IO2 – M7
People, HR,
Internal communication

Supporting Document

me2me

People - the core asset of the business
People, HR, internal communication

Delivery method of the Module: on-line

1. Learning outcomes:
1.1   Explaining the importance of people in business and business development.
1.2   Being able to apply the current practices of selecting and retaining the employees.
1.3   Understanding the usage of motivation methods and performance assessment tools.
1.4   Explaining the issues involved in establishing compensation systems.
1.5   Understanding of the internal communication and information needs in relation to the employees
1.6   Communicating the management decisions via written memos, revising employee handbook policy, and oral presentations.

2. Indicative content:
2.1   Why people are the core asset of the business?
2.2   Selecting and retaining the best people for the business
2.3   Motivation and performance assessment of the employees
2.4   The compensation systems
2.5   Business communication system – internal communication

People in Business
Activity 1.

Simon Sinek, a renowned marketing consultant, motivational speaker, and best-selling author has said that "Customers will never love a company until the employees love it first". This means that employees have to go way beyond punching the time clock and picking up a paycheck. They need to bring the passion to serving the customer, and they need to be empowered to do what's right on the customer's behalf.

Who are the people in your business? Identify them and their importance and responsibilities within the company. Every company is different, you should find yourself the best fitting structure and people.

Do you have the right team in place?
This can be one of the most difficult conversations to have with any business owner. Many will have built up their businesses with a core of key individuals, who are often not just colleagues but friends – and often family members. There is tremendous loyalty both ways, and in the case of family members there are strong emotional connections. Facing the possibility that one or more of their team does not have the skills or profile to be part of the new structure can be incredibly challenging and takes courage to address – but ultimately, your business depends upon you making the right decision. If not, you will not achieve your ambition. Change is not easy.

Are processes in place for people management?
It is not uncommon for many small businesses to have very little in the way of formal people processes or policies because so far, they haven't needed any! Sustained and rapid growth changes this, and businesses can very suddenly find themselves in need of infrastructure to manage recruitment, performance, training and development, reward and recognition for their expanding workforce – all whilst ensuring that the culture of the organisation remains strong and true to its roots.
People processes ensure that employees are engaged at work, with objectives, support and training. Individual objectives provide everyone with a clear link to the business goals and enable them to see what they contribute to the wider organisation. Line management training is a key investment in creating an engaging environment for employees. Without support, newly appointed managers may struggle with those sometimes tricky conversations about performance or giving feedback, and the impact can be huge. The earlier you get these processes in place, the easier they are to implement and the easier it will be to manage growth.
Properly organising a company can help it streamline operations, improve decision making, operate in multiple locations, increase sales and customer service, and boost employee performance and creativity. So it is vital that business owners and managers understand the importance and benefits of a good structure.
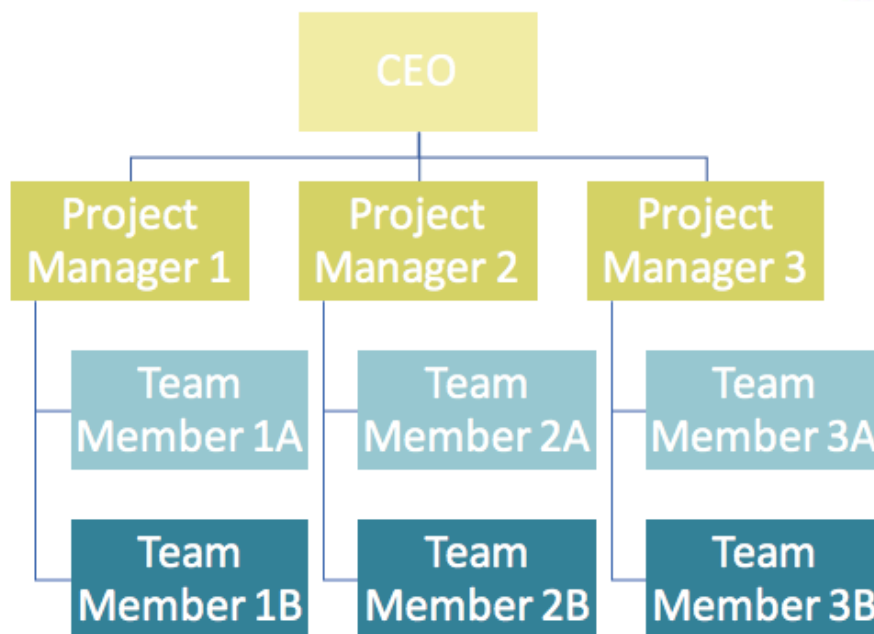
Understand the difference between the company structures: pyramid, project-based

Project-based Structure:

Project-based organizational <u>structure</u>s borrow from those based on hierarchies, functions and operations. They use a matrix organization where essential company functions are maintained in a management structure, while the work is carried out in project-based groups that have a hierarchical structure. An employee can have one boss for project-related work but another for promotions and benefits. As a business owner, you could have several project groups reporting to you on tasks such as doubling sales within a year or reducing a product's cost by 15 percent by the next major shipment. At the same time, you can maintain company functions such as human resources outside the project groups.

