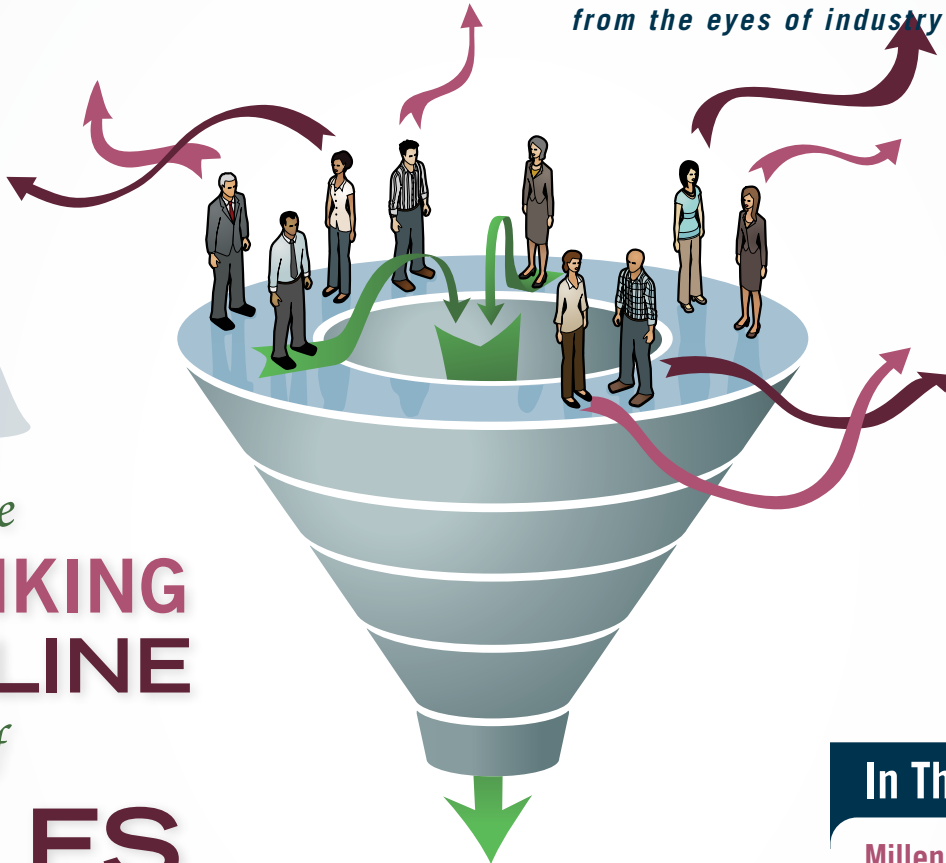


HR EDITION

# INSIGHTS & STRATEGIES

MAY/JUNE 2012

*from the eyes of industry leaders*



*the*  
**SHRINKING  
PIPELINE**  
*of*  
**SALES  
PROFESSIONALS**



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**Millennials and the  
World of Work**

**Mentoring: An Age Old  
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Salsa**

# FROM THE FOUNDERS



**WELCOME TO INSIGHTS & STRATEGIES**, our premier HR magazine that exists for the sole purpose of keeping you top of mind!

We like to call our approach to reminder marketing—highly-targeted direct mail on steroids that adds value with pizzazz and staying power. But, you might be asking yourself—Who the heck is Mamu and what can they do for me?

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IF YOU WANT  
TO MAKE  
ENEMIES,  
TRY TO CHANGE  
SOMETHING.

— WOODROW WILSON

*World's Salesmanship Congress, Detroit (10 July 1916)*<sup>1</sup>

# THE CHANGE IMPERATIVE

BY VALERIE GRUBB

Those are haunting words in today's corporate climate, where change joins death and taxes as the only real constants in life. Unfortunately, statistics have proven former President Wilson correct; according to the global management consulting firm McKinsey & Company ([www.mckinsey.com](http://www.mckinsey.com)), almost 70% of organizational change initiatives fail. That's a staggering statistic—and as an HR executive, you know how much a failed initiative can cost in terms of employee morale and wasted time and effort.

#### **WHY IS CHANGE SO DIFFICULT?**

First and foremost, it's uncomfortable. Change means letting go of old habits and thinking and acting in a different way—and that's not easy for even the most open minded among us. Furthermore, if your company has a history of failed initiatives, resistance to change is natural. Employees adopt a “wait and see” attitude, hoping that if they ignore you long enough, you'll go away and they can continue as usual.

Unfortunately, studies indicate that change is neither going away nor slowing down. A. J. Scheepbouwer, the CEO of Royal KPN in the Netherlands (and voted one of the best-performing CEOs by *Harvard Business Review* in January 2010) observes, “We have seen more change in the last 10 years than in the previous 90.”<sup>2</sup>

#### **WHY DO PEOPLE RESIST CHANGE?**

Fear is certainly the biggest driver: fear of the unknown, fear of losing control or power, fear of failure, fear of breaking up established (and trusted) cliques. These fears are all byproducts of the overarching anxiety of “efficiency” gained at the expense of an employee's position.

And in today's economy, who can blame an employee for worrying about losing his or her job? As Rick Maurer, author of *Beyond the Wall of Resistance* ([www.rickmaurer.com](http://www.rickmaurer.com)), points out, “fear makes change intensely personal.”

## WHY IS MANAGING CHANGE

### SO CRITICAL FOR THE HR EXECUTIVE?

As an HR professional, you're keenly aware that change is not someone else's problem; it sits squarely in your lap (whether or not your other company executives admit it). After all, it is the HR executive who has to deal with the challenging consequences of improperly managed change, including:

- *valued personnel leaving because of confusion and lack of leadership;*
- *productivity and morale declining in the wake of yet another "failed change initiative";*
- *critical projects being delayed, thus negatively affecting customers; and*
- *employees' continued unproductivity, which can result in layoffs.*

Common sense tells us that HR is the critical link to successful organizational change. After all, HR is in the unique position of straddling all departments within an organization and can therefore provide leadership, insight, and guidance on how to communicate change in a manner that actually resonates with employees. However, the reality is that many HR executives rarely go beyond addressing compliance issues and benefits. Mastering the art of leading change could be what garners HR a seat at the table of an organization's decision makers.

## WHAT STRATEGIES CAN REDUCE

### RESISTANCE TO CHANGE?

HR executives wear many hats in their day-to-day lives. By embracing the role of chief change agent, you can establish the framework for conducting change at every level of the organization. By identifying and establishing workable change management processes, you can anticipate and reduce resistance to change through:

- *providing consistency of purpose;*
- *actively seeking participation from all in developing the new processes;*
- *communicating the "why" around change (i.e., the benefits of the change)*
- *minimizing surprises;*
- *building a trusting and open climate;*
- *tracking, measuring, and rewarding the new behaviors;*
- *celebrating your successes; and*
- *empathizing with employees as they adapt individually to the new way of doing things.*

Your job as change agent is to show determined leadership and to persevere under the most stressful resistance. Don't create more resistance than actually exists by attempting to fight or control every aspect of change, and don't take any resistance personally. Realize that the laws of the jungle are in operation and you can't fight human nature.

## HOW CAN YOU LEAD CHANGE INITIATIVES?<sup>3</sup>

The Change Acceleration Process Model chart depicts how to lead change effectively, thus ensuring the future sustainability of your change initiative. Successful change initiatives begin by defining the need for change and shaping the vision for the future state of the company, then translate the initiative into a clear, understandable message that resonates with employees and garners their commitment to the change.

According to Suzanne Vucurovic, EDMS Change Manager at the Australian Prudential Regulation Authority (APRA), the most successful change communications plan should address the following critical questions:<sup>4</sup>

## 1. WHY IS THE CHANGE NECESSARY?

Employees are often left in the dark when it comes to the business reasons behind major change. Showing employees where the business is heading will help them understand the value in the plan. The vision should be expressed in a way that allows all employees to understand, relate to, and see their role in achieving it. Be prepared for the following questions:

- *Why should we change the process when the current process works just fine?*
- *Why should I care if the change doesn't affect me?*

## 2. WHAT IS THE PRECISE SCOPE OF THE CHANGE?

Get straight to the point and don't sugarcoat your message. Communicating the precise scope of your project will end speculation and rumors up front. Show your employees what the organization will look like following the implementation of this change (such as any changes in departments or individual roles). Anticipate the following questions:

- *Is it true that my department will be downsized because of this project?*
- *Isn't "efficiency" just a fancy word for "downsizing"?*
- *How many employees will be hired to create the new department?*

## 3. WHEN WILL THE CHANGE BE ROLLED OUT?

Official start dates, end dates, key milestones, and consequences for not meeting deadlines should be communicated early and continuously. Be clear, whether the dates are "best guess goals" or hard deadlines. Good communication will help your employees anticipate when change will happen to them. You may hear the following questions:

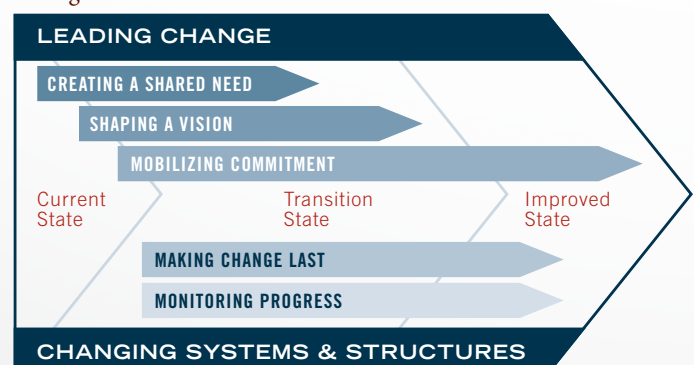
- *What should we do if our department can't commit to meeting your deadline?*
- *What is the penalty for missing deadlines?*

## 4. WHO WILL BE INVOLVED AND IN WHAT CAPACITY?

Identify what responsibilities will be delegated to those directly and indirectly involved with the project, including senior executives and team members championing the project. Employees will know whom to contact when questions arise later, such as:

- *Why should I care if I'm not directly involved?*
- *If I'm on the team, how much time will this work take in my schedule?*

## Change Acceleration Process Model<sup>5</sup>



## 5. HOW WILL THE CHANGE AFFECT HOW EMPLOYEES CURRENTLY WORK?

Expect employees to be immediately concerned with how the change affects their day-to-day work and longer-term circumstances. Alleviate employee fear by explaining how you expect the change to affect them. Then, listen up: employees may have concerns that you haven't addressed, such as:

- *How can I take on extra work when I'm already overwhelmed with my regular duties?*
- *How quickly will my responsibilities change over time?*

## 6. HOW WILL THIS CHANGE INITIATIVE DIFFER FROM PREVIOUS ONES WITHIN THE ORGANIZATION?

Every organization has faced an initiative that didn't get off the ground. Recognize this and show employees how your initiative differs by linking it to previous successes. Consider how perceptions of previous initiatives will affect the attitude toward your change initiative and be prepared to answer the following questions:

- *What were the results of the successful project? How do you know?*
- *How will this differ from the project we worked on last year?*

## 7. WHAT ARE THE CONSEQUENCES OF NOT IMPLEMENTING THIS CHANGE?

Explain why the risks of standing still are greater than those of moving forward. Don't require employees to blindly embrace your plan; rather, justify why the change was initiated in the first place. Communicate what alternatives were discussed and why they were rejected. Anticipate questions such as these:

- *Would our company survive without the change?*
- *Shouldn't our company maintain the status quo while the market is bad?*

Having all the answers to these questions will help you shape the change plan—as well as garner support from your employees! The goal is for all employees to understand the value of what the change brings to each of them and the organization at large. Think WIIFM: “What's in It for Me?”

As illustrated in the change acceleration process model, properly mobilizing commitment will help push an initiative from its current state, through the transition state, and into the improved state. The more consistency and constancy you provide, the better your employees' commitment—and the better chance the initiative will create lasting change. Putting in systems to monitor and celebrate progress will also help ensure the project's sustainability.

In his 2004 book, *Great Motivation Secrets of Great Leaders*, John Baldoni recommends using the four I's to get buy-in on initiatives:

1. **Inform:** Explain the project in terms that are both general (e.g., the context) and specific (e.g., expectations).
2. **Involve:** Think of the project from the WIIFM perspective and show what people will gain by supporting your initiative.
3. **Invite:** Once employees understand what is expected of them, ask for their support. Never assume employees will follow you until you ask them.
4. **Ignite:** It is when you invoke, as Churchill did many years ago, the commitment of individuals to pull together for the cause greater than themselves. This step doesn't always succeed, but when it does it separates extraordinary initiatives from ordinary ones.

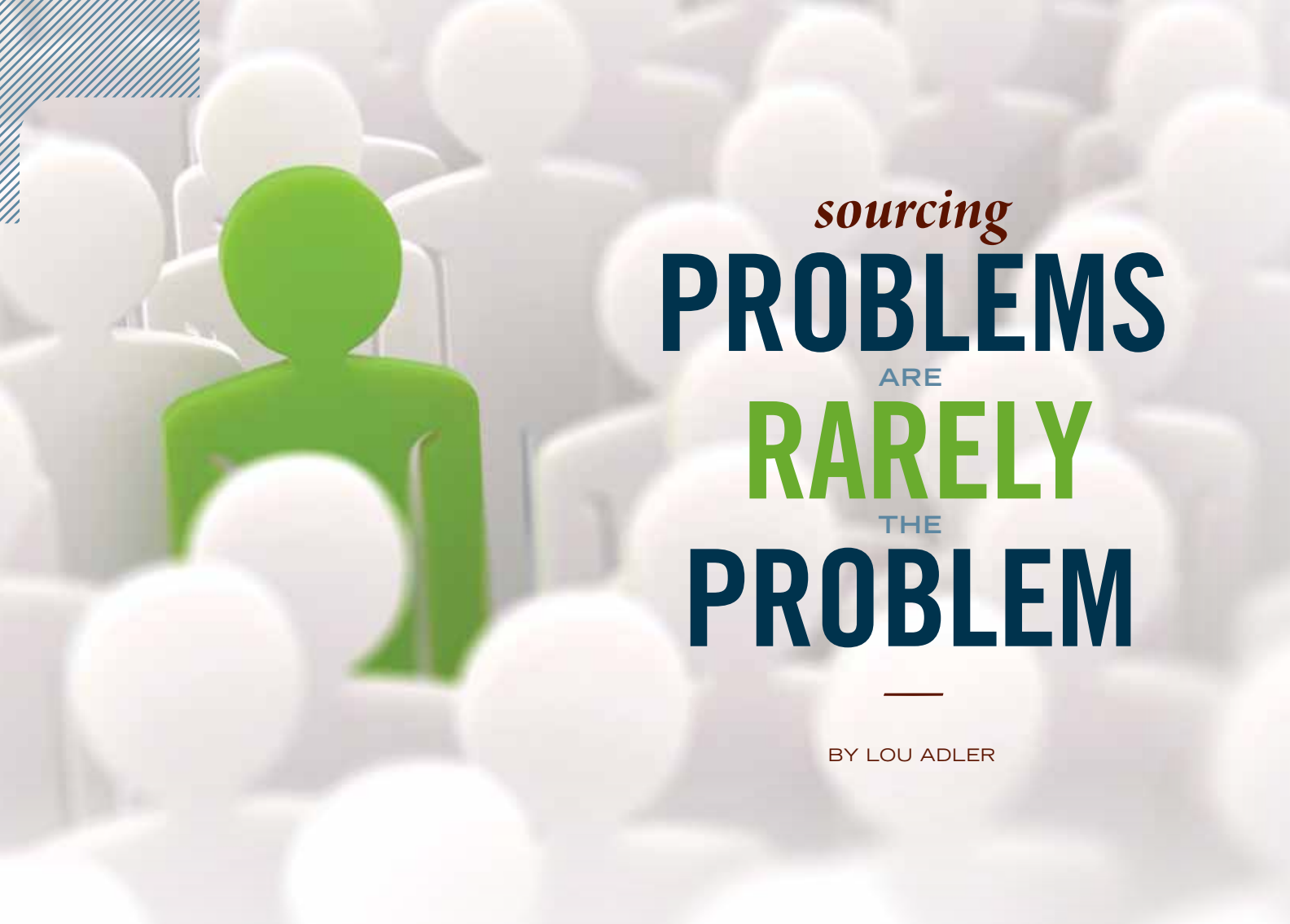
### WHAT'S NEXT?

Taking on the role of change agent within your organization can have far reaching effects on your company, your employees, and your career. John Quincy Adams once wrote, “If your actions inspire others to learn more, do more, and become more, you are a leader.” Now go out there and become a change leader! ■

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*sourcing*  
**PROBLEMS**  
ARE  
**RARELY**  
THE  
**PROBLEM**

BY LOU ADLER

**WHEN I ASK RECRUITERS**, hiring managers, and HR/recruiting leaders what's their biggest hiring challenge, they always say they don't have enough top people to choose from. However, when you look below the hood at what's really going on inside the company, it's clear they don't have a sourcing problem: they have (pick one or more of the following based on what's going on at your company)

1. THE WRONG STRATEGY
2. AN ADVERTISING PROBLEM
3. A HIRING MANAGER PROBLEM
4. A RECRUITER PROBLEM
5. A LACK OF RESOURCES PROBLEM
6. A COMPENSATION PROBLEM
7. A BAD JOB
8. AN ASSESSMENT PROBLEM
9. NONE OF THE ABOVE
10. ALL OF THE ABOVE

Nine out of ten times a sourcing problem is a symptom of a much deeper problem.

