

Extra Reading Materials

for HRM English Course Participants

4/30/2009

aRNoLD

Should Job Security Trump Career Satisfaction?

Q: I am doing a master's degree in accounting and have completed my first semester. Now I'm thinking of shifting to actuarial studies, as I don't find accounting very exciting. In the current economy, should I pursue something I feel passionate about or go for a field with more job security?

A: Job security is extremely hard to come by these days, no matter what profession you choose. It isn't enough to pursue a field with perceived stability, say the experts. You'll want to find something you feel passionate about, can make a living doing and that involves using skills you can easily apply to other fields.

'Passion is a necessary but not sufficient condition for success in the workplace,' says James Elsen, president and chief executive officer of SustainableCircles Corp., publisher of sustainlane.com, a 'green living' guide that includes job listings. 'Pursuing what you love will give you access to creativity and energy that you would not otherwise be able to tap while slogging to a job you are indifferent about.'

Bear in mind that since you're only one semester in, it may be too early to rule out accounting. Give yourself some more time and become an expert in the field so you can make an educated decision about whether it's right for you, suggests Paul Herrerias, a managing director at executive-consulting firm Stanton Chase International. Talk to people working in the field and join networking groups on sites like LinkedIn.com, for example. 'You can't get excited about something you know nothing about,' he says.

Don't discount the virtues of a degree in a high-demand field such as accounting, especially in the current economy, adds Amy Nichols, founder and CEO of Dogtopia, a chain of upscale dog daycare and spa facilities. 'Having a broader degree is more valuable in times like these,' she says.

Ms. Nichols got her degree in psychology and worked in the telecom industry for years before pursuing a career that caters to her passion for dogs. In the five years she was with Verizon (then Bell Atlantic), she held four different positions. By working for a large company, she says she received invaluable training and experience that she might never have obtained if she tried to strike out on her own right after college. And without the credibility and knowledge she gained, securing a business loan might have been an impossibility, she says. '[Accounting] might not be that thrilling or exciting, but you need to have those skills to run a successful business,' she says.

In the mean time, nothing should stop you from pursuing your interests on the side while working a 9-to-5 job to pay the bills, says Ms. Nichols. Stow away some money for a future business or career change.

Whichever way you go, it seems you'll be choosing well, at least according to a recent study released from CareerCast.com ranking the best and worst occupations in the U.S. Both accounting and actuarial science made it into the top 10; actuary came in second place and accounting came in tenth.

Boost the Troops' Morale After a Round of Layoffs

The layoffs are over -- at least for now. As a manager, you are left to pick up the pieces and deal with employees who could be feeling everything from anger to fear about what's next -- and even some relief at being spared. You'll need to do what you can to keep morale from plummeting. Here's how.

Find alternative incentives. At Greenough Communications in Boston, employees used to be rewarded monetarily on a monthly basis for exceptional work. But now managers have been forced to find alternative rewards, says Stacey Mann, vice president for talent development. "Now, instead of cash, we give time off. In January, we created 'Winter Fridays,' in which the award was for someone to leave at 3:00 p.m. on a Friday." The company plans to continue the incentive throughout the year -- or until the economy picks up again.

Transparency is key. At Greenough, companywide meetings are held to discuss financials and how management plans to deal with the changing economy. "By keeping communication open, you keep up morale," she says. Dave Schrohe, a managing director at Citigroup, agrees. "When there is uncertainty, you don't need to add more uncertainty," he says. Employees "should know as much as possible." And, he says it's critical to stay visible, not "locked up on the executive floors."

Recognition counts. Mr. Schrohe has found that even with an absence of extra cash, employees still appreciate being recognized for their efforts. Whether it's at a town-hall-style meeting or a smaller staff one, identify people who have gone above and beyond. "Recognize people when they succeed," he says. Even something as simple as calling to let an employee know that he or she has done a good job can make a big difference, says Mr. Schrohe.

Keep educating. In the current economy, budgets for just about everything are getting cut -- and continuing education is no exception. A recent poll conducted by human-resources consultancy Hewitt Associates showed that more than half of organizations are cutting training budgets. "However, there are other ways to look at continuing education that might not cost as much," says Ted Marusz, a principal at Hewitt who handles the employee-engagement consulting practice. Consider providing internal training or cross-business assignments or projects and on-the-job coaching, says Mr. Marusz. Greenough recently launched twice-monthly training sessions over lunch; various members of the corporate team lead sessions on everything from conflict resolution to how to use Twitter.