Example of project-based organisation structure:

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                        │   CEO    │
                        └──────────┘
        ┌────────────────────┼────────────────────┐
┌──────────────┐    ┌──────────────┐    ┌──────────────┐
│   Project    │    │   Project    │    │   Project    │
│  Manager 1   │    │  Manager 2   │    │  Manager 3   │
└──────────────┘    └──────────────┘    └──────────────┘
   ┌──────────────┐     ┌──────────────┐     ┌──────────────┐
   │    Team      │     │    Team      │     │    Team      │
   │  Member 1A   │     │  Member 2A   │     │  Member 3A   │
   └──────────────┘     └──────────────┘     └──────────────┘
   ┌──────────────┐     ┌──────────────┐     ┌──────────────┐
   │    Team      │     │    Team      │     │    Team      │
   │  Member 1B   │     │  Member 2B   │     │  Member 3B   │
   └──────────────┘     └──────────────┘     └──────────────┘
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<u>Flexibility:</u> Because projects are time-limited by definition, organizational structures based on projects continuously change as the projects change. This constant flux results in increased flexibility in assigning work to the employees best suited to the tasks. Sales people are normally part of the sales department in a functionally organized business. In a project-based business, you can put them in a project with engineers and operating people to find out how the products they sell are designed and produced. You then can assign them to a sales-oriented project to put their new knowledge to effective use.

<u>Focus:</u> Traditional organizations focus on hierarchical structure, such as whom you report to; functional questions, such as the nature of your job; and operational questions, such as what work you are supposed to do. Projects are focused on solutions and implementation, such as whether the project does what it is supposed to, whether it is within budget and whether you will complete it on schedule. Tasks that have clear goals are suitable for organization as projects. You can get work done
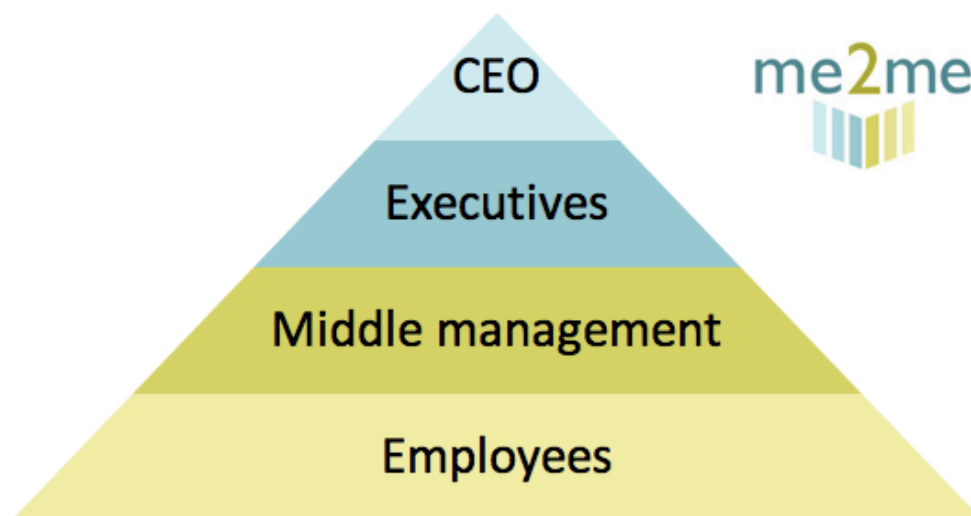
more quickly and efficiently by appointing a project manager and assembling a team of people who are most suited to the job.

Disadvantages: Projects isolate. A project team is fairly self-sufficient and oriented toward getting the work done but not toward coordinating with other teams or the rest of the company. Unless you supply an additional coordinating function within the organizational structure, you run the risk of having a lot of very well-implemented components of the business running without fitting together well. Continuity is also a challenge. Employees are always on the move, reporting to different project managers and performing different tasks. Some thrive in this environment, but you have to make sure you assign that kind of employee to the constantly changing teams and leave the ones that are more suited to a static environment in supporting functions.

Pyramid-based structure:

Hierarchy: The pyramidal shape of a company's organizational chart reflects a hierarchy. Executives are at the top of the chart; middle management follows; and lower-ranking employees are at the bottom. The pyramid organizational structure largely dictates to whom all employees report. For example, a president may have four vice presidents reporting to him. The vice presidents would be situated on the second level of the pyramid, and vice presidents would be the bosses of various directors on the third level.

Example of pyramid organisation structure:

Types: There are three main types of pyramid organization structures: functional, product and matrix. In a functional organizational structure the company arranges its departments by various functions like finance, accounting, marketing and engineering. Managers may hold titles such as marketing manager or finance manager. Department stores often use a product organizational structure in which departments are organized by product types. Therefore, titles such as vice president of housewares or manager of sporting goods are common. Companies that use a matrix structure combine both of these structures.

Benefits: An advantage of a functional organization structure is that workers are divided by specific professions, according to hrmguide.com. For example, advertising

professionals work together in the same department, as do finance employees. Work can be easily coordinated in a functional organizational structure. The advantage of a product organizational structure is that all efforts emphasize ensuring product quality. For example, a vice president of women's clothing in a department store can focus all efforts on building sales for one product line. Matrix structures combine the benefits of both functional and product organizational structures, especially for short-term or ad hoc projects.

<u>Disadvantages:</u> A major disadvantage of a functional organizational structure is that coordination between different functional areas can be difficult. For example, marketing may have difficulty knowing what the finance department is working on. A drawback of the product organizational structure is an overuse of resources. For example, five marketing managers may work for five different product departments. In a matrix organizational structure, employees may experience dual reporting. For example, a marketing coordinator may need to report to both a marketing and a product development manager.

<u>Considerations:</u> Occasionally, a company may need to use a more geographically oriented structure to meet customer needs. For example, through marketing research, a small consumer products company may realize that consumer preferences vary greatly by region. Therefore it may divide its markets into six divisions. Consequently, each division may have separate marketing, finance and human resources departments.

What is Human Resources Management (HRM)?
Activity 2.

The process of hiring and developing employees so that they become more valuable to the organization.