Just about everyone complains they don't have enough good candidates, yet these same people complain they're seeing too many unqualified candidates. When I then suggest they have boring

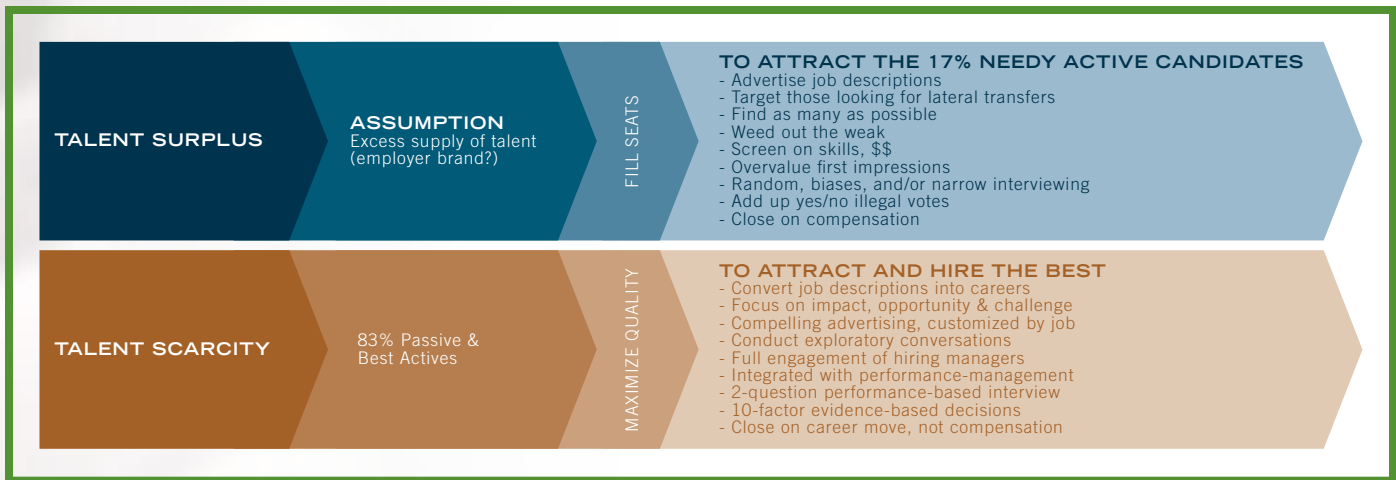
advertising that no one reads, they counter with the point that they need to post these so they can filter out the unqualified. I counter the counter with the point that since these same ads preclude a good person who is perfectly qualified from applying since they're boring and negative, they say something like, "We have to post them this way, since we need to be in compliance." I then throw my hands up and mentally leave the room, saying under my breath, "That proves my point." Here's the whispered point so everyone can hear it: **IF YOU WANT TO ATTRACT GREAT PEOPLE, YOU NEED GREAT ADVERTISING.**

But that's just a start. Not seeing or hiring enough good people is a symptom of a much deeper and typically more insidious problem — the wrong talent acquisition strategy. With the wrong strategy, no matter how much you try to improve your tactics you won't get too much better, and even if you do, it won't be for too long if you don't change the underlying strategy. The fundamental business principle here is that you can't use the same strategy to find and hire top performers that you use for average performers. And because the strategy is different, the tactics need to be different, too.

As the economy heats up, the demand for talent generally increases at a faster rate than the supply. This is worsened by an uptick in turnover and the need to start competing for talent using compensation increases as a lure. Under these conditions, it's



## TALENT SCARCITY vs. SURPLUS STRATEGY



important to rethink your strategy before rethinking your tactics. Putting added emphasis on the importance of this “totally rethink your strategy first” notion is the fact that 83% of the fully-employed professional workforce is passive and only 17% is active (see this LinkedIn survey for more on this). Since there are disproportionately more top people in the 83%-who-are-passive group, the importance of shifting your strategy is obvious.

Figuring out your company’s actual or default talent acquisition strategy is a great way to start assessing the depth of the problem. The above graphic summarizes two radically different talent strategies.

The *talent surplus strategy model* is based on the assumption that there is an excess supply of top talent to choose from. Under this assumption, the primary focus of the sourcing and selection process is to weed out the weak. A *talent scarcity approach* is based on the assumption that there is more demand for talent than the supply. Under these scarcity conditions, a more proactive and aggressive recruiting process is required to find and attract these people, coupled with a more sophisticated assessment and closing process.

If you have a strong employer brand and are seeing enough top people for every critical position, then a surplus of talent model is sufficient. This is despite the fact that it’s somewhat impersonal and demeaning. On the other hand, if you are not seeing enough top people for these same critical positions, don’t assume you have a sourcing problem — assume you have a strategy problem. And even if you don’t, figuring it out will still lead you to the correct corrective measures.

To determine whether your company is using a surplus or scarcity talent acquisition approach, just look at the big process steps. The biggest of all the steps is at the top of the funnel — how you advertise and promote your job openings. If you are still posting traditional job descriptions emphasizing skills and experience, you’ve already lost the big battle. Unless you have a big employer brand you will only attract the unemployed and the 17% of fully-employed active candidates who are okay with a lateral transfer. You might find a great person now and then, but it’s problematic. To attract the 83% in the passive candidate pool, you’ll need to advertise career opportunities.

A career move is not a boring job description wrapped in hyperbole and company platitudes. A career opportunity is a real

story customized for your target ideal passive candidate who is looking for something significantly better than the job now held. Don’t ignore the fact that no matter how the passive candidate found out about your opening, the person will quickly check out the actual posting before getting too interested. This is a critical point. To tie your strategy and tactics together, every published posting needs to be compelling. If you’re unwilling to make this change, recognize that you’re accepting a surplus of talent model as your default strategy. This goes back to the theme of the article and the point raised that you don’t have a sourcing problem, you have an advertising problem masking a strategy problem.

A mishmashed strategy won’t work either. You can’t use a candidate surplus model to source, recruit, and hire the 83% of the candidates who are passive. It’s a waste of time, energy, and resources, and yet it happens all of the time. When HR leaders don’t see or understand the strategy or big issue problems, they attempt to fix them by improving downstream processes. I refer to this trapdoor as the Staffing Spiral of Doom Catch-22.

### FROM WIKIPEDIA:

*A catch-22 is a paradoxical situation in which an individual cannot avoid a problem because of contradictory constraints or rules. Often these situations are such that solving one part of a problem only creates another problem, which ultimately leads back to the original problem. Catch-22s often result from rules, regulations, or procedures that an individual is subject to but has no control over.*

