



2005 FAS ANNUAL CONFERENCE
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HUMAN RESOURCES FOR SMALL – MEDIUM SIZED MEMBERS

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Financial Administrators Section Annual Conference September 23, 2005 Breakout Sessions

Human Resources for
Small – Medium Size Member Firms

Presented by:
Donna Ihnatowycz
SVP Human Resources & Training
Harrington Lane Inc.



Human Resources for Small – Medium Size Member Firms



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Agenda

Provide Diversified Information in the Human Resources Discipline

1. Management/Leadership
2. Job descriptions
3. Hiring practices
4. Compensation, Performance Measurement,
Development Plans

5. Policies & procedures employee handbooks
6. Payroll services
7. Employee benefit plans
8. Merger integration
9. Key person transitioning
10. Termination

1. Management/Leadership

Understand your role as a:

- Leader
- Manager
- Team captain
- What is most important in a Manager-employee relationship?

1. Management/Leadership Cont'd

Role of Leader/Manager

- Communication
- Delegation
- Conflict resolution
- Team work
- Coaching & feedback
- Performance management
- Motivations



1. Management/Leadership Cont'd

Teams

“The way a team plays as a whole determines its success. You may have the greatest bunch of individual stars in the world, but if they don't play together, the club won't be worth a dime”



Babe Ruth

Teams



“It’s amazing how much can be accomplished when you don’t care who gets the credit”

Abraham Lincoln

Teams...

- Increase productivity
- Leverage strengths – better results
- Broaden skill sets
- Allow specialized enterprise

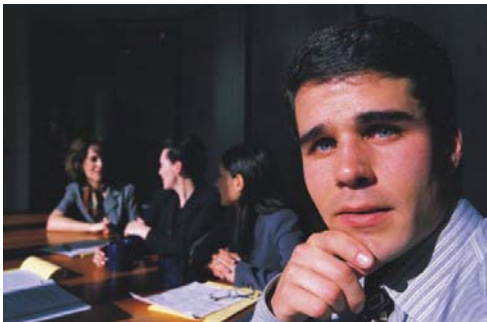
1. Management/Leadership Cont'd

Your Team:

- Strengths
- Areas of improvement
- Roles & responsibilities – Are they clear?
- Does the structure work?
- Is the team dysfunctional?
- Trust

1. Management/Leadership Cont'd

Signs of a Dysfunctional Team



- Absence of trust
- Fear of conflict
- Lack of commitment
- Inattention to results
- Avoidance of accountability

Why Job Descriptions?

- Information to support succession planning
- Better understanding of position you are hiring
- Does role fit organizational structure?
- Provides information to employee/management
- Provides current job contact

What to Include:


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Incumbent:

Position:

Reports to:

Location:

Role:

Responsibilities:

Core Competencies:

•

Qualifications:

•

Regulatory Requirements:

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Sample Template

3. Hiring Practices

Know what you are hiring

- Roles & responsibilities
- Competencies
- Qualifications
- Regulatory implications

