OCT – NOV '14

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The Peoplelink Online Newsletter

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What New Team Leaders SHOULD DO FIRST

by Carolyn O'Hara, HBR

Getting people to work together isn't easy, and unfortunately many leaders skip over the basics of team building in a rush to start achieving goals. But your actions in the first few weeks and months can have a major impact on whether your team ultimately delivers results. What steps should you take to set your team up for success? How do you form group norms, establish clear goals, and create an environment where everyone feels comfortable and motivated to contribute?

WHAT THE EXPERTS SAY

Whether you're taking over an existing team or starting a new one, it's critical to devote time and energy to establishing how you want your team to work, not just what you want them to achieve. The first few weeks are critical. "People form opinions pretty quickly, and these opinions tend to be sticky," says Michael Watkins, the cofounder of Genesis Advisers and author of the updated The First 90 Days. "If you don't take time upfront to figure out how to get the team working well, problems are always going to come up," says Mary Shapiro, who teaches organizational behavior at Simmons College and is the author of the HBR Guide to Leading Teams. "You either pay upfront or you pay later." Here's how to start your team off on the right foot.

GET TO KNOW EACH OTHER

"One of your first priorities should be to get to know your team members and to encourage them to get to better know one another," says Shapiro. To that end, "resist the urge to immediately start talking about the work and the task outcome," and focus instead on fostering camaraderie. In practice, this may mean holding a retreat or beginning meetings with team-building exercises. For virtual teams, it might mean starting calls by getting updates on how each person is doing or hosting virtual happy hours or coffee breaks. One particularly effective exercise is to have

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What New Team Leaders SHOULD DO FIRST

people share their best and worst team experiences, says Shapiro. Discussing those good and bad dynamics will help everyone get on the same page about what behavior they want to encourage — and avoid — going forward.

SHOW WHAT YOU STAND FOR

Use your initial interactions with team members as an opportunity to showcase your values. Explain what's behind each of your decisions, what your priorities are, and how you will evaluate the team's performance, individually and collectively. Walk them through what metrics you might use to gauge progress, so that they understand how they'll be evaluated and what's expected of them. "Team members will want to know how you define success," says Shapiro. By communicating your vision and values, you will show your team that you're committed to a healthy degree of transparency, says Watkins, and "create positive momentum around yourself in the new role."

EXPLAIN HOW YOU WANT THE TEAM TO WORK

You also need to explain in detail how you want the team to work. When you have newer team members coming on board, don't assume that veteran team members will explain to the new recruits how meetings are supposed to be run or the best ways to ask for help; it's your job as a leader to set expectations and explain processes. If you don't make those norms clear for everyone, you risk creating an environment where people feel excluded, uncertain, or unwilling to contribute.

SET OR CLARIFY GOALS

One of your most important tasks as a team leader is to set ambitious but achievable goals with your team's input. Make clear what the team is working toward and how you expect it to get there. By setting these goals early on, the group's decision making will be clearer and more efficient, and you'll lay the framework of holding team members accountable. Many managers inherit their teams, which often means they aren't creating new goals, but clarifying existing ones. "It's actually rare that someone gets to come in and redefine the goals for the group in a profound way," says Watkins. In those instances, your challenge as a manager is to reorganize roles or rethink strategies to best achieve the goals at hand.

KEEP YOUR DOOR OPEN

If there's one thing that new managers need to remember, it's that over-communicating in the early days is preferable to the alternative. "It's always better to start with more structure, more touch points, more check-ins at the beginning," says Shapiro. How you do that — via big meetings, one-on-ones, email, or shared progress reports — will vary from team to team and manager to manager, but whatever the communication method, "do as much as you can," says Shapiro. Watkins agrees: "I've never encountered a situation where a team member says, 'Gosh, I wish the boss would stop communicating with me. I'm so sick of hearing from her.' You just never hear that."