Human Resource Management includes conducting job analyses, planning personnel needs, recruiting the right people for the job, orienting and training, managing wages and salaries, providing benefits and incentives, evaluating performance, resolving disputes, and communicating with all employees at all levels. Examples of core qualities of HR management are extensive knowledge of the industry, leadership, and effective negotiation skills. Formerly called personnel management.

<u>Glossary of terms – HR</u>
Most used phrases you shouldn't miss learning:

People: in older times we called it "personnel", "human resources", "talent" which are still in use, while also "staff" arised. Lately the more comfortable "people" came into terminology. Try putting people into a sentence with talent, human resources, staff or personnel and all of these terms sound warmer and more human. We work with other people, surely this makes sense?

Sourcing: Sourcing is the process of finding resumes within the recruitment process. Recruiters, both third party and corporate, need to find qualified candidates for their open job orders, oftentimes with very unique or niche work experience. Sourcing refers to the initial part of recruiting (actually finding the candidates through a variety of methods.) Many larger companies and specialist staffing firms employ teams of sourcing professionals that concentrate only on the initial procurement of candidates. The sourcers then "hand off" the candidates to a different department of team of recruiters which handle qualification, interview, and placement.

Recruiting and recruitment: *Recruiting* is a Process of recruitment is often referred as recruiting. Recruiting is a process designed to vet the best candidates and ensure that only the top candidates continue through to the final step.

Recruitment is the entire process of finding and hiring qualified people for an open vacancy or for a proactive hire for an organization. Recruitment is more frequently referred to as recruiting, talent acquisition, or hiring.

Employer brand: An employer brand acknowledges the fact that companies must now make a more wide-ranging effort to build their reputation. It's not hype, hiring has become more like marketing and it's easier than ever for prospective hires to get an advance idea of what it's like to work for your company. By thinking of your reputation as an employer brand it encourages a more rounded idea of how you're seen. Everything that you, your colleagues and your company do in public (on-, or offline) are part of this brand and will impact on people's desire to work with you.

Performance review: We've long had appraisals, evaluations and we still have 360-degree everything but there is something honest and straightforward about a performance review. It should be apparent to anyone that a business and its employees need to check in with each other regularly so that both sides know where they stand. Some outfits prefer constant feedback and others will go with quarterly, half-yearly or annual reviews. When the balance of communication is right the contents of a review shouldn't be a surprise to the reviewer or the reviewed.

Remote working: More work is being done outside the office than ever before. What used to be known as telecommuting has also appeared as distributed work and teams. There's an argument to be made for talking about distributed work but it works better as a way of describing teams than categorizing work. In addition some fully distributed teams have no office headquarters in the first place. The reality for the majority of companies is that they have some of their people working remotely and some working from the office. How to manage this blend is only going to grow in importance.

Compensation: Compensation wins out over terms like salary and pay not because it should replace them in all contexts but because it encourages a more rounded way of thinking about how to motivate people to do the job in front of them. Compensation includes equity and any other financial instrument that might be offered to an employee.

Benefits: it's a better way to think about everything not covered by compensation. Perks leans a little towards the 'give them a pinball machine' way of thinking about motivation. Benefits can be pinball machines and craft beer in the office but it takes in more important aspects of the workplace as well as important stuff from 401k plans to a company car.

Training: This is not to diminish the importance of teaching people new skills and opening up a career for them inside your organization. It's just a restatement of the simple truth that training people and letting them gain some experience remains the only real way of doing this.

Motivation: mainly refers to "the way in which needs, desires, or aspirations control or explain the behaviour of human beings"

It is a process of inspiring people for doing tasks to achieve goals… Motivation is one of the most important phenomenon of HRM. A HR manager can achieve the goals of the company only when the employees are working dedicatedly. We can talk about inner/intrinsic motivation, when the desire comes from the employee, and for his own sake and personal rewards. Extrinsic motivation is when a person performs an activity to earn a reward or avoid punishment.

Performance management, assessment, appraisal: The fundamental goal of performance management is to promote and improve employee effectiveness. It is a continuous process where managers and employees work together to plan, monitor and review an employee's work objectives or goals and his or her overall contribution to the organization.

Performance management – Process designed to evaluate, manage and improve employee performance. The process of 'performance managing' an employee is where a warning for ineffective performance has been issued and the manager is closely monitoring corrective efforts.

Performance appraisal – Part of the performance management cycle in which the employee's performance is evaluated and recorded.

Remuneration: Reward for employment in the form of pay, salary, or wage, including allowances, benefits (such as company car, medical plan, pension plan), bonuses, cash incentives, and monetary value of the noncash incentives.

Retention: An effort by a business to maintain a working environment which supports current people in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff.

Affirmative action: Requirement that employers develop and implement programs to eliminate discrimination against women and members of minority groups, and promote equal opportunity in regard to recruitment, promotion and transfer, training and development and conditions of service.

More glossary for HR:
https://www.hrmarketer.com/glossary-of-hr-and-benefits-terms/
https://www.talentlyft.com/en/resources/glossary-of-terms-and-definitions-for-recruiters-and-hr-managers

HR Tools
Activity 3.
They are staffing, employee compensation and benefits, and defining/designing work. All core HR processes fall within these three fields, including hiring, termination, payroll, time tracking, training, retention, compensation and more. HR is a core function of any business. How well you manage your employees will have a huge impact on the organizations future, be it positive or negative.

If done right, your employees will stick around longer, and the workplace as a whole will be a much better place for everyone.

This, however, isn't all that easy. There are a ton of different functions any HR department should be working on. Usually, this is payroll, recruitment, retention, employee wellness, and above mentioned areas.