*The term catch-22 was coined by Joseph Heller in his novel Catch-22.*

Avoid it at all costs. 📌

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# Mentoring

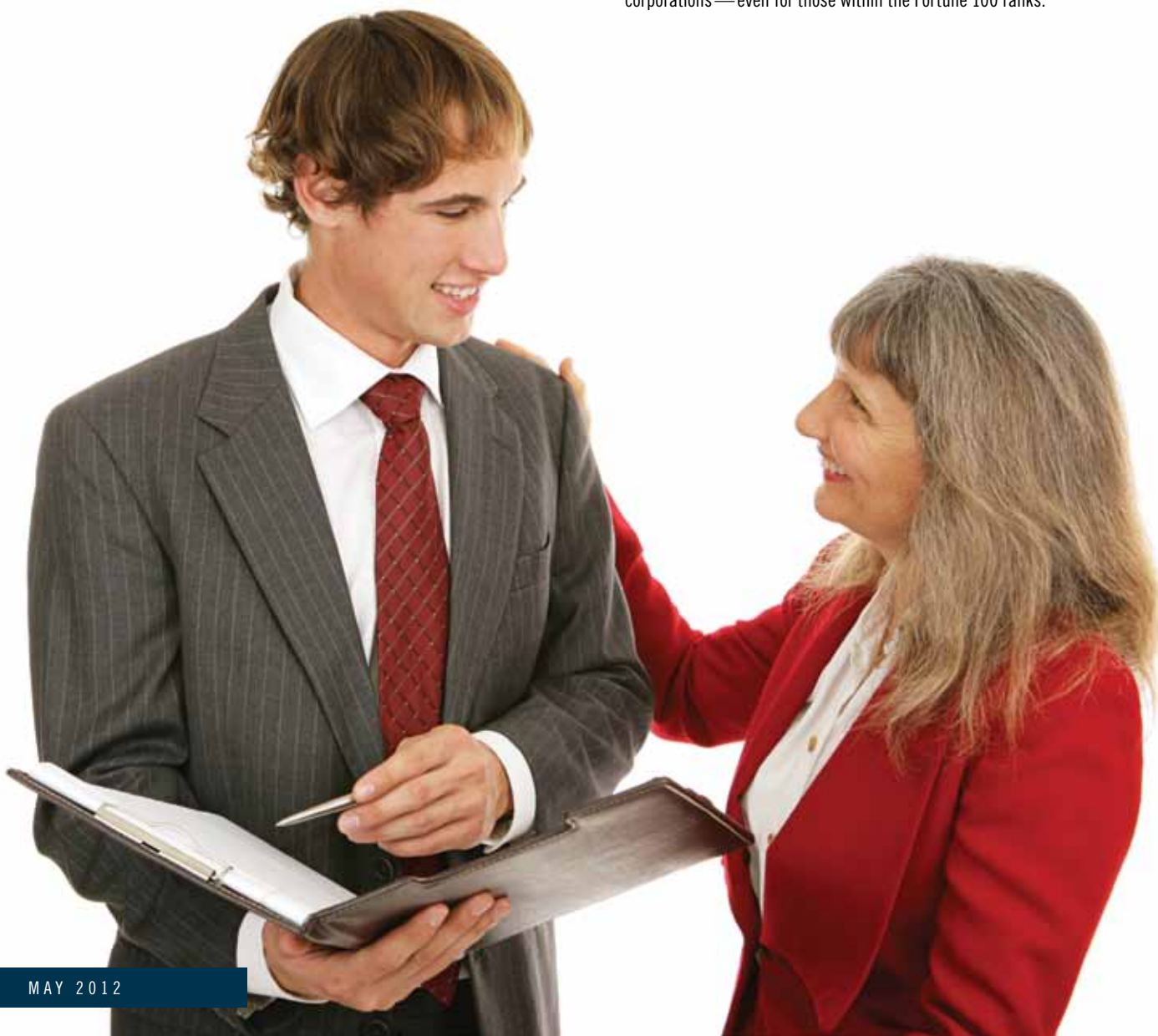
BY SHAWN KENT HAYASHI

## *an Age-Old* **IDEA** *That Works* **NOW**

“Those who seek mentoring will rule the great expanse of heaven,” declares the ancient Chinese *Book of History*. While the mentoring model that organizations use today is different from what was preferred just two decades ago (let alone in ancient times!), the reasons for pairing employees with others who take an active part in their development over time are as compelling as ever.

### **MENTORING INSPIRES EMPLOYEE LOYALTY**

Today's employee has seen massive layoffs across corporate America and consequently has only a tentative and circumspect sense of loyalty. The employee's unspoken psychological contract with his company is likely “I will stay with you as long as it suits me . . . and that depends on how you treat me.” It is no wonder that top talent attrition is a great concern and expense for so many corporations—even for those within the Fortune 100 ranks.



Many corporate giants such as Sanofi-Aventis, AT&T, Merck, Merrill Lynch, Federal Express, General Motors, and DuPont have discovered that mentoring is a mutually advantageous way to both attract and retain employees. One of my clients recently saw a 15 percent drop in star performer attrition after installing a formal mentoring program.

The individual, or “mentee,” thrives under the knowledge that the organization is taking a special interest in his or her development and gains knowledge that may not be had any other way. With the encouragement, support, and friendship of mentors, employees generally become more productive, report greater career satisfaction, and enjoy accelerated career growth. Studies show that employees with mentors reach the executive level an average of two years sooner than their counterparts without such help.

For the organization, mentoring serves to preserve “institutional memory” by sharing information and experience from one to another. This need to pass along corporate learning and develop bench strength within the organization is particularly critical now that we have created flat and lean organizations and as baby boomers begin to retire, taking their know-how with them. Mentoring programs are an inexpensive way to inspire future leaders, improve management and staff relationships, and prepare people to succeed an aging workforce. (They should not, however, be created to raise awareness of, and appreciation for, diversity. There are many other forums better suited to this type of learning.)

#### NOT ALL PROGRAMS ARE THE SAME

Mentoring programs can be either informal (not organized and sponsored by the organization) or formal (created and maintained as a corporate function). Of course, employees will only give your company “credit” for those programs that you officially sponsor. If we leave employees to find their own mentors, it can feel like a popularity contest or a political game to them. Instead, by formalizing a program, we ask employees who are willing to make the commitment to develop new skills to step forward. In matching them with mentors who can provide the next level of learning, we go a long way toward assuring that we provide “just-in-time” development to those aspiring to grow.

Mentoring programs can be either inter- or intra-company. Intra-company programs are naturally easier to organize and administer. While mentors in other firms and other industries from your own can be useful resources, they obviously cannot help with an employee’s need to learn the ins and outs of a particular organization, or technical skills specific to your company’s industry.

Formal programs have an endpoint — typically mentors and mentees transition their relationship into another kind after a year or two. (Note that this transition is not only natural and healthy, it is desired!). In contrast, the endpoint in informal programs is usually less defined, and that can lead to a painful period in which one or both parties are trying to dance away from the other.

Mentoring programs can be designed so that a single mentee is paired with a mentor for one-on-one coaching and counseling, or so that small teams of four to six mentees work together with an assigned learning leader. The mentoring goals may be different for each pairing or grouping, but will likely fall into one of three categories:

- ▶ *To assimilate an employee into an organization or to integrate two teams together.*
- ▶ *To develop the mentee’s technical skills. This may be needed when, for example, a sales rep is assigned a new territory or product line and needs to learn about it. Or it could be called for when a person who has worked in operations for years makes a lateral move into marketing and now needs to learn the tasks and skills of a marketer.*

- ▶ *To enhance an employee’s business acumen and political savvy. This is often done for employees who aspire to senior management roles.*

Whichever goal is set, the content of the learning is based on the mentee’s needs and thus 100 percent relevant for him or her.

#### SUCCESS DEPENDS UPON THE INDIVIDUALS AND TRAINING

Chip Bell, author of *Managers as Mentors*, contends that the relationship works best if both parties have four characteristics: humility, an insatiable curiosity, the courage to trust each other, and the willingness to really listen.

People who want to give, are happy with themselves, and value what they know logically make the best teachers and therefore the best mentors. But the best mentors are not necessarily teachers by profession. Nor are they necessarily of the same gender or like their mentees in personality or background. And neither are they necessarily older than their mentees.

In choosing a mentor, employees should look for someone who has the skills, knowledge, and/or contacts that meet their developmental goals. They should select someone who has an interest in them, is easy to talk to, and who shares openly. When I design mentoring programs I use assessments to identify who will fit best together so that mentees and mentors are matched based on 55 dimensions and the mentee’s needs.

To give even the most motivated mentees and mentors the best possible start, their relationship should begin with a one-to-two-day training program. In fact, a great deal of research suggests that one of the leading causes for failure in mentoring relationships is the lack of training. Being a mentor is different from being a manager, and being a mentee is different from being a subordinate.

The Dictionary of Occupational Titles, published by the U.S. Department of Labor, defines mentoring as “one of the most complex of all human activities.” Without training, mentors and mentees are often not prepared for the challenges that can occur in the relationship: how to deal with disagreements, how to make sure progress is being made, how to “stretch” one another, and how to establish a sense of confidentiality, for example.

In effective mentor training, both mentees and mentors are taught their roles and given the opportunity to get to know one another. In particular, mentees are taught that they are responsible for guiding the direction of the meetings with their mentors. The most successful interaction is mentee-driven.

#### THE POPULARITY OF MENTORING PROGRAMS IS GROWING FOR A REASON

The number of business sponsoring formal mentoring programs doubled, jumping from 17 percent to 36 percent, according to a survey by *Human Resource Executive* magazine. These companies are learning that mentors are an effective way to help employees and organizations prepare for their future. The mentor/mentee relationship can be one of the most rewarding experiences of a person’s career and, not coincidentally, one of the most productive programs a company can sponsor. Today mentoring programs benefit the mentee, the mentor, and the organization, but that is not a surprise: it is just as the Chinese *Book of History* predicted. ■

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Shawn Kent Hayashi is an executive coach, the author of five business communication books, and a keynote speaker who has also designed dozens of mentoring programs. She can be reached at [SHAWN@theprofessionaldevelopmentgroup.com](mailto:SHAWN@theprofessionaldevelopmentgroup.com) or [www.ShawnKentHayashi.com](http://www.ShawnKentHayashi.com).

# THE SHRINKING PIPELINE

BY IRA S. WOLFE



## OF SALES PROFESSIONALS

**ACCORDING TO STATISTICS** from the Bureau of Labor, the number of sales jobs will grow at a rate of 7% to 13% (industry dependent) over the next nine years. During the same period, however, the number of sales candidates ages 25 to 40 entering the work force will grow at less than 1%.

For sales organizations recruiting on a large scale, demand for new staff will far outstrip supply, shifting the balance of power from the business to the candidate. Access to the highly desirable demographic of college-educated salespeople with three to five years of sales experience will be very limited. In fact, an extreme

shortage of college-educated sales candidates with one to five years of experience already exists in several markets.

The lack of qualified salespeople sets the stage for greater competition, thus increasing the cost of finding and attracting candidates. Organizations of all sizes will find themselves competing for sales talent to a degree unlike anything we have experienced in the past five years.