SCORE AN "EARLY WIN"

Identifying and solving a business problem that has a quick and dramatic impact early on shows that you can listen and get things done, says Watkins. Perhaps there is a longstanding employee frustration or an outdated work process. Maybe there is a project that you can easily fund or prioritize. Taking swift action demonstrates that "you are connecting and learning." But most importantly, achieving an "early win" builds team momentum. "It motivates people," says Shapiro, "and can win you goodwill you might need later if the going gets tough."

PRINCIPLES TO REMEMBER

DO:

Be clear about what goes into your decision making and how you'll evaluate the team's progress

Encourage team members to connect — better communication early on will help avoid misunderstandings and poor results later

Look for roadblocks or grievances you can fix — it will earn you capital and inspire the team

DON'T:

Jump into trying to accomplish the work without building relationships with the team

Assume that new team members understand how you or others work — take the time to explain processes and expectations.

Be afraid to communicate often early on — you can always pull back when the team is working well.

From the President's Desk »

Jay Mattern, President and COO

Survey Says - What Candidates Want

Given the shortage of talent in today's economy, how can companies attract the best and brightest? What do hiring managers look for in new employers? How does a company become a destination of choice?

To answer these questions, a recent survey of several dozen search consultants at a top global executive-placement firm was conducted. As a group, they were 57% male and 43% female. They represented a wide range of industries and regions. Experienced search consultants typically interview hundreds (in many cases thousands) of candidates; they assess those candidate's skills, track them over time, and in some cases place the same person in a series of jobs over time. They also observe what matters most to them in making a change, and how they decide whether to change companies. We asked the search consultants what strong candidates look for in prospective employers.

The answer turns out to be far more nuanced than compensation and career advancement. The factors that candidates assess when evaluating an employment opportunity fall into three categories: the firm (platform and track record, current and future prospects, people and culture), the job, and the compensation. These factors are interrelated, and most candidates willingly make tradeoffs. One consultant said that a candidate may accept a less-than-perfect job if it is in a sound industry and at a firm with a track record of success "even if the role is only 60–70 percent of what they are ideally looking for." Another concurred: "You might take a great job with great pay with a lesser company. Alternatively, you might take a less interesting, lower-paying role with a great company."

Platform and track record. How strong is the firm's track record? What is its reputation? Working for a successful company is of the utmost importance to top candidates, many respondents said. People want to be associated with success and not failure. Successful companies attract the best people, and, as they say, 'success breeds success.'"

Candidates also also consider the company's platform with an eye to the opportunities it provides for growth and advancement. As one respondent put it, job candidates "look for an overall platform—that is, not just a job but an opportunity to continue to evolve beyond the specific role discussed." The firm's platform is of particular importance in some service industries. One consultant commented, for example, that "within the investment-banking community, it is all about platform and brand."

Others emphasized the risks associated with joining a given firm, and the desire to avoid an Enron-type situation. Candidates look at "reputation and brand," one consultant stressed, "as a wrong choice here can be disastrous." Another, who works within the legal industry, said, "Lawyers and compliance people are focused on reputation in a number of ways, e.g., the brand of the company, the reputation that the firm has in terms of its adherence to rules and regulations, and the reputation of people that work there."

The factors that candidates assess when evaluating an employment opportunity fall into three categories: **the firm** (platform and track record, current and future prospects, people and culture), **the job**, and **the compensation**.

Current and future prospects. Candidates also appraise a firm's future prospects and market competitiveness. As one consultant put it, candidates look at the "strategy of the company—is it viable?

Job candidates look at whether the company is well positioned for the future. "People want to work for a winning company, or a company that is poised to be the 'next Google,'" one consultant said. "They want to be part of a team that drives its growth, and be recognized for the added expertise that they bring to the team."

People and culture. When assessing a firm's culture and people, many candidates raise the question of fit. Typically, one consultant said, candidates ask, "Is this a place where [I am] going to fit in and, most importantly, enjoy working and

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Survey says – **What Candidates Want**

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contributing?" Another said that the question of fit extends beyond immediate colleagues to encompass the ethos and direction of the firm: candidates want "to share the same values and vision for the company" and to agree on its overall direction.