Hiring and recruitment
Whenever there's a need for a new employee, you need to look for the right candidate – and that's just the start. You need to vet candidates, find the right employee, conduct interviews, and so on. Many job posting tools are geographically well-defined local tools. Most of the countries have their own favourite or most used platforms for job postings, in many case there are many different job boards. Consider where, and which board is the best for you. Plus you can always use general social platforms for job openings as Facebook, or LinkedIn. We can state that most job listings are locally posted and looked for.

Once you've posted your job ad all over the place, the resumes will start coming in. Depending on the job, this can range from hundreds to tens of thousands.

Manually going through all of them can be very exhausting & time-consuming. Chances are, you'll glance through all the resumes real quick. In fact, that's what most HR professionals do. The average time an HR looks at a resume is 6 seconds. So in most cases, you'll rarely have the time (or desire) to dig into each resume.

Jobvite is an *applicant tracking software* (ATS) that helps you filter through all the resumes. You can specify any given requirement (X+ years of experience, a certain type of skill, location, etc.) and it does the filtering for you.

In a lot of cases, an applicant's resume just doesn't cut it. It can, after all, only hold so much information.

To make an adequate choice on whom to hire, you need to assess 2 very important things:

1. Skill Level – As a given, you'd want your candidate to be an expert in their field. While the resume shows their experience in years, it doesn't give you an accurate view of how good they are.
2. Personality Fit – In addition to skills, you'd also want the new hire to get along with everyone else. Every company has a different culture with different types of employees. You wouldn't, for example, want to hire a 50-something old-school manager in a trendy StartUp.

With *Harver*, you can create tests for both skill and personality, allowing you to make more educated decisions about your hiring.

Employee onboarding

Onboarding, however, is actually very important. In fact, a good onboarding program can increase your employee retention by 50% or more.

Well, you need to create an actual procedure. Onboarding shouldn't be an afterthought. It should be a well-defined, well-planned process.

To do this, create a list of everything that should happen for the employee to start being productive at work. So, steps such as:

- Fill in all the paperwork
- Have the documents approved by management
- Schedule a start date with the hire's respective team
- Make sure that the new employee gets all the onboarding materials

Once you've got your exact structure down, you can use for example Tallyfy to solidify the process. The software makes sure all the tasks are completed in a timely manner, allowing for a rock-solid onboarding process. As an added benefit, Tallyfy also allows for automated approval processes. Think, if an employee wants to take a day off, they can simply fill in the form online and it's going to be forwarded to the HR.

People management

There are several great tools available, like Zenefits or StaffSquared. Most of these tools are not for free, and if your company is a small enterprise maybe you can replace it with some pre-formulated excels shared with each employees. You can make a common Dropbox folder, or shared Google docs for better transparency.

Goal setting and development

Feedback is important for company growth. Your employees can have a wealth of knowledge on how to improve the organization as a whole. More often than not, though, they don't have the opportunity to share feedback.

Tools such as *Trakstar* make general company-related feedback, as well as 360 employee evaluations, simple and easy. The software also helps with goal-setting and

personal development. Your employees can create their day-to-day goals, which you can then track and determine who's performing well and who isn't. Remember, if this isn't the right tool for you, you can always be creative and find out your own ways! Who knows, maybe at your company an actual printed and wall-mounted goal setting chart, like a vision board would do much better than an online tool.

Bitrix24 is a complex and free (up to 12 users) HRM tool, which you can try in your company too. It contains: intranet, directory, self-service portal, org chart, absence calendar, leave requests, and much more. With Bitrix24 you can chat with your co-workers, discuss ideas, share files, set tasks and do much more. Supervisors know exactly who's doing what, which employees are falling behind and who is performing well. World is social, so should be your HR system. Bitrix24 lets you create workgroups, discuss ideas, collaborate on projects, hold video conferences and group chat sessions. You can follow your co-workers and subscribe to their calendars to stay informed. Likes, tags, emoticons, BB codes, badges - it's all there. It also has a mobile app version for on the go.

Some more HRM tools to try (free, limited or open source):
Factorial, HR.my, Teamdeck, WebHR, Zoho People, IceHrm, Jorani, Odoo, Gusto, Freshteam, OnPay, GoCo, OrangeHRM, Apptivo

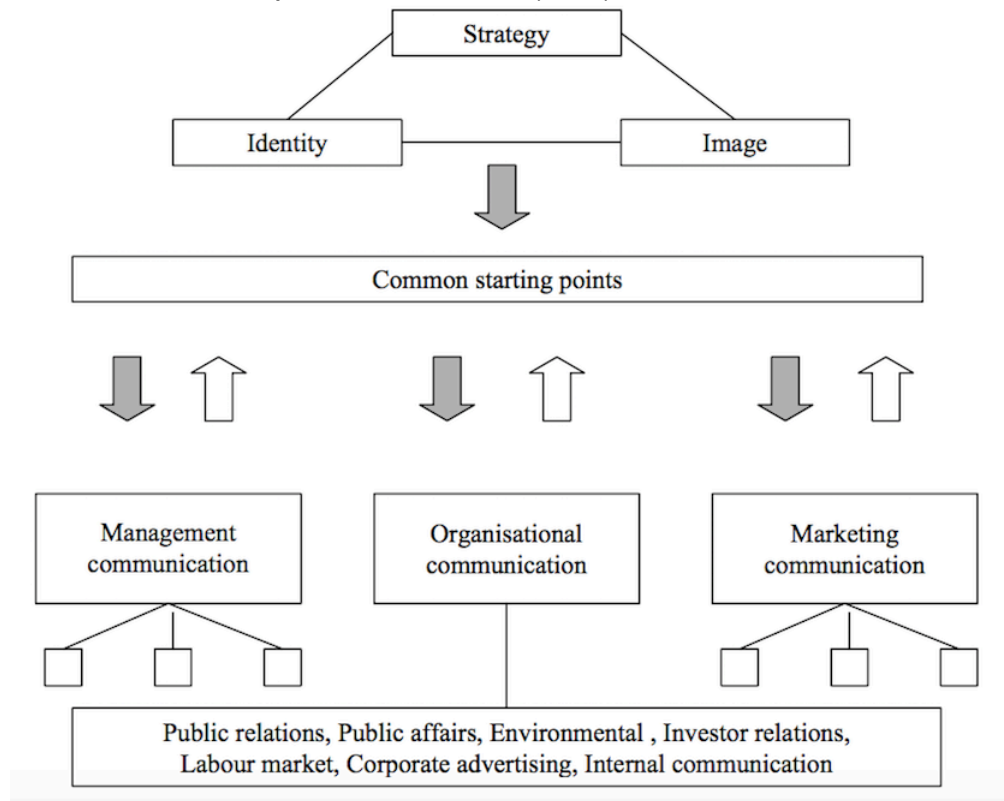## What is Internal Communication?
Activity 4.