Promote a good work/life balance. When times are tough, employees don't always feel there's room to focus on anything beyond problems at work, says Mr. Schrohe. "You don't want to create a crisis at home," he says. While it isn't a formal policy at Citigroup, he tells his employees: "When you can find the time, take the time." During some rough

periods, a healthy balance may not be possible, says Mr. Schrohe, but you still want your employees to know you're aware of all they are doing and that the imbalance won't last indefinitely.

Wal-Mart Plans Moves, Pay Cuts for China Staff

A staff-restructuring in China by Wal-Mart Stores Inc. may result in about 2.5% of its local work force, or about 1,400 people, relocating or getting pay cuts.

The changes will trim Wal-Mart's current five-tier management system, primarily by cutting jobs at the middle-manager level. The company said affected employees will be forced to relocate to other stores in neighboring areas or face reduced salaries.

Wal-Mart said the moves are meant to improve efficiency and maintain growth. 'There are no layoffs,' said Jonathan Dong, a spokesman for Wal-Mart in China. 'If someone wants to go somewhere else [outside Wal-Mart], that is their decision,' he said.

Despite the global financial crisis, Wal-Mart, the world's largest retailer, has continued to expand in China, one of its fastest growing markets. It has opened 23 stores in the country so far this year. Last year, it opened a total of 30 stores.

As of March 31, the company had 246 retail units in China, including Wal-Mart supercenters; bulk discounter Sam's Club stores; and Trust-Mart hypermarkets, a Taiwanese chain in which Wal-Mart took a 35% stake two years ago. Wal-Mart has more than 54,000 employees in China, not including workers at Trust-Mart.

Why Good Managers Make Bad Decisions

Why do smart people make bad decisions?

With Congress grilling bank CEOs Wednesday, it's a timely question. Regulators and business leaders continue to try to figure out how decision-makers' missteps may have triggered the economic meltdown.

Sydney Finkelstein, a professor at Dartmouth's Tuck School of Business, has studied decision-making, and tried to track down some answers in a new book he's co-authored called 'Think Again: Why Good Leaders Make Bad Decisions and How to Keep it From Happening to You.'

Mr. Finkelstein and his co-authors looked at research in neuroscience and psychology as well as management. He talked with The Journal recently; here are edited excerpts of the conversation.

What are the main reasons that leaders make bad decisions?

Leaders tend to rely on past experience that seems useful, but is actually sometimes dangerous. One of the most well known [examples] is Dick Fuld at Lehman. He saved Lehman in the aftermath of the LTCM crisis in the late '90s. Fast forward 10 years or so and he also, I believe, thought he would do it again. But the experience he was relying on was not the same as this massive housing-driven collapse. It's much more complex, much more complicated.

We always talk about how important experience is. I think we overstate experience, because it doesn't exactly fit the situation you're in. You're liable to rely on it in a way that's just not going to be that helpful.

Why else do people make bad decisions?

A second reason has to do with self-interest. Most people don't realize self-interest operates at a subconscious level. We're not even aware of how self-interested we are. That is my take on the John Thain bonus story. Is there anyone who believes that he is not a smart enough guy to figure out that taking or giving [such large] bonuses [was not] a sensible thing to do?

It doesn't make a lot of sense. So how do you explain it? My explanation is that it was the subconscious of his brain taking charge.

The third one is what we call prejudgments. Leaders make prejudgments about their businesses that sometimes turn out to be wrong. In the book we studied Hurricane Katrina. We looked at the Department of Homeland Security, the operations center. The head of that group made an early prejudgment that Katrina was not going to be much more different than any hurricane in Florida, and he stuck to that prejudgment. [He later testified to Congress] that he saw a report on CNN of people partying in the French Quarter, believed they had dodged a bullet. Meanwhile there were literally dozens and dozens of other data points flowing into the operations center saying it wasn't quite the party he was observing.

Why does a smart experienced [leader] make a mistake like that? I think it's this vulnerability to prejudgment -- deciding something is the way it is early on and sticking to it no matter what.

Anything else?

The fourth one is what we call attachments -- attachments to people or places or things. For example, company after company is engaged in downsizing and maybe selling off businesses. Whether or not that proceeds in the best way possible is going to depend in part on the extent to which the CEO and other members of the executive teams in these companies are aware of the attachments that they might have. Are they going to sell off a business they helped build themselves? How will they think about the types of people that they need to remove?

What are some of the ways leaders can avoid making bad decisions?

People need to recognize that we are biased in every single situation. There's no such thing as objectivity.