Candidates want to work with people they respect and can learn from. Thus the prospective boss (or bosses, in matrix organizations) is the single most important individual in the firm. "The future boss needs to be a person who the candidate can look up to," one consultant said, "and from whom he or she can learn something." Another unequivocally called this the most decisive consideration: "The absolute most essential criterion is a respect for the people a candidate will be working with."

A few consultants mentioned an organizational culture that values work/life balance. One said that some candidates look for "a genuine culture of care, which often comes across in the interview process"; a sign of such a culture is the "understanding that spouse and children have a place in a career." Some candidates also seek inclusive cultures that welcome diversity and authenticity in leadership style. Some candidates want to join companies with collaborative cultures while others prefer individualistic-based organizations.

The job. When it comes to the job itself, the single most sought-after characteristic is opportunities for career advancement and personal growth. "What do good candidates look for in new jobs?" one respondent asked rhetorically. "Change, variety, and some element of diversity, i.e., something new and different that will continue to challenge them, make them grow, and make them learn more about their own abilities and the world out there." Other consultants asserted that a desirable job should offer professional challenges: "a stretch and learning opportunity," "upside potential to grow professionally," and "possibilities for personal development and growth."

Candidates consider their likelihood of succeeding and having an impact. They assess the training and development that the position offers, the resources that would be available to them, and the degree of autonomy the job entails; they think about how the outside world would perceive them in the role, particularly if it is highly visible. "As an extension of, 'What is in this for me?,'

Compensation. Consultants differed on the importance of compensation to prospective hires. At the higher levels, some argued, compensation is no longer decisive. One asserted that it is less often a negotiating point than a mere matter of adhering to industry pay norms: "Compensation can often be a 'non-issue,' so long as the offered package is truly reflective of the market and the situation."

Some consultants, by contrast, said that compensation is of paramount and growing importance in attracting a top performer. One consultant in the survey said that "Paying above industry standards can be a key selling point: executives often ask, "Does the company pay above market average?"

Talented and experienced candidates typically enjoy multiple employment options. Companies compete for qualified candidates, in part because good talent is in short supply worldwide. Thus, no longer it is enough for organizations to be great in one thing to attract the best people. They need to be great on many dimensions to be a destination of choice for stars.

FIVE Questions to Build a Strategy

by Roger Martin, Harvard Business Review

People make strategy much harder than it needs to be. For some, the problem is that they focus too much on the tools: environmental scans, SWOT analyses, customer analyses, competitor analyses, financial modeling, and so on. Other people get into trouble because they think it's all about the broad, conceptual, future-oriented, big picture stuff — not to be confused with tactics. Still other times, people think that strategy is what happens when we think about changing directions.

The reality is that strategy is at some level about all those things, and you can't do a satisfactory job with your analysis alone, or your big picture alone, or your changes alone. You have to do a bit of work on all of them.

That's actually a lot easier than it sounds. My preferred approach is to treat strategy- making as developing a set of answers to five interlinked questions. The questions — which cascade logically from the first to the last — are as follows:

1. What are our broad **aspirations** for our organization **&** the concrete **goals** against which we can measure our progress?
2. Across the potential field available to us, **where** will we choose **to play** and not play?
3. In our chosen place to play, **how** will we choose **to win** against the competitors there?
4. What **capabilities** are necessary **to build** and maintain to win in our chosen manner?
5. What **management systems** are necessary **to operate** to build and maintain the key capabilities?

1. Aspirations and goals
2. Where to play
3. How to win
4. Capabilities to build
5. Management systems to operate

The trick is to have five answers that are consistent with one another and actually reinforce one another. Aspirations & Goals to be a great international player and a Where to Play response that is domestic doesn't match well with a How to Win on the basis of proprietary R&D — because the competitors with global aspirations will almost certainly out-invest and outflank you. Winning on the basis of superior distribution is unlikely to happen if you don't have a concrete plan to build the capabilities and a management system to maintain them.