With all of that in mind, every manager should carefully interview and assess each new sales candidate—a process that includes asking the following eight questions:

## 5 SALES HIRING TRENDS IN 2012

1. *What product or services are you selling? To be a successful salesperson, you need more than just a few years of experience and the completion of sales skills training. If you want to add value and differentiate your company from the rest of a crowded market, you also need social finesse and advanced skills.*
2. *To whom are you selling? Different clients and settings demand different skill sets. For example, you don't approach selling promotional products to a small retail shop owner the same way you'd sell an enterprise-wide human-resource information system to a large corporation.*
3. *How competitive is the marketplace? If you're the only game in town—or at least considered the industry leader—salespeople can lean on the company's reputation for credibility. But what if your company or product is unfamiliar to your prospects? The most important skill a salesperson might need is the ability to build endorsement.*
4. *Is this marketplace a new territory or a mature one? Each requires different selling styles and skills. It's much easier to introduce yourself as the new account manager when a customer down the street has been doing business with your company for several years than trying to get the prospect to take a chance on an unknown.*
5. *How long is a typical sales cycle? The longer the cycle, the more skills are required and the more the salesperson will need a system in place to track and follow leads and referrals. He or she must be patient and resilient and equipped to stick it out for the long haul. Products or services with long selling cycles often have bigger rewards, but many salespeople are more motivated and skilled at shorter cycle, faster rewards. (This point leads to the next question . . .)*
6. *How do salespeople get paid? When compensation is more commission based, the salesperson must have stronger money-management skills to deal with the ups and downs of income, especially for longer selling cycles—a reality that few hiring managers consider before hiring a high-potential candidate. Unfortunately many sales failures have nothing to do with sales skills but result from the salesperson's need for short-term income to pay the mortgage and put food on the table while waiting for the big commission check.*
7. *Who is responsible for lead generation? If developing new business is a requirement for the job, then assessing the sales candidate's track record or potential for identifying new customers, cold calling, qualifying clients, and developing new relationships must be part of the hiring equation. For the company that already has a steady stream of warm leads, finding qualified can-*

*didates is considerably easier. Do not assume, however, that the ability to contact warm leads and qualify them is a predictive indicator of the ability to identify new customers and cold call them.*

8. *Who is responsible for writing and presenting proposals? Good communication skills are critical in today's marketplace. Unfortunately, few salespeople have mastered these skills at a level necessary to compete effectively.*

Asking these questions is one thing, but getting this information from potential salespeople quickly and accurately is another. Because no one single method of candidate assessment works in all situations, many employers complement and enhance the interview and reference-check process with pre-employment tests.

For example, traits such as assertiveness, criticism tolerance (the ability to take a “no”), and resilience may be good enough when “getting past the gatekeeper” and “closing a sale” are the two most critical skills required. But selling complex products or differentiating a company's services from those of its competitors requires critical-thinking skills and customer-relationship management skills for consultative selling—two competencies that many salespeople do not have.

Alternatively, transactional sales (especially those based on primarily on price) depend on the ability to get people to accept your call, negotiate the best deal, and close quickly. More complex selling opportunities require extensive product knowledge, broad competitive intelligence, excellent relationship management skills, and resilience. Years of experience and a decade's worth of President Club awards are not necessarily transferable from one industry to another, one company to another, or even one territory or product to another.

The right integration of assessments into the sales selection process can confirm if a candidate has the potential to learn or meet your job requirements as well as the resilience and motivation to persist with your organization through both good times and bad. If you pay close attention to these issues from the start of the interviewing and hiring process, you're more likely to land great talent and increase your odds of making long-term hires that benefit your

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1. Top sales talent costs more. Analyze your current sales recruiting budget.
2. Employer branding is critical to attracting top sales talent. The best salespeople want to work for the best companies. Consider enhancing your employment brand.
3. Leading edge organizations utilize multiple recruiting sources to reach as many sales candidates as possible. Multiple sources improve your probability of getting in front of the right sales candidate at just the right time.
4. Your existing sales team is at risk when competition is high. Other companies will gladly promise your best people more money, benefits, opportunities for promotion, etc., to lure them away from you.
5. The pressure to increase and maintain sales headcount places a premium on sales recruitment and retention efforts. Make your hires wisely—and do your best to retain the ones you have or risk talent outflow.

# REI

## Working Together For a Better World

BY AMY LYMAN

**REI IS A COOPERATIVE** — and a spirit of cooperation infuses everything that they do. Leaders and employees cooperate with each other to insure that work is done well, people have a good time, and the labor conditions for employees at REI and at suppliers meet high standards. Employees cooperate with customers to listen to what they want and provide them with great products and great service. Everyone at REI cooperates with the environment, making numerous contributions outside of work time — in the form of community service work, educational programs, and financial support — to help insure that the planet continues to exist in a healthy way into the next century.

And all of this cooperation has brought REI significant positive recognition as one of only five companies to have been selected as one of the 100 Best Companies to Work for in America in both editions of the book of that name, and in every edition of the list published annually in *Fortune* magazine. REI is a model of the power and positive contribution that the spirit and practice of cooperation can bring to an enterprise.



## LIVING THE MISSION

REI is a group of people striving to live up to the fullest meaning of the words used to describe the company. REI's stated core purpose is to "inspire, educate, and outfit for a lifetime of outdoor adventure and stewardship." As a cooperative, everyone in the company and customers, producers, and suppliers, are invited to play a part in creating the unique REI experience.

REI hiring managers use REI's values as a guide for the type of person they are looking for to join the team. Potential employees are considered based on their skills and their understanding of and willingness to try to live up to REI's values. Because the values are such a strong guiding force behind the cooperative's activities, great importance is placed on helping people to understand the values and how to put them into action.

During a hiring fair to recruit people to work at the new distribution center in Bedford, Pennsylvania, more than 1,500 people applied for 85 distribution center jobs. The hiring team made sure they took the time to both share the REI story and learn about each applicant. Every applicant attended a presentation about REI's values and work environment, and each person had a one-on-one interview where they were asked a series of questions.

While REI is a nationally recognized business, there was concern among the recruiting and hiring team that people in the Bedford location (two hours away from the nearest REI store) might not be completely aware of what's behind REI's business success. So they spent additional time insuring that applicants were exposed to information about REI's commitment to stewardship, inspirational mission, and expectations of honesty and integrity to heighten the likelihood of creating the best match between REI and new employees.

"The family feeling at REI is excellent and makes working here fun and supportive. It's fun to work here. I appreciate the pro-deals. Getting healthcare is really great and unusual for part-time employees. The healthcare is one main reason I chose to work here."

## BECOMING A MEMBER OF THE TEAM

After employees are initially welcomed in to REI, they participate in Base Camp — a daylong orientation program that includes an introduction into the workplace environment. During this session experienced employees and managers lead sessions in which the group experiments with practical solutions to real workplace situations that they are likely to encounter. This prepares employees for quick thinking in the store, and helps all participants to see how REI's values serve as a useful resource and guide for making decisions at work.

Base Camp also includes an outdoor component to get people outside and experiencing nature with fellow employees. Whether cleaning up a local waterway or biking on community paths, outdoor sessions are another way for employees to build relationships with co-workers and experience the commitment to outdoor adventure that is part of the core purpose of the company.

During their first two weeks on the job, new store employees work "buddy shifts" with experienced employees to learn various customer service techniques that have been successful in the past.

This training is a significant investment of time that helps insure that new employees have resources in terms of knowledge and connections with other employees so they can ask questions as they arise. Throughout the year at each store, community service projects are initiated that all employees participate in, thus continuing the community building and development of camaraderie.

At headquarters and distribution centers, service projects are also used to build community among new employees. These projects reinforce REI's commitment to environmental stewardship and help new employees to meet people at the workplace. These service projects are attended by at least one member of the senior leadership team, with CEO Sally Jewell lending a hand at almost every headquarters-based project.

"I was at my previous job for nearly a decade, and not once did I meet the CEO. Within two months at REI, I met Sally Jewell and shared lunch with her. It's amazing that she's so down-to-earth and is willing to get her hands dirty."

"The extensive training you get when you start goes to show how much they care about their employees. Health insurance for part-time employees is an excellent benefit. The green card program is a way they reward their employees for biking to work using public transportation being green. Giving us opportunities to get involved with the communities by volunteering. Everyone is so positive and nice. It is a great environment to work in."

"I have the opportunity to teach children how to respect themselves, the environment, and others through the REI partnership with 'leave no trace' via PEAK training. I know of no other program with any other company that truly puts their ethical ideals into practices."

## LONG-TERM COMMITMENT

The stewardship that REI promotes for the environment outside of work is also present in how leaders think about what makes for a long-term sustainable relationship with employees inside the company. Retail environments are not generally known as places for people to go who are looking for career development opportunities, great benefits, and long-term financial stability. Yet at REI you can get all of this.

A variety of programs are in place to help support the growth and development of all employees. Employees receive Personal Action Career Kits that contain information about job growth, maximizing management potential, and steps to take to pursue future career opportunities. Employees use personalized career planning tools to create development plans with their managers to self-evaluate, collect manager feedback, set goals, and create action plans.

Sales & Product Training helps employees provide the best customer service possible, with sales product experts from each store starting off this training program with a five-day immersion at headquarters. An "Inside Track" program is offered to headquarters and distribution center employees who are invited to attend courses with topics ranging from time management to working collaboratively.

Programs are also offered to help employees prepare for and move into management positions. Retail Management Training is a nine-month, three-phase course for retail managers interested in expanding their careers into REI leadership. The Stepping Up to Management Program offers management tools to up-and-coming leaders at headquarters and the distribution centers. And the Leadership Excellence and Development (LEAD) program started in 2007 for distribution center front-line leads who may want to make the transition to management.

