

APMA Conference

January 2013

Topics of Discussion

- Speaker Introductions (each person introduces self)
- Culture (Karen)
- Multi-Generational Workforce (Fran)
- Western Growers Annual Survey (Fran)
- Merit Pay (Fran)
- Practical Applications of Understanding Your Culture (Terre)
- Exercise (Karen)
- Q & A (All)

Total Rewards Model



Start With Organizational Culture – What Is It?

- The personality of the organization
- Different for produce company - hospital – university - large, for-profit corporation
- Ways organization conducts its business, treats its employees, customers, and the wider community
- Extent to which autonomy and freedom is allowed in decision making, developing new ideas, and personal expression
- How power and information flow through its hierarchy
- Strength of employee commitment towards collective objectives

Define Your Culture

What you *see and hear* - not what you feel and think

- Who is accepted and who isn't?
 - What's different about those who are accepted?
- What kinds of behaviors get rewarded?
 - Harmony? Results? Customer Service?
- What does management pay the most attention to?
 - Problems? Successes? Crises? Other behaviors?
- How are decisions made?
 - By one person? Discussion and consensus? Are decisions made at all?

From Defining Organizational Culture Flows....

- Organizational values
 - Beliefs and ideas about what kinds of goals employees should pursue and the appropriate kinds or standards of behavior employees should use to achieve these goals

- From organizational values develop organizational competencies
 - Norms, guidelines, or expectations that prescribe appropriate behavior by employees and control the behavior of employees toward one another

Institutionalize Your Organizational Culture*

- Formulate a clear strategic vision
 - Strategy, shared values and behaviors - intention and direction
- Display Top-management commitment
 - Widely communicate goals, talk about accomplishments, **repeat what you want to see in the workplace**
- Model expectations at the highest level
 - **The most powerful way to influence behaviors in the workplace!**
 - Management walks the talk

* John Paul Kotter, author and professor, Harvard Business School

Institutionalize Your Organizational Culture*

- Modifications to support organizational change
 - Align all systems, policies, procedures and rules with the values and desired culture
 - Could include change to accountability systems, compensation, benefits and reward structures, recruitment and retention programs, etc.
- Select and socialize newcomers and terminate employees in terms of their fit with your culture

* John Paul Kotter, professor, Harvard Business School and author

Multi-Generation Workforce

- 3 Generations together in the workplace for the first time in history
 - Each with different values, goals, and motivated differently
- How do 3 different generations.....
 - Form your culture
 - Impact your culture
 - Flourish in your culture
 - Get rewarded in your culture

The Generations

■ **Baby Boomers**

- Baby boomers -- turning 60 at the rate of over 10,000 per day
- The median age of the US workforce - 40.5 years old in 2005. (Towers Watson)
- Around 2010 -- 34.4% of the US population will be 55 years or older (US SBA)
- By 2012 they will be retired (US DOL) – Will They?
- Baby Boomers are dropping out of corporate America (what are they doing?)

■ **Generation X**

- Don't ever forget that the Xers are the children of the Boomers
- They were socialized by their parent's values, experience, and prosperity
- They WILL balance their lives
- Serious careers

■ **Generation Y (or Millennials)**

- More focused on material and career
- Global; always connected
- Demands inclusion and participation -- entitled

Summary of Generational Differences

Baby Boomers	Generation X	Generation Y (or Millenials)
Born 1946-1964 78 Million	Born 1965 – 1976 51 Million	Born 1977 – 1998 75 Million
Diversity as a cause Idealistic Mass movement Conform to the rules Killer job Became institutions TV Have technology Task-focused Ozzie and Harriet	Accept diversity Pragmatic/cynical Self-reliant/individualistic Reject rules Killer life Mistrust institutions PC Use technology Multi-task Latch-key kids	Celebrate diversity Optimistic/realistic Self-inventive/individualistic Rewrite the rules Killer lifestyle Irrelevance of institutions Internet Assume technology Multi-task fast Nurtured

Considerations for Total Rewards Programs

Baby Boomers	Generation X	Millenials
Flexible work schedules	Flexible work schedules	Portable work environment
Regular, ongoing feedback	Immediate and ongoing feedback	Thrive on immediate feedback
Health and wellness	Fun in the workplace	More time off
Fulfilling work	Career lattice	Career ladder
Learning	Outcomes and benefits of learning	Learning
Financial security	Work/life balance	Job security

Base Pay Component of Total Reward Strategy

- Understanding generational differences key to H.R. strategy
- Review “drivers” (handout) for attracting, retaining, and engaging employees
- Base salary #1 driver for attraction and retention
 - Similar to Maslow’s Hierarchy of needs. One must satisfy lower level basic needs before progressing on to meet higher level growth needs. The first step in attracting and retaining employees is base salary. Are you getting this right?
 - Anecdotal information
 - Information obtained during interviews and reference checks
 - Be strategic – proactive not reactive – have good data for you to make your decisions

Western Growers Annual Compensation and H.R. Practices survey

- Why participate?
 - Industry specific
 - Data reported by revenue size, geographic location, type of business, and primary business segment
 - Confidentiality and anonymity of individual survey participant data protected
 - 39 jobs in 2012 – added 7 jobs from previous year – will add 8 more jobs, for a total of 47 jobs in 2013
- HANDOUT - Sample compensation data – Administrative Assistant - actual data from 2012 survey
- HANDOUT - Sample H.R. Practices data – 2011 and 2012 Merit Budgets

Learning opportunities from Western Growers Survey

- 87% of survey participants offer an annual bonus plan; the majority of participants have broad eligibility from executives to field personnel
 - 12% of survey participants froze/eliminated bonus plans in 2011
 - 1 of those 7 companies made decision to continue this austerity measure in 2012
-
- 24% of participants have traditional salary grades/ranges; 6% use broadbands
- 70% of participants do not have a formal salary structure
 - Family owned – don't like structure – like flexibility/discretion in decision making
 - Lack of structure could result in under or over paying and open up potential discriminatory situations

Western Growers Survey

- As a survey participant, you get this and more information on HR Practices and Competitive pay data = informed pay decisions for new hires, promotions, retention
- Ensure you are steadily keeping pace with competitive pay, successfully managing pay and rewarding top performers

Merit Budgets

- Base pay - How do you differentiate and reward your top performers with a 3% merit budget?
- HANDOUT - Merit Matrix

Practical Applications of Understanding Your Culture

- J.V. Smith Companies – Terre Catanzaro
 - H.R. department makes a difference in employees' lives
 - Puts the “human” in Human Resources
 - Employees who don't have the resources or knowledge to solve real-life problems that would distract them from getting job done
 - GIVE EXAMPLES
 - Aging workforce
 - Implement wellness program that has benefited employees and company
 - GIVE EXAMPLES

Exercise

- If you could get a job anywhere.....where would it be?
- Why?
- Is it their culture? How would you define it?
- Is it their reward programs? What programs in particular?
- Food for thought for your company?

Q & A