So where do you start? Most organizations start at the top with some kind of mission/vision exercise that drives participants around the bend. The reason it drives them crazy is that it is extremely difficult to create a meaningful aspiration/mission/vision in the absence of some idea Where to Play and How to Win. That is why those conversations tend to go around in circles with nobody knowing now to actually agree on anything. Any mission or vision will do when you don't have a thought-through Where to Play or How to Win.

That said, if you think entirely about Where to Play and How to Win without consideration of Aspirations & Goals, you may end up with a strategy that is effective for its intended goal but isn't something you would actually want.

What this means is that to create a strategy, you have to iterate — think a little bit about Aspirations & Goals, then a little bit about Where to Play and How to Win, then back to Aspirations & Goals to check and modify, then down to Capabilities and Management Systems to check whether it is really doable, then back up again to modify accordingly.

While it may sound a bit daunting, iterating like this actually makes strategy easier. It will save you from endless visioning exercises, misdirected SWOT analyses, and lots of heroically uninformed big thinking. Crafting your strategy in relatively small and concrete chunks and honing the answers to the five questions through iteration will get you a better strategy, with much less pain and wasted time.

Meet **ELIZABETH OROZCO »**
Branch Manager/Recruiter
MEP-Dallas

» How long have you been in the staffing business? 10 years

» What was your first job? What do you remember most about it? Stein Mart-Customer Service Department and Accessories. Helping set up all the store displays. I really like decorating.

» Who was the worst boss you ever had and why? I really don't remember having a bad boss. I learned a lot from all of them.

» What motivates you each day to sell and service your clients? I love my job its rewarding to know that I filled my orders and that the clients are happy. It is also rewarding to know I help my employees find jobs and their feedback is positive.

» What are some of your long-term goals? To move to Costa Rica some day and open a B&B.

» What makes Peoplelink unique, from your perspective? We take care of our temps by offering benefits. It sets us apart from all the other staffing companies. It also makes our employees feel more like full time employees.

» What makes you successful as a Manager? Patience, eagerness, and dedication. I consider myself to be very ambitious.

» What is the best advice you could give to other Peoplelink staff members? Never be afraid to ask for help.

» What is your favorite movie? A Walk to Remember. **Book?** Any Nicholas Sparks. **Drink?** I'm a Texas girl so a tall jack and coke.

» If you could have any car you want, what would it be? A 67 candy apple red mustang.

» What is your home city? What is the greatest feature about your home city? Amarillo, TX. Going out to the river and riding 4 wheelers. Amarillo is also known for the Big Texan and the 72 oz steak.

» How do you unwind when you're not at the office? Go for a run, gym and of course a good bottle of wine.

» What do people like most (least) about you? My personality and generosity. Least? I don't sugar coat things.

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- **Working smarter.**
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- **Better deployment efforts.**
  Staffing isn't just about finding good workers or good jobs. It's about knowing how to match the two. At People*link*, we train our staff on how to best deploy our candidates. So we're making matches that are not only efficient, but effective as well.

- **More accountability.**
  People*link* employs an in-house team that is solely dedicated to conducting internal performance audits and measuring the degree to which we're following our processes. These audits help ensure we're delivering on our promises.

For more information, call Jeannine Victor at 574.232.5400 x 261.

MIXED HIRING RESULTS PROJECTED FOR SEPTEMBER

by Theresa Minton-Eversole, SHRM

Hiring rates will increase in the manufacturing sector and drop in the service sector in September compared with a year ago, according to the Society for Human Resource Management's (SHRM's) Leading Indicators of National Employment (LINE) survey.

"The pace of [U.S.] economic activity remained reasonably strong in July," said Ken Goldstein, economist for The Conference Board, which released its latest Leading Economic Index (LEI) on Aug 21. "Although retail sales were a little disappointing, hiring and industrial activity improved. July's increase in the LEI, coupled with its accelerating growth trend, points to stronger economic growth over the coming months," he said in a statement about the results.