BAD DECISIONS = \$



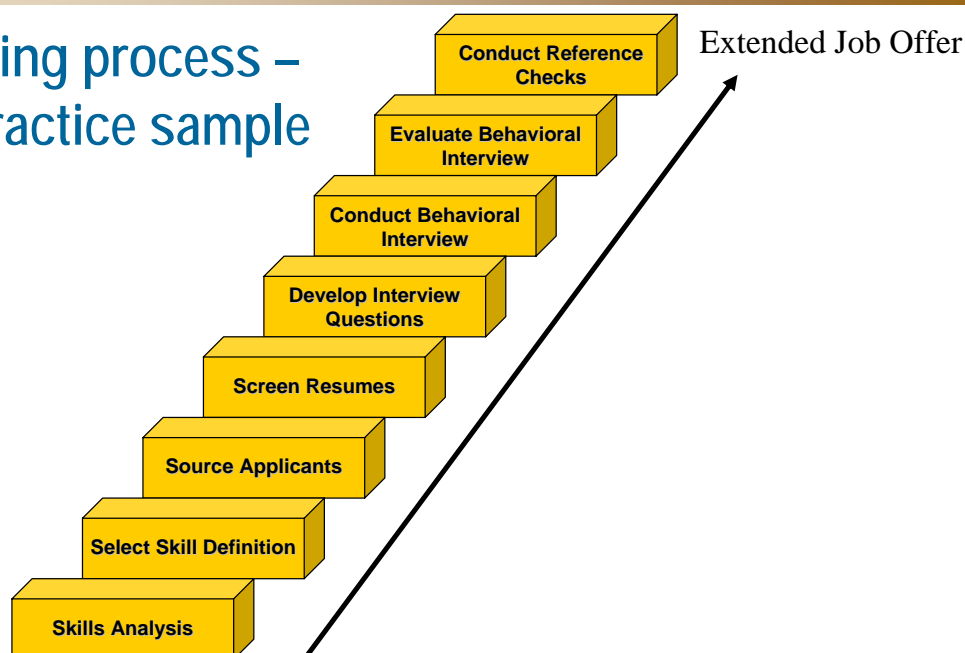
3. Hiring Practices Cont'd

Not Just:

- Ineffectiveness/customer costs
- Costs of new hires/interview process/travel
- In directs of how moral/customer loss/frustration
- Litigation costs

3. Hiring Practices Cont'd

The hiring process – Best practice sample



3. Hiring Practices Cont'd

Resume screening checklist

AREAS TO CONSIDER

- How well does the candidate meet your most important criteria?
- Does the resume clearly show dates of employment? Are there any gaps in the work history?
- Is the resume clear about education? Does the candidate's education meet requirements?
- Are there special skills listed? Are they relevant to the job?
- What does the format reveal? Chronological vs. functional vs. combination?
- Where do you need to investigate further? Make a note.
- Is there a covering letter - what does it reveal?
- Is there an objective statement – what does it reveal?
- How much time and effort is demonstrated in the resume presentation?
- Are there any errors in grammar, spelling or punctuation?

3. Hiring Practices Cont'd

Resume screening checklist cont'd

OTHER THINGS TO LOOK FOR IN REVIEWING RESUMES

- Overstatements/possible misrepresentations: "Implemented office reorganization" could mean "Moved some furniture".
- Right out of school and has done everything, been everywhere – check!
- Education: Watch for obscure school names; "attended Bachelor's Program" instead of "Earned Bachelor's Degree" could mean education is incomplete.
- Time gaps: Use of years rather than month and year; for example, "1990 – 1991" could be one year or one month (Dec 1990 – Jan 1991) – always clarify dates.
- "Fancy footwork" with words: "exposed to" or "familiar with" does not mean actually doing on the job or proficient with.
- Conflicting dates and other discrepancies – school and work dates, backward regression in work history.
- Vague, unspecific or incomplete information.

3. Hiring Practices Cont'd

Why ask behavioural-based questions?

- Gain knowledge of specific skills required
- Stimulate candidate to describe job-related past experience
- Objectively rate current vs. past behaviour to match job requirement

3. Hiring Practices Cont'd

Difference Is:

General Questions...

"What are your strengths?"

Trait Response...

"I am good with people."

3. Hiring Practices Cont'd

Behavioural Based Questions:

Give me an example of an angry employee you had to deal with

Behavioural Based Response:

Last month an employee was upset because.....



3. Hiring Practices Cont'd

Behavioural Based Responses are Characterized by Specifically:

- Names
- Numbers
- Locations
- Time

3. Hiring Practices Cont'd

Quote:

“PAST Behaviour Predicts Future Behaviour”

Dr. Paul A. Green



4. Compensation/Performance/Development Plans

It's all a Process

- Gives managers better tools to manage performance
- Provides a vehicle through which employees can receive richer feedback for development
- Helps business achieve goals
- Basis for promotions, bonuses and pay increases

4. Compensation/Performance/Development Plans

Shift in Thinking & Approach

<u>From</u>		<u>To</u>
Compliance driven		Willing & eager
Administrative task		Increased performance
Transactional event		Ongoing partnership
Unclear objectives		Objectives linked to business strategy
Performance focused		Performance & behaviour focused
Weak link to compensation		Strong link to evaluation & compensation