The first thing leaders should do to reduce their odds of making bad decisions is walk into an important decision situation saying, 'Ok, I know that we are potentially biased in a variety of ways. Let's try to identify what those are.'

Second is to avoid the 'yes man' trap. You have to bring different people and different data sources to the table. You want to add a 'no team' to argue against the proposal, and put some teeth behind that no team.

What else do you suggest?

Another idea is around governance. I've studied boards for --- it must be 15 or 20 years now. I'm completely convinced that the biggest differentiator between high quality boards and weaker boards is the extent to which they actually engage in real debate.

Even Now, You Can Score a Raise

As companies cut employees and freeze wages, the future may seem bleak even to those workers who still have a job. After all, bills keep rolling in and many have lost significant dollars on their investments. A salary increase could come in mighty handy.

Don't assume it's out of the question. While economic circumstances have stacked the deck against you, there is room for raises for those workers with outstanding value and a fair amount of finesse when it comes to negotiating, experts say.

Especially in this anemic economy, timing is key in asking for a raise. 'Most employees wait for a review period. But the best time to do it is right after you do something really great, or right after you get kudos,' says Cynthia Shapiro, a career and business strategist based in Los Angeles.

In contrast, if the company 'just had big layoffs or lost a major client, that is not the right time,' she adds.

Here are five things you'll need to do in order to have a chance at scoring a salary increase in this economy:

1. Know your boss

Before asking for a raise, educate yourself as much as possible about the health of your company and any limitations your boss may face, says Peter Ronza, director of compensation and benefits at the University of St. Thomas in St. Paul, Minn.

'You really can't go in there and just say 'my light bill went up and I need more money,' ' Mr. Ronza says. 'You need to know what your employer is going through, and your supervisor or manager. They have constraints, whether budgetary or operational.'

If you are making a case that you need a raise for personal reasons, it's critical that you have a close relationship with your boss, he says. If it's not close, he says, you are more likely to get turned down.

2. Leverage your talent

Even during tough times, companies have to retain key talent -- which could work in your favor when it comes to a raise, Mr. Ronza says.

'They know that when the recovery starts they have to have the right people in the right places. They are going to invest in you because they need you. That is a point of leverage -- if you play it right, you could get something,' he says.

The layoffs of other workers can create an opportunity for a raise for those who are still employed, says Jack Chapman, a salary-negotiation coach based in Wilmette, Ill.

'If you are still there, you are one of the people they still value,' he says. 'The work does get spread around and you are asked to do more with less.'

3. Show your worth

Make your accomplishments clear to your boss, experts say.

'In tough times, the people that [companies] want to reward are the people who are producing value for them,' Mr. Chapman says. 'If there is some value you can produce and other people can't, that makes you more eligible for a raise. Focus on making yourself indispensable.'

Ms. Shapiro recommends keeping a list of accomplishments to make an objective case that you are worth more. If others have been laid off, you may have picked up new tasks to highlight.

'You need to prove that you are worth more to the company,' Ms. Shapiro says. 'Go in and say: 'I really value working here. I've been doing these things I don't know if you're aware of.''

4. Care about the company

You need to demonstrate to your employer that you are concerned about the company's bottom line, even as you ask for more money, experts say.

'The way to get a raise is to show that you care for the company like it's your own,' Ms. Shapiro says. 'No matter how badly you want a raise, you can't demand anything. You have to treat the company's bottom line as your own.'

Don't be belligerent or appear to be working at cross purposes with the company, she says.

'You don't know how tenuous your job is,' Ms. Shapiro adds. 'You have to have a lot of respect and understanding for what the company is dealing with financially. You don't want to become one of their financial stresses. If you do become one of them, you'll be out.'

5. Keep the right attitude

Though it may be tough, try to stay upbeat in the office even in this rough economy, Ms. Shapiro says.

'A big part of this whole process is keeping that smile on your face,' she says. 'When times are tough, companies do not want complaining employees. You have to have a

positive approach during this time or the company will see you as part of the problem instead of part of the solution.'

Firms want to believe that workers are there because they love it, she adds. 'So if you want to grease the wheels in your favor, you can't be a clock watcher or just be in it for the money.'

Beware the risky business of résumé fraud

I was deeply shocked by a recent survey that suggested 30 per cent of job applicants embellished the truth or lied on a curriculum vitae. Can the figure really be that low? I had always assumed CVs were riddled with evasions, half-truths and downright whoppers. As a cynic, the news that 70 per cent of workers are scrupulously honest has shaken my lack of faith in my fellow humans. The only consolation is that people often fib in anonymous surveys, just as they do on résumés, which means the real proportion may be higher.