Corporate communication

Internal communication, often perceived as a synonym for intra-organizational communication, is quite often equated with employee communication. There is a dire need to define or redefine the boundaries of an organization, which will also perhaps redefine the parameters of internal communication. That apart, internal communication should motivate employees and thus create value for the company. The process of writing for the in-house employee publication. Today the information manager is more of a mediator between the management and workers, as well as being an internal coach for management. Aligning the goals of individual employees to organizational goals is also seen as a task for internal communication. Such alignment helps organizations build strong cultures. Internal communication is the aspiration (starting from the vision and proceeding to policy and mission statement and eventually to strategy) of achieving a systematic analysis and distribution of information at all strata simultaneously coordinated in the most efficient way possible.
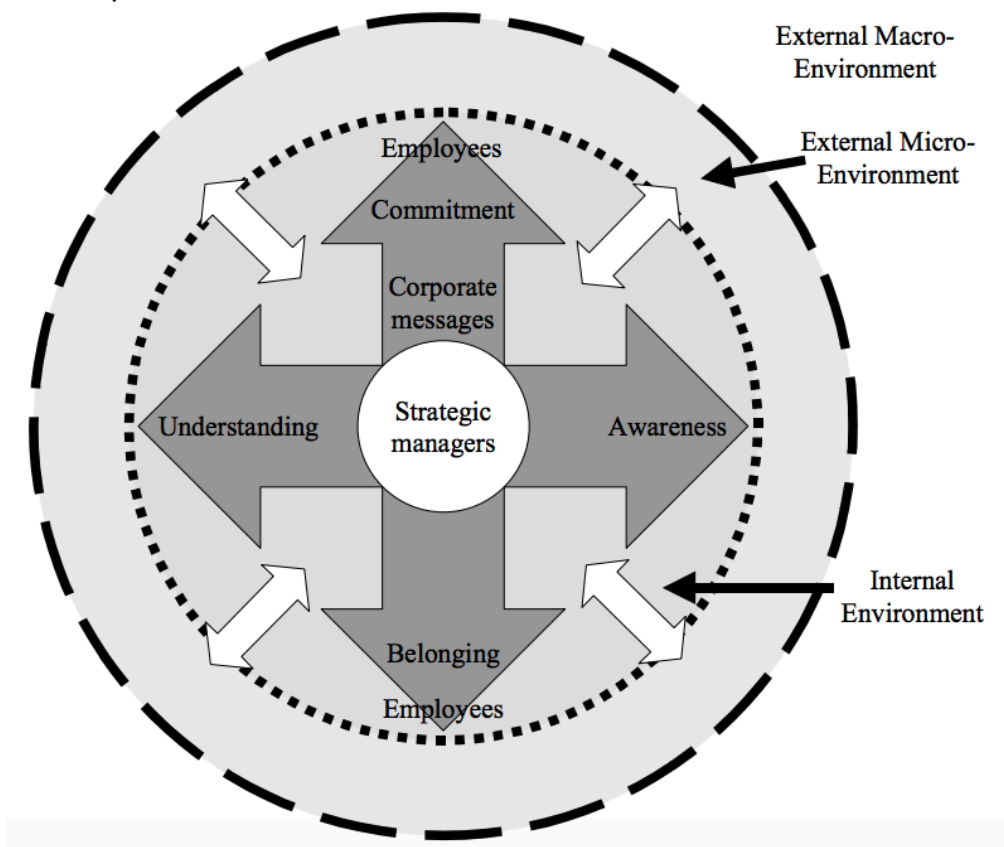
Are internal communication and organisational communication simply the same thing? If they are different, how might "internal communication" be defined, where might it be positioned, who might be involved and what might be its purpose? To address these questions, it is necessary to:
- map understanding of the fields of organisational communication and corporate communication to position internal communication;
- critically review definitions to consider the nature, scope, focus and goals of internal communication; and
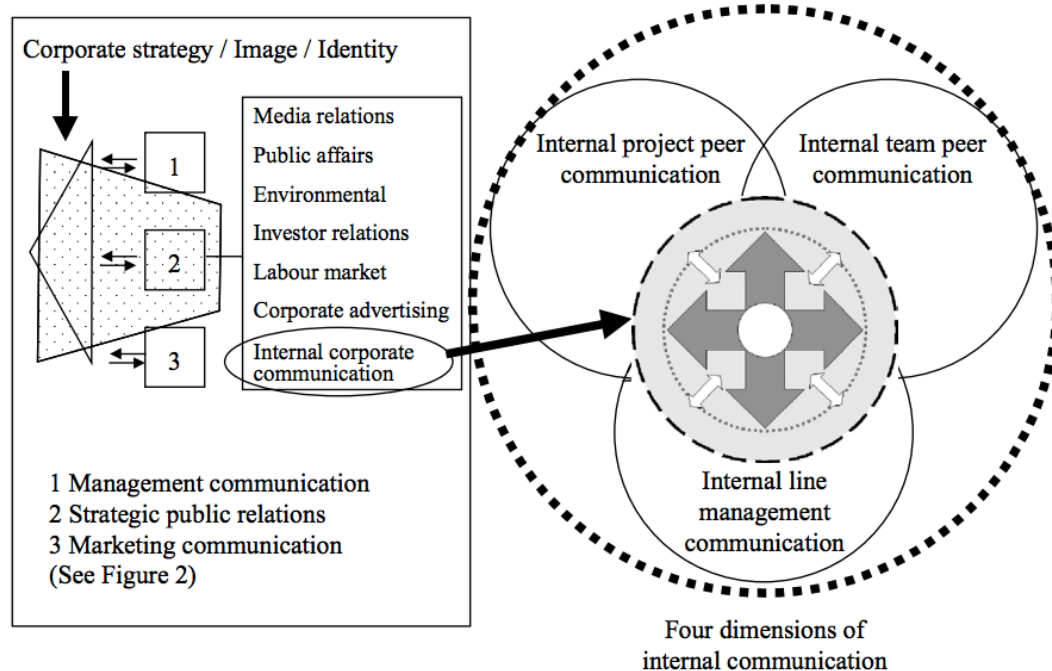- identify internal communication stakeholders