The LINE report examines employers' hiring expectations, job vacancies, recruiting difficulty for top-level talent and new-hire compensation, based on a monthly survey of private-sector human resource professionals at more than 500 manufacturing and 500 service-sector companies.

Source: SHRM Leading Indicators of National Employment (LINE) survey

Employment Expectations	**Manufacturing**	**Service**
In September, the hiring rate will rise in manufacturing and fall in services compared with a year ago.	**+11.0**	**-9.5**
Recruiting Difficulty		
In August, recruiting difficulty increased in both sectors compared with a year ago.	**+6.1**	**+5.4**
New-Hire Compensation		
In August, the rate of increase for new-hire compensation rose in manufacturing and fell in services compared with a year ago.	**+2.9**	**-5.0**

EMPLOYMENT EXPECTATIONS

"This is a mixed month for hiring as the picture for manufacturing looks quite different from the service sector," Jennifer Schramm, GPHR, manager of SHRM's workforce trends program, told SHRM Online. "While a net of about half of manufacturers say they are adding jobs, a net of less than one-third of service-sector firms can say the same."

For the sixth straight month, manufacturing hiring will increase when compared with the previous year. September also marks the fifth straight month that a net of at least 50 percent manufacturers surveyed reported they will expand their payrolls, according to LINE data.

A net of 50.5 percent of manufacturers will add jobs in September (56.8 percent will hire, 6.3 percent will cut jobs). The sector's hiring index will rise by 11 points compared with a year ago.

Meanwhile, for the first time in five months, service-sector hiring will decline when compared with the previous year. A net of 29.9 percent of service-sector companies will grow payrolls in September (39.1 percent will hire, 9.2 percent will cut jobs). The index fell by 9.5 points compared with a year ago.

EXEMPT, NONEXEMPT JOB VACANCIES

In August, more companies had increases in salaried job openings compared with a year ago.

A net total of 22.9 percent of manufacturers reported increases in exempt vacancies for the month (32.1 percent reported more vacancies, 9.2 percent reported fewer), up 9.1 points from August 2013. In the service sector, a net total of 20.8 percent of respondents reported increases in exempt vacancies in August (28.8 percent reported more vacancies, 8 percent reported fewer). This number is up 7.9 points from August 2013.

August also marked four-year highs for employers reporting increases in hourly job openings. A net total of 30.8 percent of manufacturing respondents reported that nonexempt vacancies rose for the month, a 15.3-point increase from August 2013. In services, a net total of 25.3 percent of respondents reported an increase in nonexempt vacancies, up 7 points from August 2013. This is the third consecutive month that those net totals reached four-year highs in both sectors.

RECRUITING DIFFICULTY

Recruiting difficulty for August also reached four-year highs in both sectors. LINE's recruiting difficulty index measures how difficult it is for firms to recruit candidates to fill the positions of greatest strategic importance to their companies.

"Even though employment expectations are down in the service sector, it isn't making it any easier to find those highly-skilled job seekers for the positions that are of most strategic importance to companies," said Schramm.

A net of 23.8 percent of manufacturing respondents had more difficulty with recruiting in August, an increase of 6.1 points from August 2013. A net of 14.5 percent of service-sector HR professionals had more difficulty recruiting in August, an increase of 5.4 points from a year ago. August marks the sixth consecutive month that recruiting difficulty has risen in both sectors when compared with the previous year.

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MIXED HIRING RESULTS PROJECTED FOR SEPTEMBER

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NEW-HIRE COMPENSATION

In August, few employers raised pay for new hires.

In the manufacturing sector, a net total of 9 percent of respondents reported increasing new-hire compensation in August, an increase of 2.9 points from August 2013. In the service sector, a net total of 9.8 percent of companies increased new-hire compensation in August, down 5 points from a year ago.

The index's data overall show that most organizations are not increasing new-hire compensation. This is consistent with recent Bureau of Labor Statistics findings on real average hourly earnings, which were unchanged in July 2014 compared with July 2013.