One prediction rang true from the research by the Chartered Institute of Educational Assessors. It was that the incentive for mendacity is growing, as unemployment balloons and competition for jobs rises. In coming months recruiters will therefore be bombarded with CVs making claims more misleading than the kind that got Corpus Christi college disqualified from the BBC's University Challenge.

It was the same during the downturn of the early 1990s. Then, one acquaintance obtained a graduate traineeship at a large bank by bumping his third-class degree up to a 2:1. A journalist colleague meanwhile admitted to me that his degree from a top university was entirely fictional. Another contemporary explained away a year lost to bone idleness by telling prospective employers that he had been writing a field guide to the wild flowers of the Pyrenees. I might have lied on my own CV, if an east coast Scottish upbringing had not lumbered me with the subliminal conviction that I would burn for eternity in hell if I did.

Charles Thomas of Kroll, a company whose services include background checks on job applicants, says that inaccuracies on CVs divide into three main groups. First, there are honest mistakes, typically made when candidates muddle dates. Second, there is deliberate fibbing about qualifications. Mr Thomas says: "A lie told 20 years ago to get a job can become part of the liar's reality. So he tells it again when he switches jobs, even though he has become a successful finance director." Third, applicants close up suspicious gaps in their employment history. In one case investigated by Kroll, a candidate turned out to have spent a three-month gap in prison for fraud.

About 65 per cent of businesses take up references for shortlisted job applicants, according to research by the Chartered Institute of Personnel and Development. Fewer than half said they found out anything useful. This is hardly surprising now that the fear of litigation prevents past employers from saying anything more revealing than: "Yes, Derek worked for us. He has a beard and knows a bit about databases." Less than 40 per cent of businesses bother to check academic and professional qualifications.

How can the honest candidate compete? The recession means that one job advertisement in a broadsheet newspaper can attract up to 700 applicants, reports

Owen Morgan of Penna, a human resources consultancy. A junior HR officer will typically whittle these down to a long list, spending no more than 15 seconds examining each CV. The helot may simply run a key word search on CVs submitted electronically, freeing up a few minutes for a fag break. Kerwin Hack, a counsellor at HR consultancy Fairplace, therefore suggests larding CVs with phrases extracted from the job ad.

When I last encountered Mr Hack, he was discouraging a redundant investment banker from using the words “I really need the money” in an application for a new job. The cultural artefact that is the CV is undergoing rapid change, so there are other elements applicants may safely omit. Date of birth is one. If you are over 40, you will increase your chance of an interview by leaving this out. You will not get the job, but at least there will be free coffee and biscuits. The “marital status” category is also dropping from use. If you are female, “just married and already ordering nursery curtains” positions you poorly anyway. “Leisure and hobbies” is another superfluity.

What troubles my moralistic soul most about résumé fraud is that the perpetrators often do the jobs they misappropriate rather well. The academic qualifications of Patrick Imbardelli, Asia boss of InterContinental Hotels, were exposed as bogus only during routine checks triggered by his elevation to the board. Colleagues described Neil Taylor, whose fake degree secured him a £115,000 salary as chief executive of an NHS trust, as “highly competent”.

Crooks and Walter Mittys are always with us. However, the average job applicant would be more inclined to honesty if more companies displayed it themselves. Instead, recruitment is often an orgy of hyperbole. In its job advertisement the solid, ordinary business with offices in Birkenhead becomes “a dynamic, market-leading multinational”. The solid, ordinary candidate responds as “a passionate customer champion and intrapreneur”. Desire burns ever hotter on both sides, with promises of meteoric career advancement and soaring sales performance. But the infatuation expires in the cold light of the first morning that the new recruit reports for work. After coition, all animals are sad, as the Romans used to say. It would be better to restrain expectations and avoid such disappointment. And employers should check successful candidates' qualifications. It only takes five minutes.

VOLUNTARY REDUNDANCY

THE PROBLEM

The company where I've worked for eight years has hit hard times and announced a generous voluntary redundancy scheme. Even though I don't want to leave and have a family to support, it seems stupid not to apply. If I'm turned down, it'll mean my job is deemed essential and I'll be safe from future cuts. If I am accepted, it is surely best to be one of the first out, before the market is flooded by all those who have been kicked out compulsorily. Or am I missing something?

Manager, male, 42

LUCY'S ANSWER

Yes, you are missing something. You are assuming that companies are consistent in deciding who to keep and who to chuck. Just because you get turned down for voluntary redundancy this time does not mean that you will be safe next time. It is perfectly possible to be deemed essential one minute and cast on to the scrap heap the next.

