaces can promote effective stress management and include arrangements that foster employee flexibility and creativity.

Whether a “cool” workplace includes giant slides, seven-person bicycles used for conferencing and team building, basement bowling alleys, or some completely different amenities, paying attention to employees’ psychological well-being in the workplace can have a huge impact on their happiness—which in turn affects their productivity. Making people feel “at home” at work truly pays off! ■

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# THE IMPORTANCE OF FOLLOWING FEDERAL POSTER REQUIREMENTS

BY STRATEGIC HUMAN RESOURCES INC.

## ARE WELLNESS PROGRAM INCENTIVES TAXABLE?

**Q. On a page titled “Workplace Posters,” the U.S. Department of Labor lists the many posters and compliance documents that I am supposed to provide to my employees. Are they really important? None of my employees reads the posters that are up in the break room, and I know they never read the compliance information that I put in their open enrollment packets. So why bother?**

A. The reason to bother is that the Department of Labor and the Equal Employment Opportunity Commission care about these posting and notices and will fine organizations that do not comply with federal poster requirements. In January 2017 the penalties for such violations were increased. A failure to post the Family and Medical Leave Act (FMLA) notice now incurs a fine of \$166. Don’t want to pass out that annoyingly long summary of benefits for your health plans? Be prepared to cough up \$1105 per enrollee. Don’t want to display the OSHA poster? That will cost you \$7000, no matter how safe your work environment is.

Penalties for failing to furnish information and required notifications and for failing to maintain necessary records are often assessed per employee, per day—and can add up very quickly. So keep this in mind if you ever find yourself asking “Why bother?” ■

**Q. Is it true that employees have to pay taxes on wellness program incentives?**

A. As wellness programs increase in number, there are plenty of opportunities for employees to receive various participation incentives (such as t-shirts, event tickets, gift cards, and cash). When employers consider wellness program design and whether to incentivize participation, they should keep in mind that many wellness program incentives are not excluded from income tax. For example, according to the IRS, a gift card that an employee receives for participating in a wellness program must be included in his or her gross income.

Cash and non-cash incentives, rewards, and payments paid through an employer wellness program are not excluded from an employee’s taxable income and should be included on the employee’s Form W-2 and subject to federal tax withholdings.<sup>1</sup> For example, non-cash incentives subject to taxation include discounts on products and services and certain merchandise prizes. More specifically, the employee’s gross income must include “cash rewards for participating in a wellness program” and “reimbursements of premiums for participating in a wellness program if the premiums for the wellness program were originally made by salary reduction through a section 125 cafeteria plan.”<sup>2</sup>

Note that employer contributions to an HSA, reduced major medical plan premiums, and benefits and services that are medical care (e.g., biometric screenings, smoking cessation programs, and health risk assessments) are generally excluded from an employee’s gross income and are not subject to taxation. Also, certain benefits may fall into an exception through the de minimus tax rule if their value is so small as to cause accounting of it to be unreasonable or impracticable. Employers should note, however, that cash rewards are never considered de minimis. (A practical example of a wellness reward that would be considered de minimis is a t-shirt.)

Special consideration should be given to the incentives provided as part of your wellness program. Failure to report wellness cash and cash-equivalent incentives can cause significant penalties, including reporting penalties assessed per employee per Form W-2. In addition, employee relations issues could result, because the IRS can pursue employees who received such incentives but never paid taxes on them. ■

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## STAY RELEVANT— OR FADE AWAY

BY MIKE MCKERNS

**IT'S EASY FOR A BUSINESS TO GET COMFORTABLE** and rest on its laurels when the cash flow is great and the P&L statement skews toward the P. But history is full of stories about companies that became successful, grew complacent and failed to evolve to meet their customers' changing needs and expectations, and then faded into oblivion. Remember when Blockbuster continued to open its own brick-and-mortar stores even as the video rental industry underwent a paradigm shift and customers fled to Netflix and to RedBox kiosks?

HR's function is so vital and broad that in many ways it's like a company within a company. Over the past decade or two, the HR department has become an invaluable contributor to an organization's growth. With a role that has expanded well beyond hiring, onboarding, and personnel administration, HR has made itself indispensable. (For example, think of how much worse the impact of a senior executive's sudden departure would be if an HR-driven succession plan weren't in place.)

But that status isn't permanent. As the old saying goes, "Those who don't know their history are doomed to repeat it." And unless HR departments pay attention to those cautionary tales and learn from the mistakes of those once-dominant-but-now-failed companies, they are likely to follow the same course.

"People are our most important asset" is a claim that many companies make today and for good reason: it's true. A company is only as good as its people. And an organization that isn't able to attract and retain the best assets available will struggle to evolve and meet the changing needs of customers.

To help the company accomplish its goals—and maintain its own relevance—HR must learn how to cast a wide net that reaches across *all* areas related to talent acquisition. HR needs to think of itself as the sales and marketing department for the people who drive the company's growth.

As you evaluate the role that HR plays in your own organization, look beyond the careers page on your website. Develop partner relationships with colleges and staffing companies, for example and help your recruiters keep their "feet on the street" by involving them in other departments where they can connect with talent.

Only by constantly searching for, discovering, and exploring new strategies for helping an organization improve its "most important asset" can HR fully fulfill its primary role—and guarantee its longevity in the business world. ■

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## KALE: NUTRITIOUS AND DELICIOUS!

Kale has been trending for the past few years and for good reason: it's a nutritional powerhouse! Like many dark leafy greens, it's often boiled, but boiling diminishes many of its nutrients. These days you're most likely to find it in a salad, but even when they're chopped up, kale's tough leaves don't always play nicely with dressing and other vegetables. Fortunately, when you know the right technique, it's possible to make a kale salad that not only is delicious but doesn't take half an hour to chew. The secret? Massage!

### KALE SALAD

**YIELD:** 6 servings

**TIME:** 10 minutes

#### NUTRITIONAL INFO PER SERVING:

<b>Calories:</b>	243 cal
<b>Fat:</b>	18.5 g
<b>Dietary fiber:</b>	3.5 g
<b>Sugars:</b>	6 g
<b>Protein:</b>	5 g

#### WHAT YOU'LL NEED:

1 large bunch of kale (about ¾ lb)	1 TB Dijon mustard
¼ red onion, sliced into strips	1 small clove of garlic, minced
3 TB dried cranberries	¼ tsp salt
3 TB slivered almonds	¼ tsp freshly ground black pepper
¼ c. extra virgin olive oil	
3 TB champagne vinegar	

#### DIRECTIONS:

1. Remove and discard the ribs from the kale, then chop the kale into bite-sized pieces roughly 2" x 2" in size.
2. Wash the kale thoroughly, then dry it well.
3. Put the kale into a large bowl, then "massage" it (squeeze and release handfuls of it) until the kale's color has darkened and the kale has softened, about 3 minutes.
4. Combine the kale with the onion,
5. Put the remaining ingredients into a lidded jar and shake vigorously until everything is thoroughly combined.
6. Mix everything together in a serving bowl.

A salad spinner is ideal for drying leafy greens, but if you don't own one, put the kale in a clean pillowcase and go outside to put centrifugal force to work: remove the water from the leaves by spinning the pillowcase over your head like a lasso! ■



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## CORE VALUES

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YOU TO PUT A TOP PERFORMER  
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