4. Compensation/Performance/Development Plans

Research Shows

- Ratings are inflated
- Standards are inconsistent
- Coaching & feedback needs improvement

4. Compensation/Performance/Development Plans

Trends in Performance Management

- Reinforce & redirect behaviour
- Evaluate the “What & How”
- Partnership
- Highlight career opportunities – development plans
- Peer reviews

4. Compensation/Performance/Development Plans

Why Peer Review:

- Total performance
- Emphasis “How” employees meet their objections
- Encourages behaviour which supports organizations principle/culture
- Reinforces organization’s commitment to developing and retaining employees

4. Compensation/Performance/Development Plans

Development/Succession Plans:

- Identification of employee’s ability to move into a broader role
- Motivates employee to rise to the challenge
- Employees demonstrate their ability and motivation in several ways
- Prepares the organization for unexpected events

5. Policies & Procedures Employee Handbooks

Why?

- Attracts quality employees
- Commitment to a guideline of set values
 - Integrity
 - Fairness
 - Respect for individuals
- Reflect desire to maintain consistency
- Guide for managers to handle HR policy matters

5. Policies & Procedures Employee Handbooks Cont'd

Should Include:

- Overtime policy for clerical and administrative staff
- Travel policy/expense report
- Vacation policy
- Personal days
- Maternity/paternal leave
- Tuition reimbursement
- Job posting policy
- Dress code policy
- Office supplies
- Recycling program
- Corporate fitness policy
- Fire & health safety
- Harassment policy

6. Payroll Services

- Usually resides in the finance function
- Always interfaces with HRIS (Human Resources Information Systems)
 - People Soft
 - SAP
 - In house databases
 - Accountant bookkeeper
 - Manual
- Most popular outsource systems are
 - ADP
 - CERIDIAN

6. Payroll Services Cont'd

What drives outstanding costs

- Number of Employees
- How Often is payroll processed
 - Weekly
 - Monthly
 - Bi-weekly
 - Semi-monthly
- How are most employees paid
 - Hourly
 - Salary

6. Payroll Services Cont'd

Know What Services You Want:

- Direct deposit
- Cheque signing
- Cheque stuffing
- Internet based access

Know what's most important to grow

SERVICE

7. Employee Benefit Plans

TREND

- Flex benefits

Why

- Allows for customization
- Allows for customizing changes every 1-2 years
- Allows for shared expenses
- Allows for additional benefits to be purchased

7. Employee Benefit Plans Cont'd

Assessment – we often recommend plans offering:

- Medical & Dental – core coverage 100% Employer paid
- One time life insurance

Add on's

- Medical Options – Eye Care 100% Employee paid/or shared
- Dental Options – Orthodontists
- LTD
- Life Insurance Outside Carrier

7. Employee Benefit Plans Cont'd

Benefit Solutions for Small Business:

- Manulife Financial 1-800-Cover me
- Canada Life 1-888-CLA-1847
- Great West Life 416-492-4300
- Standard Life 1-800-499-4415
- Transamerica Life 416-883-5000
- Blue Cross 1-800-234-881
- Liberty Health 1-800-571-3569

7. Employee Benefit Plans Cont'd

Also Professional Organizers

- HRPAO → Meloche Monnex
- CA → Meloche Monnex
- Law Society → Canadian Bar Insurance Association

8. Merger Integration

Stresses of Organizational Change

3 Key DRIVERS of change

- People
- Technology
- Information

Usually Driven by Integration Uncertainties

What to do in an Integration

- Create a road map to track integration process
- A communication plan
- Create a human resource plan
- Create a management information systems integration plan
- Product and technology integration plan
- Operations technology plan

Basic Mistakes Employees Make

1. Expect Someone else to reduce your “stress”
2. Decide not to change
3. Act like a victim
4. Play “New” game by “Old” rules
5. Try to control the uncomfortable
6. Pick the wrong battles
7. Assume management should keep you comfortable

9. Key Person Transitioning

- Review organizational design
- Review succession plan
- Identify successor (internally)
- Appoint an interim executive
 - Internally
 - Externally – Interim Executive
- Review job scope depth and breath of the role
- Pressure replacement