Internal communication positioned van Riel (1995):

Internal corporate communication:

The position of internal corporate communication within integrated corporate communication:

Four dimensions of internal communication

Structural levels could be used to identify broad organisation stakeholder groups echoing the levels derived from Cheney and Christensen's (2001) work. The levels are: strategic management, day-to-day management, team and project management. Stakeholder theory encourages managers to consider different groups with different stakes in an organisation. Applying this to internal communication results in the identification of participants representing different stakeholder groups at different levels in organisations:

- all employees;
- strategic management: the dominant coalition, top management or strategic managers (CEOs, senior management teams);
- day-to-day management: supervisors, middle managers or line-managers (directors, heads of departments, team leaders, division leaders, the CEO as line manager);
- work teams (departments, divisions); and
- project teams (internal communication review group, company-wide e-mail implementation group).

Taken together, stakeholder group, organisational level and participants suggest a series of interrelated dimensions of internal communication. This leads to a refinement of the initial definition proposed earlier with a view of internal communication as the strategic management of interactions and relationships between stakeholders within organisations across a number of interrelated dimensions including, internal line manager communication, internal team peer communication, internal project peer communication and internal corporate communication. These four interrelated elements of internal communication can be considered dimensions of internal communication.

Internal company communication Strategies:
- Envision, strategize, plan
- Use the right tools (company chat, cloud, platform, visuals, etc.)
- Be visual (inform – inspire – entertain)
- Include metrics
- Keep the sight of the big picture
- Provide channels for feedback and ideas
- Right amount of information, to the right person, in the right time
- Inspire action (call-to-action, motivational quotes, rewards)
- Open the lines for communication
- Maintain transparency
- Company-related use of social media
- Industry news, trends, insights
- Recognise and praise success
- Promote employee resources and training

Communication Tools
Activity 5.
In our everyday business and private life we already use many ways of communication. Some of them are efficient with communicating with family, but not with collagues and vica-versa.

1. Intranet Software
A central portal that includes important documents, communication, and contracts keeps people on the same page. It can also reduce IT costs, and naturally, internal communication through Intranet software is private. It also centralized access to pertinent information and allows for platforms to be tailored to meet the unique requirements of your organization. Effective use of intranet software can eliminate bottlenecks and promote transparency.

2. Group Messaging and Chat Tools
70% of people work remotely at least one day a week. Remote employees need tools to communicate with managers and colleagues that go beyond the constraints of email. Giving them the tools to communicate quickly and effectively is important for productivity. Using online communication tools, such as Slack, Google Hangouts, and other instant messaging programs allows your employees to communicate with each other from wherever they are. These tools also assist with collaboration, often they integrate with other tools and productivity solutions like Trello, Google Drive and GitHub etc.

When picking a communication tool, just make sure it will work on all devices, most will have a mobile app to support this.

3. Issue Tracking and Ticketing Software
Issue tracking software is an option for both customers and employees. When a customer has an issue, they can file a ticket that goes to the right employee who can address the issue. Employees can send tickets to HR or payroll with any issues they have. Tracking these issues also allows companies to improve future processes. In larger organizations, this can help avoid issues slipping through the cracks and snowballing into larger grievances.

4. Internal Blogs and Videos

We process visual information much quicker than text-heavy documents, in fact, visuals are processed 60,000x faster than text and 65% of the population are visual learners. Presenting information to employees in a medium they can quickly digest and retain is critical. Repurposing existing training material into videos, infographics, and slides can have a dramatic impact on your team's performance.

5. Discussion Forums

Discussion boards allow employees to share information with new members of the organization. It's easy to answer questions and streamline information sharing, utilizing these channels can eliminate departments or teams working in silos. There are also alternatives to traditional discussion forums, companies can set up a dedicated Slack channel to open up the sharing of ideas. Giving employees the opportunity to share information informally is appreciated and efficient.

Communication tools can include: the hardwares and softwares too, like smartphones, laptops, tablets, VOIP/Internet telephony, intranet, social networks, forums, messenger apps, chatbots, email, blogs, tracking software, etc.