To support employees' personal growth and continued learning outside of the immediate company environment, REI's REACH program reimburses people for college or graduate classes. Employees who pursue higher-education opportunities enrich their own lives and can also use these accomplishments to grow their careers at REI.

"Management keep us informed — better than any company I have worked for. They trust us. Benefits are fantastic! The emphasis on 'work hard and play hard' is true — management lives by it and therefore is great example of how to live a balanced life. Training has been terrific beyond any other place I have worked."

And if that's not enough, employees are offered many benefits that are unheard of in other retail companies. All employees are offered subsidized health care coverage — even those who work fewer than 20 hours per week. Part-time employees with fewer than 20 hours per week (who aren't eligible for the Flex benefit plan) can enroll in PATH, which provides basic healthcare coverage. Through this program, REI pays 100 percent of life insurance coverage and 67 percent of the premium cost for employee-only medical coverage. Optional dental coverage is also available.

Full-time and eligible part-time employees who work more than 20 hours per week get a variety of medical options through REI's Flex Plan. Each option covers core services, like preventive care services, at no cost to employees. In addition to standard medical coverage, the Flex Plan covers alternative therapies such as naturopathy and acupuncture. There's also an annual \$300 allowance for wellness massages with no deductible and no referral necessary.

Financially, the immediate salaries at REI are not off the charts, yet relative to other retail environments, pay is fine. It is the long-term financial benefits that are truly unique. An automatic 5 percent yearly contribution is made to eligible employees' retirement plan account (even if they contribute nothing), with an opportunity to earn an additional 10 percent depending on company performance — employees have received the full 5 percent contribution for 22 out of the last 23 years.

Other financial or product benefits include REI's Xcels incentive plan which pays an annual bonus to every employee based on company performance; ProDeals and Mega ProDeals, which allow REI employees to select from thousands of products at a discount of 50 to 75 percent off retail prices; and a 30 percent discount on all the products REI sells (including REI Adventures trips). This last discount is extended to spouses and life partners as well.

Finally, to help employees fight the high cost of gas prices, in addition to lowering their carbon footprint, REI pays 50 percent of

public transit passes for all employees. The transit subsidy applies to bus, train, vanpool, and ferry passes.

"REI does its best to make sure employees are taken care of. They encourage work/life balance and give added benefits in line with that principle. We receive discounts on travel, rental equipment, and products we sell in the store. There is also the added bonus of discounts from vendors we may or may not carry in the store (such as Apple or Dell). And I don't know of any other company to offer health benefits to part-time employees."

### IT ALL COMES BACK

Many people reading this might think that REI is on the verge of going under given all they provide to their employees. Yet leaders at REI, like those at other Best Companies, know that when you take care of employees the value of all of the shared benefits comes back to the organization magnified at least tenfold.

Customer service is dependent on the quality of the employees at an organization, and REI's 3.6 million active co-op members support the business practices and priorities in place at REI. REI's annual brand tracking survey is one way they measure customer satisfaction, and data from the most recent survey revealed that customers are three times more likely to go to REI for knowledgeable advice and service than any other outdoor retailer.

REI has one of the lowest levels of voluntary turnover in the industry with a 62% employee retention rate compared with the retail industry average retention rate of 29%. Average annual comp sales growth for stores open over one year is above 9% while the industry average is about 3%. 2007 net income was \$4million, a million dollar increase from 2006.

The financial results will of course change this year given the current economic meltdown affecting everyone. Yet an organization like REI is well positioned to weather this storm because of its loyal employees, loyal customers, and strong core values that have provided guidance through the ups and downs of the past and will continue to do so in the future.

"REI is the most unique company I have ever known to work for. I've never known a company to treat their employees the way they do. It's great. They're wonderful. It's such a pleasant place to work in. The people are so friendly and supportive. They treat you with respect and offer assistance whenever you need it. Management works with employees to make the workplace as stress-free as possible. I was fortunate to meet the CEO of REI Sally Jewell. It was the first time I ever had a CEO shake my hand and treat me like an equal. She's great!"

### UNIQUE PRACTICES

There are many programs offered at REI to support employees' growth and development, and to insure that REI's unique culture is maintained and strengthened.

On the adjacent page, a variety of REI's Best People Practices are highlighted.



## PAY FOR PERFORMANCE

Pay at REI is market-competitive and performance-based. Base pay ranges are set according to market data, with pay targeted at the median (or 50th percentile) of the market for most jobs, and 75th percentile for store managers.

Base pay rates are evaluated and compared against the market and in each geographic area where REI does business. Each year, the compensation team reviews all jobs in the company using over 20 published regional, national, and industry-specific salary surveys. Through this annual pay study process, REI seeks to insure that employees are paid competitively.

REI's Step! program provides newly hired retail, direct sales, and distribution center non-management employees eligibility for pay increases after their first six months of service. This program aims to raise hourly base pay more quickly, rewarding performance and helping REI keep talented people.

## EMPLOYEE SERVICE PROJECTS

New employees often do service projects during orientation, and during its annual Leadership Conference REI often hosts a stewardship project. REI also sponsors many national service projects, such as National Trails Day. For this event, REI gave employees an opportunity to help maintain trails with nearly every REI store sponsoring service projects to improve the quality of local trails for everyone.

Most local service projects come from employee suggestions. One example is "Tireless Fridays" at the Pittsburgh, PA, store. This event happens every Friday from 4 PM to 6 PM, and it is billed as a "stewardship happy hour." Named for an initial event where employees helped remove tires from a nearby river, it gives employees a quick and easy way to get together and improve the environment.

Another program that many employees find especially fulfilling to be involved with is PEAK (Promoting Environmental Awareness in Kids). Developed by partnering with the Leave No Trace Center for Outdoor Ethics, the PEAK program helps REI employees share their love of the outdoors with kids in their local communities. REI helped fund the program and trains employees how to use it.

## SUPPORTING COMMUNITIES — REACHING OUT

Community outreach efforts in Atlanta led REI to sponsor a team of riders in the Bicycle Ride Across Georgia (BRAG) program. BRAG, a nonprofit group based in Atlanta, GA, organizes a cross-state bicycle ride every June. The REI sponsored "Dream Team" was made up of 12 middle school-aged kids from diverse communities who had little experience with outdoor recreation.

Atlanta-area REI employees outfitted the team with the gear they needed, trained the team, and helped them during the ride, doing any repairs needed along the way. The team members who finished the week-long ride across the state got to keep all their gear.

## KEEPING IN TOUCH WITH EMPLOYEES

REI leaders use a number of methods for sharing information with employees, including town-hall meetings, team huddles, Snaplink (the company intranet), and *REI GPS*, the corporate newsletter.

An online forum on Snaplink called "Let's Talk" is a way employees can ask any question they'd like and be assured that they'll get a response. Working with a moderator, managers reply directly to employees or post answers on the site. In 2007, employees submitted 525 questions about a variety of topics.

*REI GPS* covers a range of topics from all over the co-op, openly sharing company news and goals

with all employees. *REI GPS* is important for giving employees a sense of business activities and strategic direction.

A column called "On the Journey" is always written by a member of the leadership team. The column has news and information from senior leaders who write about a range of topics, including REI's values or other topics important to people at REI.

Columns about service and stewardship, the company's financial performance, and various business initiatives have also appeared in *REI GPS*. The newsletter also includes an "REI by the Numbers" regular feature to keep employees up to date on the co-op's performance.

## RECOGNITION FOR LIVING THE VALUES

The Anderson Award is REI's highest honor. It's awarded to non-management employees who, in the eyes of their fellow employees, live REI's core values and embody the co-op spirit.

Employees are intimately involved with the award selection process. Each store forms an employee task force — often led by a previous Anderson Award winner — to go through all the nominations and recommend a winner.

In 2008, 138 people received the Anderson Award. Each recipient receives a certificate and an engraved brick to be placed at headquarters. Every award winner is also flown to REI's headquarters to participate in a three-day event that includes tours of the Seattle store and the Sumner distribution center and a variety of outdoor events led by fellow REI employees (a popular option is a sailing trip with president and CEO Sally Jewell). ■

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# Millennials and the World of Work

BY BEVERLY KAYE

**WILL THE SEVERE ECONOMIC RECESSION** we've gone through reshape Millennials' attitudes and expectations about the world of work and their place in it? And if so, how? It's been suggested that the hard times we've endured will move the Millennial mindset into closer alignment with the one held by their parents and grandparents (i.e., X-ers or Boomers).

This is an intriguing question because these 18–28 year olds, who now account for more than 20% of the available workforce, have up until now displayed attitudes and needs that are markedly different from Boomers and X-ers (include table below as a cut-out).