9. Key Person Transitioning

Replacement

- Word of mouth
- Job Posting at Professional Websites
 - CA Website
 - HRPAO Website
- General Job Posting Website
 - Workopolis
 - Monster
 - Job Shark
 - Ministry Website – Job Bank
 - CFA Institute
- General Newspaper Advertisements

9. Key Person Transitioning

Search Firms

- | | |
|---------------------|------------------------|
| HR Type Jobs | ➤ Gerlinde Herrmann |
| General | ➤ Feldman Gray |
| | ➤ Legacy Partners |
| Sales & Wholesaling | ➤ Accuhuman |
| Finance | ➤ Robert Half |
| Biggies | ➤ Korn/Ferry |
| | ➤ Heidrick & Struggles |
| | ➤ EGON Zehnder |
| | ➤ Ray & Berndtson |

10. Termination & The Disciplinary Process

Step 1:

- Verbal Confirmation
- Improvement measures required
- Documentation from the Performance Review indicating prior discussion

10. Termination & The Disciplinary Process Cont'd

Step 2:

- First written confirmation of unacceptable performance – indicating failure to improve as previously notified

10. Termination & The Disciplinary Process Cont'd

Step 3:

- Failure to improve as required by earlier steps – final written warning that unless improvement occurs in a specific time frame – dismissal will follow

10. Termination & The Disciplinary Process Cont'd

Step 4:

- Dismissal – if required performance standards have not been met

10. Termination & The Disciplinary Process Cont'd

In the termination meeting:

1. Always have a 3rd party
2. Always document what was said
3. Always provide outplacement of some kind

10. Termination & The Disciplinary Process Cont'd

Outplacement Recommendations

- Feldman Gray
- Miller Dallas
- Gray & Christmas
- HR Outsourced functions to manage the process

10. Termination & The Disciplinary Process Cont'd

Employment Lawyers

- Hugh O'Reilly @ Tory Haythe
- David Roebuck @ Heenan Blaikie
- Mary Porges @ Proges - Walsh
- Bob Colson @ Teplitzky Colson

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Questions?

Thank you!





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Our Value Added

Harrington Lane is a leader in providing global financial solutions to enhance the strategic and operational effectiveness of financial professionals, corporations and industry-related organizations. We specialize in the delivery of high-quality strategy, training, consultancy and cost-effective outsourcing for professionals in the financial services industry.

Our Clients

Industries – 90% Financial Services, 10% Other

Geography – 80% Canada, 20% United States

Financial Services Clients • Corporate, Executives, Institutional, Retail, Individuals • Public, Private, Being Formulated

- Investment Dealers
- Mutual Fund Dealers/Financial Planners
- Banks
- Mutual Fund Companies
- Regulators
- Investment Counselor Portfolio Managers
- Alternative Investment Firms
- Insurance Companies
- Family Offices
- Wire Houses

Our Services

- Regulatory & Compliance
- Licensing & Registrations
- Anti-Money Laundering
- Privacy
- Human Resources
- Interim Staffing (e.g. maternity leave)
- Market Data Audits
- Business Strategy – Formation & Implementation
- Executive Coaching
- Management & Leadership Development
- Team Assessment & Development
- Customized Training Programs
- Financial DNA[®]
- IDA Continuing Education Course Assessments

Our People

Each of Harrington Lane's professionals has years of practical hands on experience at financial services firms and regulatory organizations in the services we offer. Clients find it refreshing that we've been in their seats and bring first-hand industry contacts to the relationship. Collectively, the Harrington Lane team works with clients to provide customized solutions based on their unique needs and circumstances, on time and on budget. Clients appreciate our partnership approach. Harrington Lane's services are engaged on a project basis, by per diem or complete outsource.



HARRINGTON LANE INC.
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SVP, Human Resources,
Training & CECAP

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Donna is a seasoned Human Resources, Training and Business Consultant who brings to each client initiative over 15 years of Executive Management Achievement. Her experience in the Financial Services Industry has focused upon such disciplines as strategic planning, process improvement, management development, change management, recruitment strategies, training and development initiatives and the outsourcing of Human Resources functions.