Free online tools: Zulip, HipChat Basic, Zoom Basic, Skype, Facebook, LinkedIn, G-Suite, Dropbox, MediaFire Basic

Online meetings, conferences tools: AnyMeeting, Skype, ClickMeeting, FuseMeeting, Google Hangouts, GoTo Meeting, Join.me, Slack, TeamViewer, Zoom

Leader Communication
Activity 6.

Communication is a core leadership function. Effective communication and effective leadership are closely intertwined. Leaders need to be skilled communicators in countless relationships at the organizational level, in communities and groups, and sometimes on a global scale.

You need to think with clarity, express ideas, and share information with a multitude of audiences. You must learn to handle the rapid flows of information within the organization, and among customers, partners, and other stakeholders and influencers.

1. Communicate relentlessly. Communicate information, thoughts, and ideas clearly — and frequently — in different media. Keep processes open and transparent, and find ways to help smooth the path of communication for your team or organization.

2. Simplify. Say what you mean. Be direct. Don't hide behind complexity or pile on a ton of information. Simple communication can be smart communication.

3. Hold your thoughts. Pause. Be okay with silence. Encourage the other person to offer ideas and solutions before you give yours. Do 80% of the listening and 20% of the talking.

4. Use stories. When you tell a good story, you give life to a vision, goal, or objective. Telling good stories creates trust, captures hearts and minds, and serves as a reminder of the vision. Plus, people find it easier to repeat a story or refer to an image or quote than to talk about a vision statement, strategy document, or project plan.

5. Back it up. If people hear one thing from you and see another, your credibility is shot. People need to trust you. Your behaviour and actions communicate a world of information — be clear on the messages you send when you aren't speaking a word.

Skills for effective leadership communication

Clarity: Effective leadership communication is clear and simple. Don't be vague when discussing what you want from your team, make sure they know exactly what you expect and when you expect it. If they don't understand what you're saying to them they won't know what they should be doing. You lose productivity when they have to circle back around to you for clarification on important information.

Trust: One of the most important things a leader must establish for effective communication to take place is trust. If your employees don't respect you, they won't listen to you. Simple as that.

Critique: Feedback is one of the most valuable things you can give to your employees (other than a paycheck). The key is to give praise when it's due, and give constructive criticism where it's applicable. It's true what they say, you really do attract more bees with honey than you do with vinegar. Think of feedback as a positive means to a more productive end. Employees will appreciate that you took the time to tell them how they can improve, and that you see potential in them.

Listen: Communication is a two way street. You have to be a good listener before you can start talking. Listen to the interests of your team and get a feel for their perspective on how to achieve goals. Effective listening will help you build relationships, solve problems, ensure understanding, and improve accuracy. Taking a moment to listen will help you waste less time in the long run, making you more productive.

Inspire: The number one principle of effective leadership communication is the ability to inspire those around you. As a leader, you have a vision of success that you want to achieve with the help of your team. It's up to you to rally your team around that goal and help them embrace the vision, too. Inspiration is the fuel that keeps everyone working hard toward the ultimate goal, and great leaders know this. Think again of those great leaders we brought to mind earlier, and I bet you're familiar with at least a few inspirational quotes attributed to them. Inspiration is the motivation behind success. Inspire greatness today for success tomorrow.

Openness: Successful leaders communicate with an objective of gaining understanding from the person they are interacting with. Keep an open mind when communicating with your team to see things from their point of view; it will make it easier to explain what you want from them if you put yourself in their mindset.

Lead by Example: As a leader, you need to exemplify the qualities that you expect to see in your employees. Instead of telling employees want you want them to do, show them by setting an example. Since leaders are in a position of influence, they need to face obstacles with confidence, determination and a positive attitude because you set the stage for the rest of your team. If you wouldn't take your own instruction, why should they?

Personalization: One thing I've always respected about great leaders is their ability to make everyone in a room feel like a VIP. When these people give speeches, they make you feel as if they are speaking directly to you, even though there might be thousands of people in the crowd. On a smaller scale, getting to know your employees on a more personal level and making it a point to say hello in passing can go a long way in getting your team behind your vision.

Prioritize: There are a few facets to this principle. First, and most importantly, a strong leader knows that time is valuable and communication can take up a lot of it if conducted poorly. Prioritizing your communications is important because if you waste employee's time, they'll be less productive. Communicate exactly what you

want from your team by stating the goal of the task, how long you expect it to take, any resources they'll need, and finally any relevant details that might help streamline the process. Keeping emails short and concise is part of this, as well.

Avoid Monologue: Don't talk TO your team, talk WITH them. People are more receptive to a dialogue-type of communication than if they feel they are being commanded to do something without any chance for their input. Approaching communication this way will help you to gain understanding and insight into the inner workings of your team, which is a valuable thing to know for the future.

Compensation System
Activity 7.

The term "compensation" refers to the combination of wages, salaries and benefits an employee receives in exchange for work. Compensation may include hourly wages or an annual salary, plus bonus payments, incentives and benefits, such as group health care coverage, short-term disability insurance and contributions to a retirement savings account. A total compensation package can have several components. An "employee compensation system" collectively refers to all the components in addition to the manner in which the compensation is paid and for what purpose employees receive case bonuses, salary increases and incentives.

- Hourly wage
- Annual salary
- Retirement savings
- Raises, bonuses, incentives
- Group health benefits

Compensation management uses financial and nonmonetary benefits to attract recruits, reduce turnover, spur performance and boost employee engagement. It is responsible for ensuring that salary and bonuses remain competitive and benefit programs change with the needs of the workforce. The people in this role not only work with data, but are also keen to understanding the complexity of benefits administration.