To offer yourself for voluntary redundancy as a tactical move would be madness. You say you don't want to leave your job, and that you need the money. In that case, the only reason to put yourself forward would be if the pay-off were so large that it would more than cover you while you found another job.

But I can't see how this could be. If you have been in the job for eight years you will probably get about a year's money.

It easily could take you that long to find something else good. Most companies are barely hiring at all, and so unless you want to work in the public sector you may have a long wait ahead of you.

I know two people of roughly your age who took voluntary redundancy a bit over a year ago. Neither has found a full-time job and both are trying to keep busy with a bit of consulting here and there.

I also think it is a mistake to assume that you are bound to lose your job at some point. Unless the company is going to go bankrupt, some people will survive; I'd concentrate on making sure that I was one of them. That means keeping your head well down and trying to look essential. This is quite tedious, as it not only involves working hard but

being seen to work hard. It may be grim busting a gut to look so keen but it's not as grim as touting your CV around companies that don't want to know.

YOUR ADVICE

Work's reward

Twelve months ago I applied for voluntary redundancy but was turned down. Few of the people who took it have found better jobs, while those of us who were rejected have more work to do. But morale is better as we have a true sense of our organisation's appreciation of our individual contributions.

Manager, male, 34

Take it

Take the money and run. Anybody hiring right now will be in a stronger position than your company, and the money will give you a cushion to allow you to become more selective. If you wait for doomsday, you may be forced to jump into something you utterly dislike or take a step down.

Anon, male

Stay out

If you take the redundancy, you'll be spending more time with your wife and kids, and that's the last thing I'd want. Keep the job.

Anon, male

Start an MBA

Take the redundancy and blow the cash on an MBA. If you're going to be unemployed you might as well be unemployed and overqualified.

Banker, male, 44

Fight on

Soldiers learn it soon: never volunteer; keep your guard up; keep your rifle clean, and protect what you have.

MD, male

MEN BEAR THE BRUNT OF JOBS LOST IN RECESSION

The US recession has opened up the biggest gap between male and female unemployment rates since records began in 1948, as men bear the brunt of the economy's contraction.

Men have lost almost 80 per cent of the 5.1m jobs that have gone in the US since the recession started, pushing the male unemployment rate to 8.8 per cent. The female jobless rate has hit 7 per cent.

This is a dramatic reversal of the trend over the past few years, where the rates of male and female unemployment barely differed, at about 5 per cent. It also means that women could soon overtake men as the majority of the US labour force.

“It's almost like a snow globe, the economy's been turned over and we're watching it settle in different ways,” said Gary Field, founder of Career Gear, a non-profit organisation that helps low-income men apply for jobs. He has seen referrals rise 35 per cent.

Men have been disproportionately hurt because they dominate those industries that have been crushed: nine in every 10 construction workers are male, as are seven in every 10 manufacturing workers. These two sectors alone have lost almost 2.5m jobs. Women, in contrast, tend to hold more cyclically stable jobs and make up 75 per cent of the most insulated sectors of all: education and healthcare.

“It shields them a little bit and softens the blow,” said Francine Blau, a labour market economist at Cornell University. “I think we are going to see this pattern until the recovery.”

The widening gap between male and female joblessness means many US families are solely reliant on the income the woman brings in. Since women earn on average 20 per cent less than men, that is putting extra strain on many households.

U.S. workers want job reviews changed, survey says

NEW YORK (Reuters) - Four out of five U.S. workers are dissatisfied with their job performance reviews and would like to see them better reflect their work, said a survey released on Tuesday.

A third of those workers would like to see the reviews tied to compensation, and a fifth said they would like the reviews to be more fair, said the survey conducted for Taleo Corp., a provider of talent management solutions.

Overall, 78 percent of U.S. workers want to change some aspect of the review process, the study said.

Sixteen percent of workers would like the reviews to be conducted more often, while 11 percent want to get rid of them altogether, it said. Fifteen percent said they would not want to see any changes.

"In the current economy, job performance is front and center of the corporate agenda. So it's not surprising that this is an area where American workers want to seize greater control," said Alice Snell, vice president of Taleo Research.

Five percent of those surveyed said they did not have performance reviews at their jobs. Two-thirds said they last had a performance review in the past year.

The random nationwide telephone survey was conducted among 881 employed adults for Dublin, California-based Taleo by KRC Research from March 12 to March 16, 2009.

It had a margin of error of plus or minus 3.3 percentage points.