## NOT JUST AN INTRIGUING QUESTION

More than intriguing, this is an important issue to ponder. While some economists and statisticians still project a gap of up to 23 million workers within ten years, others now reject these claims, asserting that Boomers, having to work well beyond age 65, will negate such dire predictions. Regardless, one prediction is indisputable: an extraordinary shift in the composition of our workforce is inevitable. Millennials, 78 million strong, will become the bedrock of the American workforce and are destined to become the future of our organizations. Engaging and retaining these workers — and attracting new Millennial employees — requires anticipating and staying in tune with their needs.

## TWO KEY FACTORS

Whenever a powerful event comes along that shocks the status quo and threatens our psychological safety, it has a destabilizing effect on us that allows us to be more open to change. Therefore, a key factor (force) set in motion by a severe downturn of our economy is an unfreezing of held assumptions that can reshape prevailing attitudes and expectations about the world of work and our place in it. And although we are all subject to this phenomenon, Boomers and X-ers have at least had the benefit of lessons learned, having endured past recessions in the 70s, 80s, and 90s, which certainly reshaped their attitudes and beliefs about the world of work. Therefore it stands to reason that this past recession will unfreeze Millennials' assumptions and make them receptive to changing how they think about things — and therefore we should expect some change in the way they look at the world of work and their place in it.

Another key factor determining how recessions reshape attitudes and beliefs is the duration and depth of the downturn. The longer and deeper they are, the more painful they will be — and the more possible it becomes that short-term coping responses (e.g., preferring job security to career development) morph into longer-term and more systemic attitude changes. While this past recession was



## What Makes 'Em Different?

	BOOMERS WHO MANAGE 'EM	X-ERS WHO MANAGE 'EM	THE MILLENNIALS
<b>BORN</b>	1946-1964	1965-1976	1977-1998
<b>WORKFORCE POPULATION</b>	78 million	43 million	78 Million
<b>ATTITUDINAL DIFFERENCES</b>			
<b>GRATIFICATION</b>	Earn it and it will come	Live for it	Expect it
<b>THE ORGANIZATION</b>	Become it	Mistrust it	Make the most of it and move on
<b>CAREER-LIFE BALANCE</b>	Work is Job-1	Life is Job-1	Lifestyle integration is Job-1
<b>GETTING THINGS DONE</b>	Act on prioritized tasks	Multi-task	Multi-task fast
<b>RULES</b>	Conform to them	Reject them	Rewrite them
<b>TECHNOLOGY</b>	Awed by it	Leverage it	Integrate it
<b>DIVERSITY</b>	Advocate it	Embrace it	Celebrate it
<b>VALUES</b>	Teamwork, structure, consistency, formality, hard work, loyalty, and patience	Self-reliance, informality, competence, continuous learning, feedback, and balance	Continuous learning, contribution, collaboration, self-inventiveness, structure, direction, and achievement

## Coaching Tips

1. Don't expect them to have all the answers.
2. Resist the temptation to disagree or to give them your answers.
3. Listen more than talk.
4. Give your opinion when asked, disclosing your own struggles with similar issues.
5. Tell the truth — it's more important than making them happy.
6. Trust that their own "right" answers will evolve through ongoing dialogue with a trusted coach-ally.
7. Accept that these answers have a finite shelf-life and that the questions will need to be asked again (and again and again.)
8. Do everything that you promise and don't promise anything you can't or won't do — and explain why.
9. Connect them with others who can help them in ways you cannot.
10. Trust that the result of this ongoing conversation will be much more than "right" answers — it will be a stronger and more gratifying relationship with a more committed and engaged employee.

deeper, longer, and more painful than the others that Boomers and X-ers have experienced in their own lifetime, it's doubtful it will be destabilizing enough to see radical changes in the basic psychological make-up of Millennials.

With youth on their side and deep-seated beliefs sown by the 18 to 28 years of socialization bestowed on them by their parents and the socio-economic environment in which they were reared, it is unlikely that their core values will succumb to the past recession. Moreover, as a group, they will not feel as much pain as others may unfortunately experience. For the most part Millennials are not the ones saddled with subprime mortgages or SUVs they cannot pay off — or the ones with fewer work years ahead of them than behind them with concerns about retirement. But they are better prepared in some ways for economic hard times than X-ers and Boomers because they were socialized to not expect a job for life and they do not think in terms of defined benefit pensions calculated as a proportion of salary at retirement.

Therefore, we should expect to see some reshaping in the way Millennials look at the world of work and their place in it. Rather than a radical attitude shift, it will more than likely be a healthy reshaping that will serve them and organizations well.

We believe that Millennials' attitudes and expectations will evolve in positive ways — and it will be driven by their core values.

This is because two of the core values that distinguish this generation of workers are their noble desire to do good and their willingness to learn and develop — and we believe that they are hungry for direction from leaders who will rally them to rise to this calling. Millennials report that they are most engaged by:

- ▶ Opportunities for professional growth and learning
- ▶ A job that provides a strong sense of personal accomplishment and contribution
- ▶ Working for a company with ideals they can proudly support
- ▶ A manager who lets them to try new and creative ways of getting work done

Assuming leaders are prepared to attend to these values, Millennials' path of least resistance will more likely steer them to the conclusion that "although this place isn't perfect, perhaps I can do some good and make this an opportunity for growth and learning."

Furthermore, with the inevitability that organizations will lose the knowledge-base of their older workers, in the years to come they

will need these younger workers' vitality, technical savvy, and amazing adaptive skills — e.g., their ability to multitask, enthusiasm for diversity, flexibility in not being wed to any single way of doing things, need for collaboration, ability to view things in new and revealing ways, willingness to recareer and reinvent themselves. Millennials' internal resources and passion, if nurtured and leveraged by their leaders, will serve their organizations well in a highly competitive and ever-changing global economy.

### HOW DO WE GET THERE?

First-line managers who lead Millennials can immediately start engaging them by simply attending to their values — e.g., their needs for learning, development, and contribution. This can be accomplished by initiating an ongoing dialogue fueled by the following simple, yet powerful, questions:

- ▶ What matters most to you in a job?
- ▶ What do you enjoy doing most — and least?
- ▶ What's your best thinking about the kinds of work you would like to be doing in the future?
- ▶ What do you need from me to help you be the best you can be?

On a more strategic level, securing your organization's future in a global marketplace will require harnessing the enthusiasm and innovative capabilities of your employees. Those companies with the most adaptable and most engaged workforce with the richest mixture of skills, knowledge, and behavioral flexibility will be the ones able to continually respond to ever-changing market demands — and therefore the ones to not just survive, but thrive.

We believe that the most successful organizations will include in their strategic initiatives the systems, education, and tools that Millennials (and all workers) will need to career and recareer throughout their lives. Taking a formal and systematic approach to career development and promoting the organization "as the job market of choice" is the pathway to the mutual success of Millennials — and the organizations that most effectively engage them. ■

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# 4 Things the Lottery Teaches You About Employee Recognition

BY KEVIN MULLINS

**IF YOU'RE READING THIS ARTICLE** while at work, it likely means you didn't win the recent \$640 million Mega Millions lottery drawing. That, or you're hiding a really good secret of your new fortunes! If that's case, then you're among the lucky few.

This got me thinking. People across the United States drove into neighboring states and waited in long lines for a "chance" to win a big bonus. It's not really a chance but actually a miracle (the odds to win were 1 in 176 million). Many people experience these same long odds for getting recognized at work today. So in honor of that recent record drawing, here are four reasons why the lottery (and similarly structured, traditional, tactical employee recognition programs) is the opposite of a great, strategic employee recognition program:

1. *Small winner's circle* — More than 100 million people didn't win the recent drawing. Three tickets did. It's tough to get a smaller circle than that, yet that's the case in many organizations with traditional "Employee of the Month" or "President's Club" type programs. With strategic recognition, the aim is to reach 80-90% of employees, creating a large winner's circle (thereby engaging and energizing the entire company).
2. *They didn't earn it* — Yes, the winners of the lottery picked the numbers themselves (or chose a quick pick). However, they didn't truly "earn" the money. With a strategic employee recognition program, people get recognized for deserving performance and behaviors.
3. *Forced public exposure* — For the majority of lottery winners, a public press conference is a necessary evil, whether they like the spotlight or not. On the other hand, the right recognition program provides flexibility to recognize employees in a way they'd like to receive it.
4. *Hello and goodbye* — Winners of the lottery are celebrated everywhere one moment, then quickly forgotten. However, with a strategic recognition program, great performance is continually appreciated throughout the year.

So the next time you're out buying a lottery ticket, think about your company's recognition program. Are they similar in winner frequency? Does it create false hope about who truly has the chance to be appreciated and recognized? 🎟

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# Automatic Termination, Social Media, and Lactation Policies

BY RANDALL C. SCHAUER



YOU'RE FIRED!



**Q. If an employee fails to return from a medical leave of absence, typically an FMLA absence, are we within our right to automatically terminate the employee?**


A. The EEOC expects employers to engage in the “reasonable accommodation” analysis under the Americans with Disabilities Act at the time an employee would be expected back from an FMLA or other disability leave. The EEOC regulations under the ADA view a relatively limited fixed duration additional period of leave that will allow the employee to be able to perform the job as an appropriate accommodation. Employers who do not engage in that analysis have been a target of EEOC enforcement and significant penalties.