"In line with hiring expectations, the new-hire compensation index rose slightly in manufacturing and fell in services," said Schramm. "Overall, the wages on offer for new hires are staying fairly flat in both sectors."

SHINING STAR 2014

Elizabeth Fussell (left, Shining Star of the Year) and Nicole Humphrey (right, Staffing Specialist, Joplin, MO)

Each year, the U.S. celebrates the accomplishments of its contingent workforce during National Staffing Employee Week – September 15-21. In honor of National Staffing Employee Week, Peoplelink is happy to announce our *Shining Star of the Year*, Elizabeth Fussell.

Elizabeth is a Press Operator Assistant at RX Technology. She reports to the Joplin, Missouri Peoplelink branch. She has worked at RX Technology for four years. She started as a boxer, packaging and palletizing, and moved to a Press Operator Assistant position. Her job knowledge and performance is outstanding. According to Elizabeth's Supervisor, Elizabeth is by far the most helpful on his team. She steps in to help others when they get behind or need guidance without being asked and still stays on top of her own assigned duties.

Thank you to Elizabeth for your commitment to excellence and Congratulations on being Peoplelink's 2014 *Shining Star of the Year*!

Find your shining star! Contact Peoplelink at 574.232.5400.

HR News

What will the workplace be like in 2022?

Report paints intriguing picture

By Tim Gould, HR Morning

Hey, nobody can really tell what the future holds. But if it's anything like what HR pros predicted in a recent report, both employers and employees will have lots of adjustments to make. The consulting firm PricewaterhouseCoopers (PwC) just published a report titled *The Future of Work: A Journey to 2022*, which was based on interviews with 500 HR experts in the U.S. as well as several other countries.

And the **results of that report** paint a sort-of-surreal image of corporate life in the next decade. Some of the highlights:

Constant monitoring, survival of the fittest

Finding #1: Employers will take a Big Brother approach to workers' personal lives and health. In recent years, we've seen many employers trying to get their workers to live healthier lives in an effort to ward off **chronic conditions** and, ultimately, reduce health claims costs. PwC predicts that this tactic will increase exponentially.

In fact, many employers will monitor their workers — inside and outside the office — like "lab rats." As the study puts it: "The monitoring may even stretch into [employees'] private lives in an extension

of today's drug tests." The report did note that the degree of monitoring would likely be dictated by the amount of worker resistance at a company.

Finding #2: Pay-for-performance will become an exact and complex science. The idea of doling out the lion's share of your salary-increase budget to top performers is nothing new. However, by 2022, the study predicated that employers will use the types of data-mining techniques used by corporate giants like Amazon to create performance profiles for workers based on hundreds of pieces of data.

Finding #3: **Independent contractors (ICs)** will replace full-time employees. If you thought ICs were popular now, you haven't seen anything yet — at least that's what the study predicts. The report said an increasing number of "traditionalists" will adjust to what PwC calls a "portfolio career" and benefit in a number of ways.

The report envisioned ICs being chosen via eBay-style ratings based on the previous clients of the contractors. The report also said that contractor work would be a way for individuals to avoid the round-the-clock, Big-Brother-esque surveillance it predicted for full-time employees by their employers.

NLRB thwarts another common employer practice

By Christian Schappel, HR Morning

The National Labor Relations Board (NLRB) has taken a hacksaw to yet common employer rule – even when it's unwritten.

As you may have noticed, the NLRB has been on the warpath to eliminate any employer practices or policies it deems as potentially detrimental to having an organized labor entity take root in a place of business.

Some practices and policies the NLRB has shot down recently, claiming they violate employees' somewhat vague right under the National Labor Relations Act (NLRA) to discuss the "terms and conditions" of their employment:

- prohibitions on **discussing wages**
- ***social media*** policies prohibiting employees from discussing work matters, and
- **handbook policies** prohibiting negative comments about fellow team members.