Donna has worked with many large well known Canadian Corporations on both the “buy” and “sell” sides of merger and acquisition integrations. She has successfully developed and integrated HR functions with business strategies resulting in maximum value added for all parties concerned.

As an instructional designer, Donna has created developed and delivered many training programs on topics including leadership, team building, sales management, behavioural interviewing, presentation skills and time management. She has provided one – on – one coaching to senior executives, helping them maximize all levels of employee performance in their business units, as well as guiding executives in achieving their own developmental goals.

A graduate of the University of Toronto, a Certified Human Resources Professional, and active member of the Human Resources Professional Association of Ontario, Donna also devotes her time to Arts and Culture. She has chaired several “Fund Raising” initiatives for such venues as the Royal Ontario Museum, the United Way and numerous community centred events.



HARRINGTON LANE INC.
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Human Resources Services for IDA Member Firms

At Harrington Lane, we understand the unique challenges that small to mid-size firms face as they address their Human Resources requirements.

Our professionals have the expertise to provide customized services ranging from specialized Human Resources consulting to complete turn-key outsourcing designed to meet your organization's size, structure and budget.

About Harrington Lane

Harrington Lane is a leader in providing global financial solutions to enhance the strategic and operational effectiveness of financial professionals, corporations and industry-related organizations. We specialize in the delivery of high-quality training, strategy, consultancy and cost-effective outsourcing for the financial services industry.

Specialized Human Resources Services

- ◆ Strategic Planning & Human Resources Management
- ◆ Organizational Design & Structure
- ◆ Resourcing – applicant screening & behavioural interviewing
- ◆ Job Descriptions – relative to regulatory requirements
- ◆ Career Planning – timing & process
- ◆ Termination – what to do & what not to do
- ◆ Interim Staffing – maternity, sick leave, etc.
- ◆ Merger Integration – politics, anxiety, objectivity & the desired outcome
- ◆ Policies & Procedures Employee Handbooks
- ◆ Payroll Services – assessment & implementation
- ◆ Employee Benefit Plans – assessment & implementation
- ◆ Key Person Transition Planning – expected & unexpected
- ◆ ...plus other customized services

To learn more about Harrington Lane's Human Resources Services for IDA Member firms, please contact:

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Human Resources Services for IDA Member Firms

“WE APPRECIATE THE SUPPORT AND FEEDBACK FROM OUR VALUED CLIENTS”

President & CEO, Investment Dealer, 175 Employees

“Our company’s roots date back over 100 years, yet our firm has never had a formal human resources department. It became apparent that our leadership team required additional skills to help them motivate, measure employee performance, deal with conflicts, etc. in order to support a respectful, productive work environment.

We engaged Harrington Lane to assess our needs. They delivered a customized program which allowed us to achieve our goal, at a reasonable price. Our senior management team collectively ranked Harrington Lane’s Human Resources work at 95% for relevancy, knowledge and effectiveness. We would recommend their services without hesitation.”

Managing Director & Co-Founder, Asset Management Firm, 40 Employees

“Our company engaged Harrington Lane to perform various Human Resources functions. We wanted to establish an HR template that would protect the firm, and also offer our employees clear policies and procedures relating to their terms of employment. Given our firm’s size, it made no sense to engage someone on a full-time basis to do this.

We have been extremely satisfied with the level of service our firm has received from Harrington Lane. They took our needs to heart, are accessible whenever needed and have met or exceeded all of our requirements. This relationship has been a valuable and useful one for our firm.”

Vice President - Human Resources, Investment Dealer, 1200 Employees

“Our existing team of in-house Human Resources professionals have been doing a comprehensive job of managing the needs of our employees and the firm. We recently needed to conduct a specialized review of the roles, responsibilities and job descriptions of a particular business unit.

Drawing upon their professional experience, Harrington Lane interviewed the respective employees, captured their roles and responsibilities, and then created up-to-date job descriptions which benefited our people and our company. This process was completed on time and on budget. We now consult with the professionals at Harrington Lane on other special situations as they arise.”