**Q. Are employers required to provide a private place for nursing mothers to express breast milk?**

A. Employers that are subject to the Fair Labor Standards Act (FLSA) are required to provide a private place for non-exempt nursing mothers to express breast milk. The location must be someplace other than a bathroom. It is a good idea to enact a lactation policy informing employees of this right, and also to simply be aware of it as an employer. However, I should also note that employers of 50 or fewer employees are not required to provide a private place if it is an undue hardship.

**Q. Many employers are already restricting the use of social media sites while in the workplace. Are employers permitted to restrict an employee’s use of social media outside of the workplace?**

A. The courts appear to look for some policy or communication from an employer that tells employees what they can and cannot do relative to use of social media in and outside of the workplace. Some state legislatures (for example, Maryland) have begun enacting or considering legislation that prohibits an employer from reviewing an employee’s social media postings. In addition, the National Labor Relations Board has begun citing and reviewing social media policies for possible violations of the National Labor Relations Act, claiming that many of these policies violate the employee’s right to socialize and discuss terms and conditions of employment collectively. The NLRB initiative is being applied against non-union and union employers in this regard.

We welcome your participation in the *Insights & Strategies* Q&A forum and encourage you to submit questions to [editor@mamumediallc.com](mailto:editor@mamumediallc.com). 

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## WATER COOLER CHRONICLES: Ethics on the Sales Floor

**NEW RESEARCH FROM THE ETHICS RESOURCE CENTER (ERC)** reveals that over the past two years, 45 percent of U.S. employees observed a violation of the law or ethics standards at their places of employment. Reporting of this wrongdoing was at an all-time high of 65 percent. In addition, retaliation on whistleblowers is up too. This same survey reports that more than one in five employees who reported misconduct experienced some form of retaliation in return.

How far should a company go with the enforcement of their business ethics policies in the often gray area of sales and marketing?

I had an interesting conversation last week with a good friend who works as a national sales manager for a Fortune 500 company. He told me a story about six senior sales professionals who were fired after it was discovered that they were collecting confidential data about their competitors. Specifically, they were accused of possessing confidential competitor information (proposals) and using the information to increase their likelihood of winning a deal. Five of the six that were terminated received the information directly from the client they were engaged with in the competitive situation.

Don't get me wrong: I agree that companies need to engage in ethical business practices. However, you can't blame a guy for opening the door when he has been given the keys to the kingdom.

When I was in sales, I once had a client share a competitor's proposal with me. I never asked for this information but certainly didn't consider turning it down. After I reviewed the proposal and peeled back the onion a bit, some interesting facts and figures emerged. The proposal made incorrect assumptions that carried over to the fees that would be charged to the client. Before catching their error, our proposed pricing was about \$30,000 per year more than the competition. However, after correcting the competitor's math and assumptions, we automatically became \$15,000 less expensive without making any pricing concessions on our end.

It's no secret that the sales group often gets a bad wrap and is sometimes thought to engage in unethical practices. Was what I did unethical? I think not. But it was this type of activity that these folks were fired for. It's not like the books were cooked, toxic waste was dumped in a river, or an FDA study was intentionally skewed.

Where do we draw the line? In this case we're talking about using factual information that has been provided to a client and subsequently shared with us so we can see how we stack up against the competition. While not necessarily fair to the competitor, I believe that this is within our client's right to offer and our right to accept the competitor's proposal.

After hearing the story of these six seasoned and successful sales professionals losing their jobs and hearing talk at my own company about possible terminations, I would not have handled my situation any differently. I think it's safe to say that most of us know right from wrong and in my opinion, a good salesperson should never have been fired for what I consider to be doing their homework. ■



## CELEBRATE SPRING WITH A SUPER SALSA

Although the Spanish word *salsa* simply means "sauce," for many people around the world it also means "celebration"! Whip up a batch of this **Cinco de Mayo Mango Black Bean Salsa** for a party on May 5, the next time you're entertaining friends, or whenever you're in the mood for a tasty snack. This simple dish packs a big flavor punch that will put anyone in a celebratory mood!

### NUTRITIONAL INFO

<b>Serving size</b>	1/4 cup (yields about 12 servings)
<b>Calories</b>	26 cal
<b>Fat</b>	0.2 g
<b>Saturated Fat</b>	0.0 g
<b>Sodium</b>	44 mg
<b>Carbohydrates</b>	5.3 g
<b>Fiber</b>	1.1 g
<b>Protein</b>	1.2 g
<b>Cholesterol</b>	0.0 mg

### CINCO DE MAYO MANGO BLACK BEAN SALSA

**TIME:** about 45 minutes (actual prep time is only 15 minutes!)

#### WHAT YOU'LL NEED:

- 2 mangos, diced
- 1/4 cup red onion, finely diced
- 2 cans (16 oz ea.) black beans, drained & rinsed
- 1 avocado, cut into chunks
- 1/2 cup fresh cilantro, chopped
- 1 lime, squeezed (approx. 2 Tbsp juice)
- Pinch of salt
- A large bowl

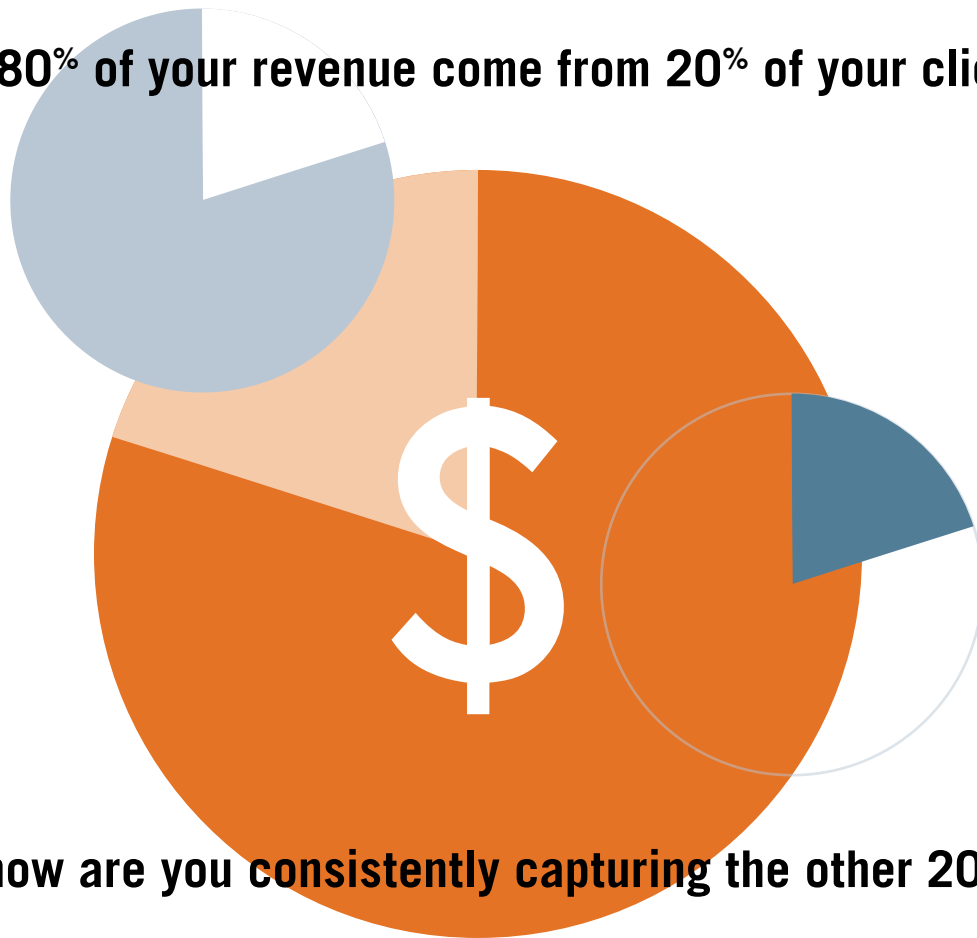
#### DIRECTIONS:

1. Mix all ingredients together in a large bowl.
2. Let flavors meld for at least 30 minutes.

Serve this salsa with tortilla chips. Don't forget margaritas or limeade on the side!



**Does 80% of your revenue come from 20% of your clients?**



**... how are you consistently capturing the other 20%?**

**When selling a service in a market saturated with competitors, if you're out of sight you're out of mind.**

**Sometimes being the oddball isn't such a bad thing.**



*Keeping you on the buyer's mind.* [mamumediallc.com](http://mamumediallc.com)

Mamu Media uses branded publishing to keep your firm top of mind with the clients and prospects you market to. We produce high quality publications with a magazine at the core which is wrapped in your brand and delivered directly to the people making decisions on who they're going to partner with for the services you offer.

This floating 20% may have infrequent needs for your services or rarely change service providers. When their need for change or service does come up, whom will they call on if they're not thinking of you first?

# Branded publishing to keep your company top of mind



WHO WILL YOUR **CONTACTS** CALL ON FOR SERVICE  
IF THEY'RE NOT THINKING OF **YOU** FIRST?