The board has even handcuffed employers' ability to fire employees for **outright insubordination**, and it's looking into whether **email policies** prohibiting the use of company email for personal matters violate the "terms and conditions" rule.

Overall, the NLRB's recent actions have forced employers to take a long, hard look at what they're asking employees to do, and — more importantly — not do.

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HR News

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CAN'T PROHIBIT DISCUSSIONS ABOUT DISCIPLINE

An NLRB ruling handed down just a few weeks ago is no exception.

Here's the rundown: Lee Craft worked for Philips Electronics. During his tenure, he received numerous oral and written warnings — and even a demotion — stemming from performance problems and misconduct.

He'd even been repeatedly warned to stop harassing and intimidating a co-worker, Kim Coleman.

Finally, it got to the point where Craft was given a final written warning about his performance and behavior problems. It stated that if Craft engaged in any further inappropriate behavior, Philips would terminate him immediately.

He was then transferred to another department and instructed to stay away from Coleman's work area.

Shortly thereafter, Craft drove his forklift into Coleman's work area and complained loudly that he'd been disciplined because of Coleman's harassment complaints. He then showed Coleman and other co-workers the disciplinary form he'd been given.

Craft was promptly fired. His discharge notification said:

"Lee Craft is being terminated effective immediately due to disrupting the operation and sharing confidential documentation and information during working hours and continu[ing] to use intimidating language towards management."

UNFAIR LABOR PRACTICE CHARGE

Craft filed an unfair labor practice charge challenging his termination, and an NLRB regional director issued a complaint alleging Craft's firing violated the NLRA. Specifically, the regional director claimed the company's policy prohibiting the discussion of employee discipline was illegal because it violated the NLRA's "terms and conditions" rule.

Philips tried to get the complaint thrown out by stating that nowhere did it have a written policy prohibiting employees from discussing discipline. Several Philips employees even testified that was the case.

A three-member board panel reviewed the case and issued two rulings:

- Craft's termination should stand because even if he hadn't shared his disciplinary record with co-workers, he would've been fired for his outburst, and
- The company did violate the NLRA by having an illegal policy prohibiting employees from discussing disciplinary actions. It said that Philips couldn't claim such a rule didn't exist because the company clearly cited Craft for violating the rule. It also said even an unwritten rule to that effect would violate the NLRA.

In it's ruling, the NLRB went on to say:

"An employer violates Section 8(a)(1) [of the NLRA] when it prohibits employees from speaking with coworkers about discipline and other terms and conditions of employment absent a legitimate and substantial business justification for the prohibition."

EMPLOYER REPERCUSSIONS

For many employers, this means it's time to change up some long-held policies restricting employees from discussing the disciplinary actions you take against them.

The penalty for Philips, as is the case with other employers found guilty of violating the NLRA's "terms and conditions" rule:

- Cease maintaining the illegal rule
- Take all actions necessary to come into compliance with the NLRA, and
- Post a notice (they tend to be quite lengthy) explaining the manner in which the company violated the NLRA, the steps it will take to prevent future violations and the rights employees have under the law.

Skills Gap Bumps Up Against Vocational Taboo

by Sven Böll, Wall Street Journal

Federal, State Governments Push Apprentice Programs, but Find Few Domestic Takers

CHATTANOOGA, Tenn.—The Obama administration and governors from Michigan to North Carolina have a solution for some of the U.S. manufacturing sector's woes: German-style apprenticeship programs.

But their success is proving to be unusually one-sided, mostly drawing firms based in Germany and other non-U.S. countries. In North Carolina, "Apprenticeship 2000," a program combining classroom work and on-the-job training, has drawn numerous German companies but so far only two U.S. firms, Ameritech Die & Mold Inc. and Timken Co.

In Michigan, where Republican Gov. Rick Snyder promised last year to "Americanize" the German model in his state, almost three-fourths of the participants are firms based overseas, mostly in Germany.

