

me enough to stay here." Even with these values in place, there are a lot of employees who feel they can better themselves just by chasing more income.

NEW BOOK (OUT IN MAY) INVESTIGATES FURTHER

Lean & Meaningful: A New Culture For Corporate America (Oakhill Press) by Roger Herman & Joyce Gioia of The Herman Group --

explores corporate cultures of the future. Chapter heads describe meaningfulness -- collaboration, balancing work & life, family centeredness, care of the individual, flexible workplace, social responsibility, responsibility to employees...to the community...to society, environmental awareness, spirituality, meaningful rewards.

"Organizations of the future have to trim the fat & yet provide meaningful employment to their workers. Rather than being mutually exclusive, the two work together hand-in-hand. You want to enroll your employees in helping you to come up with ways to economize because they're involved in that creation of how things are going to be done. They are then invested in it, therefore it's meaningful to them," Joyce Gioia explained to prr. (More info from them at www.herman.net or 3400 Willow Grove Court, Greensboro, NC 27410-8600; 336-282-9370)

ITEM OF INTEREST TO PROFESSIONALS

Tips on attracting, retaining & servicing clients comes from an informal poll of IPREX members (an international network of pr firms). Tips include:

- Ask clients "how am I doing?" often
- Audit the client/pr firm relationship formally at least once a year
- Prompt turnaround
- Communicate frequently. Out of sight, out of mind
- Shape reasonable expectations, then work to exceed those expectations
- Talk about their problems, not yours
- Do a summary of activities with each bill, not just a summary of fees & expenses. No budget surprises
- Make sure you know your client's likes & dislikes, birthdays, anniversaries, kids' birthdays etc. & use this info to further your relationship with them
- Stay in touch, even after they have moved on. Once a client, always a client. (More from Borshoff Johnson & Co, 317/923-2300)

WHO'S WHO IN PUBLIC RELATIONS

HONORS. Sandra Hermanoff (Hermanoff & Assocs, Farmington Hills, Mich) receives the Mich Top 10 Women Business Owners of Distinction Award from Greater Detroit Chap/Nat'l Ass'n of Women Business Owners for leadership that

has made an economic impact on the community or public policy.

DIED. David Hoods (pres, Rupert Public Relations, Palos Verdes Estates, Calif) at age 61. Long-time PRSA & Counselors Academy mbr.

STUDY: EMPLOYEE SKILL DEVELOPMENT = BETTER BOTTOM LINE

Companies that link employee skill development -- both training & on-the-job mentoring -- to business strategy have **40% higher total shareholder return** than those that do not, finds a study by Watson Wyatt Worldwide -- *Competencies and the Competitive Edge: Strategies for Creating Competitive Advantage Through People*. It supports the new managerial paradigm (pr 1/17/94) where managers are mentors & coaches, 3-way com'n conduits & conflict managers. Some points:

"HUMAN CAPITAL IS THE ONLY LIMITLESS RESOURCE A COMPANY HAS"

"People management is becoming a board of directors issue as organizations realize the best

way to achieve competitive advantage is to **maximize the value of their people**," says George Bailey, global practice dir for the Human Capital Group at WWW. Identifying just what human capital looks like & how it can be measured & developed is the core of WWW's research.

Measurements of success an org'n uses give a good indication of its overall strategic direction. Study finds customer satisfaction is #1:

<u>Measures Of Success</u>	<u>High-Performing Cos.</u>	<u>Other Cos.</u>
Customer satisfaction	91%	80%
Profitability	77	78
Revenue growth	56	51
Market share	42	30
Employee satisfaction	41	32

Note that 2 of the 5 are direct pr responsibilities.

- **Number 2 competency**, identified by both high-performing & other companies (behind #1 technical knowledge) is skills relating to interpersonal relationships & leadership (com'n & decisionmaking, ability to lead & manage, flexibility/adaptability). PR has a key role here, in training & maintaining com'n systems -- as well as building cultural attitudes.
- **Companies often mistake need for critical skill development with need for more training programs.** High-performing companies offer much training -- but more importantly provide an atmosphere that fosters employee development & growth thru on-the-job learning. "Simply throwing more training programs into the mix will not make employees more productive. Training is important, but it is not a substitute for effective management. **Human capital management requires as much rigor as financial capital management**," says Bailey.