Creating a compensation plan

A compensation plan is a complete package that details your employees' wages, salaries, benefits and terms of payment. Compensation plans include details about bonuses, incentives and commissions that may be paid to employees. Compensation plans may also detail scheduled raises and increases for years of service.

1. *Start from 0*
   Think about how many employees your business will need and what positions are essential to your business operations. Write all of these job titles down.
2. Job description for each position
   You should have full job descriptions for every position in your company.
3. Determine amount of compensation
   While you are researching your competitors, pay attention to how much compensation they are offering for the various positions you need to fill and what special incentives are common. This will give you an idea of what you need to offer to attract the best talent.
4. Consider overtime

Maybe some of your employees will have to work overtime, or maybe they won't. If they do, add this into your compensation budget, because overtime costs more and could affect your bottom line.

5. Benefits and incentives you will provide

   Popular benefits include things like basic health insurance, vision care and dental care. Some employers also offer things like gym memberships, technology stipends and so forth. Figure out what benefits you can afford.

6. Detail in a document

   After you have determined the compensation for each position, how much it will increase, what incentives and benefits you will offer, etc., you can put all of these details down in one document. By having all of this information in one document, you can share your compensation plan with your employees when they are hired.

Remuneration and retention
Activity 8.

Succeeding in your employee retention efforts requires you to think about things from the team's point of view. All employees are different, of course, and each has unique desires and goals. But it's a safe bet to assume that all of them want to know they are being paid at or above market rates and have good benefits. They want to feel that they are appreciated by their employer and treated fairly. They want to be challenged and excited by the job they're asked to do.

An effective employee retention program addresses all of these concerns. But it also goes beyond the basics. In fact, your efforts should start on a new hire's first day on the job. The training and support you provide from Day One sets the tone for the employee's tenure at the company and boosts job satisfaction.

Every area of the employer-employee relationship in your organization deserves your attention. Embrace these key strategies to improve your organization's employee retention and boost employee satisfaction:

Onboarding and orientation — Every new hire should be set up for success from the very start, from the first day of work to the first week and beyond. The job orientation is just one component of onboarding, which can last for weeks or months, depending on your organization. Aim to develop an onboarding process where new staff members not only learn about the job but also the company culture and how they can contribute and thrive, with ongoing discussions, goals and opportunities to address questions and issues as they arrive.

Mentorship programs — Pairing a new employee with a mentor is a great idea for onboarding. New team members can learn the ropes from a veteran with a wealth of resources, and the new hire offers a fresh viewpoint to experienced staff. Mentors shouldn't be work supervisors, but they can offer guidance and be a sounding board for newcomers, welcoming them into the company culture.

Employee compensation — It's absolutely essential in this competitive labor market for companies to offer attractive compensation packages. That includes salaries, of course, but also bonuses, paid time off, health benefits, retirement plans and all the other perks that can distinguish one workplace from another. Every

employee should have a full understanding of all the benefits they receive from your organization.

Recognition and rewards systems — Every person wants to feel appreciated for what they do. Make it a habit to thank your direct reports when they go the extra mile, whether it's with a sincere email, a gift card or an extra day off. Show your employees you appreciate them, and share how their hard work helps the organization. Some companies set up rewards systems that incentivize great ideas and innovation, but you can institute recognition programs even on a small team with a small budget.

Work-life balance — What message is your company culture sending? If staff are expected to regularly work long hours and be at your beck and call, you'll likely run into issues with employee retention. Burnout is real. A healthy work-life balance is essential, and people need to know that management understands its importance. Encourage staff to take vacation time, and if late nights are necessary to wrap up a project, see if you can offer late arrivals or an extra day off to compensate and increase job satisfaction. Many companies offer telecommuting or flexible schedules to improve work-life balance for their employees.

Training and development — In any position and industry, professionals want the possibility for advancement. Smart managers invest in their workers' professional development and seek opportunities for them to grow. Ask each of your direct reports about their short- and long-term goals to determine how you can help achieve them. Some companies pay for employees to attend conferences or industry events each year, or provide tuition reimbursement or continuing education training.

Communication and feedback — Keeping open lines of communication is essential for employee retention. Your direct reports should feel that they can come to you with ideas, questions and concerns, and likewise, they expect you to be honest and open with them about improvements they need to make in their own performance. Make sure you connect with each staff member on a regular basis — don't let issues build up for the annual review.

Dealing with change — Every workplace has to deal with unpleasant changes occasionally, and the staff looks to leadership for reassurance. If your organization is going through a merger, layoffs or other big changes, keep your staff informed as much as you can to avoid feeding the rumor mill. Make big announcements face to face, and make sure you allow time for their questions.

Fostering teamwork — When people work together, they can achieve more than they would have individually. Foster a culture of collaboration that accommodates individuals' working styles and lets their talents shine. Do this by clarifying team objectives, business goals and roles, and encouraging everyone to contribute ideas and solutions.

Team celebration — Celebrate major milestones for individuals and for the team. Whether the team just finished that huge quarterly project under budget or an employee brought home a new baby, seize the chance to celebrate together with a shared meal or group excursion.

How to create your company's retention plan?

1. Analyse your company's retention situation
2. Calculate your retention and turnover rates
3. Take inventory of current employee retention
4. Choose the right strategies and solutions (employee engagement, work-life balance, recruitment revitalization, salary and compensation, leadership and communication, company culture, financial wellness and retirement plans
5. Create an employee retention plan of action
6. Put together the employee retention plan document
7. Present the employee retention plan
8. Research competitors, market, industry
9. Continuous improvement (at least once a year) on the retention plan

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