Both the White House and governors are trying to fight a so-called skills gap among U.S. workers that many businesses blame for the slow labor-market recovery. Although plenty of Americans are looking for work, employers often lament a lack of qualified workers—particularly young people.

Germany, in contrast, has a long record of finding a stronger fit between employees' skills and employers' demands. The success is reflected in a youth unemployment below 8%, the lowest of any advanced country and about half of the U.S. level. The apprenticeship system is credited as a leading driver of what many European economists call the German labor-market "miracle."

"Vocational training is a well-recognized career in Germany that offers good income opportunities, whereas in the U.S. it is often associated with people who did poor at high school," said Robert Lerman, an American University economics professor who studies apprenticeships.

Unlike in the U.S., where workers are largely hired and then trained for a company's particular needs, German vocational training normally takes three years and is supposed to give apprentices a broader qualification beyond a single employer's needs.

The students, paid by the companies, spend three to four days a week doing on-the-job training within companies and the rest of the time taking classes at public vocational schools. Curricula are developed by employers' associations, trade unions and the federal government. Costs vary but average roughly $20,000 a year, typically for three years.

Studies show Americans between the ages of 16 and 25 change their jobs almost eight times, three times as much as Germans in the same age group.

"The apprenticeship has been the best choice of my professional life," said Amy Mitchum, a 37-year-old Tennessee resident who left her job as a membership manager for a real-estate agency three years ago to join an apprenticeship program run by Volkswagen AG. The German car maker's Automation Mechatronics program gave her what is viewed globally as the gold standard for apprenticeships: a German vocational-training certificate.

She now earns $22 an hour, about 50% more than the median wage in her state. In a few years, she'll likely move up to $30 an hour—alongside benefits including health insurance, a bonus, pension plan and good deals on cars. "I don't see any reason why I might quit this," she said. Now her husband works for Volkswagen too.

Most U.S. workers avoid the same path for a number of reasons, experts say. Parents and educators tend to generally encourage young Americans to attend college. While businesses have an incentive to hire qualified workers, many resist investing in people who might leave. And the community colleges that are often at the center of apprenticeship programs tend to focus on local interests.

President Barack Obama, who has discussed the German model a number of times, has taken some action. The administration wants to double the number of apprentices within the next five years and plans to launch a $100 million program to expand apprenticeships.

Its success remains uncertain because of the U.S. educational system's decentralized structure. While Germany has national standards for vocational training, it's difficult for federal officials and state governors to set standards for community colleges.

"The power both of the federal and the state governments to push the collaboration between business and colleges on a regional level is limited," said Monika Aring, an adviser to companies who has studied the issue for the International Labor Organization. Also, U.S. companies "are not used to collaborating with each other."

Some corporate executives fear spending money on training could be a bad investment. Christian Koestler, vice president of operations at German manufacturer Stihl Inc. in Virginia Beach, Va., recently presented his vocational-training program to about 20 companies to seek their cooperation.

His American counterparts often asked him, "What if I invest in the people and then they leave?"

His reply: "It would be worse if you didn't invest and they stayed their whole professional lives with you," Mr. Koestler said. Only one company—based in Germany—joined the Stihl apprenticeship program.

But the figures also could prove why the German model works: If companies invest in their workforce, the workers are much more loyal.

At first glance, the fear of misinvestment seems justified. Studies show Americans between the ages of 16 and 25 change their jobs almost eight times, three times as much as Germans in the same age group. But the figures also could prove why the German model works: If companies invest in their workforce, the workers are much more loyal.

That's why Mike Gidley, executive vice president of Pontiac Coil Inc., based near Detroit, thinks a German-style system benefits everyone. "It gives both our apprentices and us a huge competitive advantage," he said. Mr. Gidley is the new chairman of the steering committee of MAT2, the vocational-training system introduced in Michigan. Under the program, firms must invest about $20,000 per person a year, but the apprentice must stay with the employer for at least two more years after the training.

"We have been struggling so long to find the technicians we need," Mr. Gidley said. "The program is exactly what we needed."