- Those with competency-based programs outperform those without them, financial analysis of participating org'ns shows. 36% of companies that use competency-based selection & hiring procedures report lower turnover rates, & 43% report higher productivity. (More from WWW at 1-800-388-9868; www.watsonwyatt.com)

WHY PRACTITIONERS MUST UNDERSTAND COMPETENCIES IDEA

Individual competencies are the applied skills, knowledge, abilities & behaviors of an organization's workers that are critical to its success. They serve as a **powerful symbolic or role-modeling communication vehicle** to focus all members of the organization on the skills & activities that create value & success. The many roles competencies play include:

- Articulating what the organization **values**
- Providing a **common language** for employees & managers to describe value creation
- Focusing on the **development of the individual** instead of on the org'l structure
- Linking **pay, promotions & growth** directly to what the org'n values
- Guiding employees & managers to **what is expected** & how value is defined even in times of dramatic change & restructuring

STUDY: SENIOR EXECS GET LOWEST ETHICS MARKS IN THE ORG'N

Employees give their own workplace ethical conduct high marks, but they rate senior management conduct below that of all others in the organization, & well below their own, finds a recent study on business ethics by Walker Information. 41% of employees are aware of ethical or legal violations at work in the last 2 yrs. Most common problem is sexual harassment, reported by 19% of respondents. 2000 US employees were surveyed, 85% responded. Other findings:

- Workers say senior leaders **talk a good ethics game** but only 45% believe CEOs & other execs live out ethical values in day-to-day behavior
- 46% of employees believe leaders **take responsibility for their actions**; 45% say leaders act with **fairness**
- 40% say leaders **keep their promises**
- 30% say their company ignores ethics at least some of the time & **knowingly breaks the law**
- 81% of *sr mgrs* say ethics is used in daily decisionmaking; but 43% of *workers* say it's **routinely overlooked**
- Only 37% of *employees* feel comfortable **reporting on-the-job misconduct**; but 60% of *sr mgrs* say employee comfort levels are high when reporting ethical problems
- When workers have high opinions of their company's ethics, they are more **committed employees**. 42% say a company's ethical integrity directly influences their decision to work there
- Employees rate the integrity of their org'n higher when they have access to **ethics program resources**. 95% of those with access to ethics training, tools & staff say their companies are highly ethical

- Employees in **healthcare & financial services** give their employers the highest ethical ratings of all industries rated
- **Financial services** is most proactive in problem-handling. 50% of employees say their company plans ahead to prevent misconduct instead of waiting for & reacting to problems that occur.

(More info from Walker Information, 3939 Priority Way So. Drive, Box 40972, Indianapolis 46240-0972; 317/843-3939)

BASELINE TOOL NOW AVAILABLE FOR ANYONE TO USE

Walker Information designed & used the Business Integrity Assessment (an ethics measurement tool) to conduct this study to establish a baseline. Now org'ns can use these results to see how their ethics stack up to others. "Recent history shows the price many companies have paid for doing business the wrong way. Prudential, Texaco, ADM, Mitsubishi have spent millions, sometimes billions, of dollars trying to correct & prevent ethical problems like those reported by US workers at medium- to large-sized companies."

FIVE PRINCIPAL REASONS PEOPLE CHANGE JOBS

Roger Herman, in *Keeping Good People*, puts most of the blame on situations where practitioners could or should or can have influence -- vital in these days of low worker availability.

1. **It doesn't feel good around here** -- a *corporate culture* issue in most cases. Workers are also concerned with a) company's reputation, b) physical conditions of comfort, convenience & safety, c) clarity of mission.
2. **They wouldn't miss me if I were gone.** Even tho leaders do value employees, *they don't tell them often enough*. If people don't feel important, they're not motivated to stay. No one wants to be a commodity, easily replaced by someone off the street. If they're no more valued than being thought of as expendable, they'll leave for a position where they're appreciated.
3. **I don't get the support I need to get my job done.** People really do want to do a good job, contrary to some mgmt-held opinions. If they're frustrated by too many rules, red tape or incompetent supervisors or co-workers, they'll look for other opportunities.
4. **There's no opportunity for advancement.** The issue here is not promotions. It's learning. People want to learn, to sharpen their skills & pick-up new ones. Call it career security. They desire *training & development*. If workers can't find the growth opportunities with one company, they'll go to another employer where they can learn.
5. **Compensation is the last reason people most leave.** They want fair compensation, but the first four aspects have to be present. If they're not strong, but the money's high, you'll hear people say "you can't pay