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The Peoplelink Online Newsletter

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Are leaders born or made?

When I pose this question to executives or HR professionals, the vast majority say that leaders are made; that is, leadership is something one can learn. Yet researchers have found traits, such as extraversion and intelligence, which differentiate leaders from others. This seems to imply that we can identify future leaders by looking at their traits – but we must be cautious when drawing such conclusions.

By failing to differentiate between leadership effectiveness (performance as a leader) and leadership emergence (being

is often misunderstood and misused. In fact, inborn traits are more strongly associated with leadership emergence. That is, within a group of peers, those who are more extraverted or more intelligent tend to have more influence on the group. Does this mean that these same people perform better than others when placed in a formal position of leadership? Not necessarily.

Look at the relationship between extraversion and leadership effectiveness. Some studies have found a relationship, but it is so weak that it is difficult to draw conclusions from it. A

ASKING WHETHER LEADERS ARE BORN OR MADE IS THE WRONG QUESTION

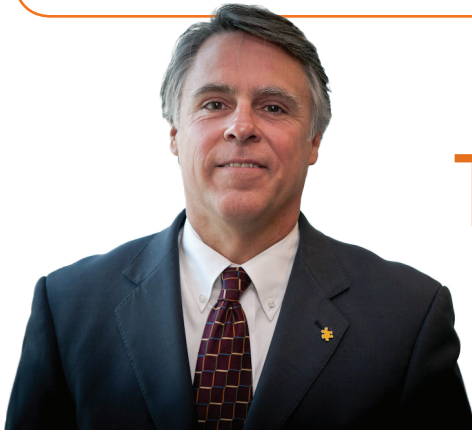
*Connson Chou Locke,
Harvard Business Review*

tapped for a leadership role), this research

much stronger relationship has been found when looking only at particular types of jobs: extraversion predicts performance in jobs with a competitive social component; for example, sales. And if we look at extraversion in more depth, it can also predict other less desirable outcomes such as absenteeism.

What about intelligence and leadership effectiveness? Again, the relationship is surprisingly weak and can be disrupted easily. For example, if the leader is under stress, then it is no longer possible to predict the leader's performance by looking at his/her intelligence. It seems that stress makes people behave in

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THE BEHAVIORS THAT DEFINE A-PLAYERS

Individual contributors sometimes ask themselves, "What will it take for others to recognize my potential?" They may simply want acknowledgement of the importance of the work they do. Or they may aspire to move into management. In some cases, they've been told that they're doing fine and have been advised, "Just keep doing what you are doing." Yet they see others being promoted ahead of them.

To see what separates the competent from the exceptional individual performers, a recent survey was conducted by Harvard Business Review. They compared the "good" performers (those rated at the 40th to the 70th percentile) to the "best" performers (those rated at the 90th percentile and above).

Which leadership skills distinguished the best from the merely good? Here they are, ranked in order of which made the most difference. Exceptional individual contributors:

Set stretch goals and adopt high standards for themselves. This was the single most powerful differentiator. The best individual contributors set — and met — stretch goals that went beyond what others thought were possible. They also

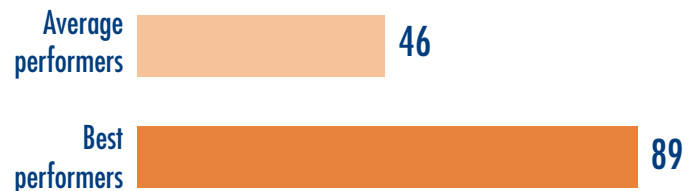
encouraged others to achieve exceptional results. It appears that setting stretch goals, since it's not necessarily expected, is a behavior that separates top performers from average.

The less effective individual contributors are excellent "sandbaggers," having concluded that the biggest consequence of producing great work and doing it quickly is more work. They fear their managers will keep piling on tasks until they reach a point where they can't accomplish all that's assigned. That's a problem for them, surely — but also for organizations that don't want to penalize valuable people for making extra effort.

Work collaboratively. When people were asked in the survey what they thought were the most important attributes for any individual contributor, they responded first with "the ability to solve problems" and second with "the possession of technical or professional expertise." So it's probably not surprising that these fundamental characteristics were shared by average and exceptional contributors alike. Third on the list, though, was "the ability to work collaboratively and foster teamwork." And this trait did distinguish the great from the merely competent.

WHAT MAKES AN INDIVIDUAL PERFORMER STAND OUT? The best are dramatically more productive than the average.

PRODUCTIVITY PERCENTILE RATING



Source: Zenger Folkman, HBR.org

Many individual contributors strive to work independently. Some believe that if they remain solo performers, their contributions will be more likely to be noticed. They may be thinking of some educational experience where they stood out because their effort was acknowledged with high grades and test scores. If so, they fail to see that the main purpose of an organization is to create more value by working together than everyone can produce by working outside the company on their own.

Volunteer to represent the group. The best individual contributors were highly effective at representing their groups to other departments or units within the organization. If you want to stand out, have the courage to raise your hand and offer to take on the extra work of representing your group. In this way you will

gain recognition, networking opportunities, and valuable learning experiences.

Embrace change, rather than resisting it. One of my peers describes her organization as having a "frozen middle" filled with people who resist and fear change. Change is difficult for everyone, but is necessary for organizational survival. The best individual contributors are quick to embrace change in both tactics and strategy.

Take initiative. Often individual contributors, by the very nature of their role in the organization, slip into a pattern of waiting to be told what to do. Great contributors develop a habit of volunteering their unique perspective and providing a helping hand. Think for a moment about the projects or

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programs going on in your own company. Which of them have your fingerprints all over them? Initiative requires more than doing your current job well.

Walk the talk. It's easy for some people to casually agree to do something and then let it slip their minds. Most people would say that this is mere forgetfulness. I disagree. I believe it is dishonest behavior. If you commit to doing something, barring some event truly beyond your control, you should follow through. The best individual contributors are careful not to say one thing and do another. They are excellent role models for others. This is the competency for which the collective group of 4,158 individuals we studied received highest scores. That means, essentially, that following through on commitments is table stakes. But exceptional individual contributors go far beyond the others in their scrupulous practice of always doing what they say they will do.

Use good judgment. When in doubt about a technical issue or the practicality of a proposed decision, the very best individual contributors research it carefully rather than relying on their expertise to just wing it. Making decisions takes up a relatively small portion of the day for this group, but the consequences of the decisions they do make can be enormous. Outstanding contributors are open to a wide range of solutions and careful to consider what, and who, will be affected if something goes wrong.

Display personal resilience. No one is always right. Everyone

suffers disappointments, failures, and disruptions. If they make a mistake, the best individual contributors acknowledge it quickly and move on. They don't brood on other people's mistakes. They ignore slights and hurtful comments. They realize that what undermines your reputation is not making mistakes but failing to own up to and learn from them.

Give honest feedback. I tend to think of feedback as a manager's responsibility. And it is. Since this is not a formal role or usual expectation of individual contributors, it's one of the behaviors that can make them stand out. Even done imperfectly, feedback from peers can be valuable because it's so rare. If done with kind intent, demonstrations of how you might approach some task, gently raising questions a coworker may not have considered, or perhaps pointing out some specific things a colleague did that was particularly helpful to you or somewhat distracting, can be highly prized. The best individual contributors were able to provide feedback in a way that was perceived not as criticism but as a gesture of good will.

If you want to stand out from the pack, excelling at any of these nine behaviors can make a substantial impact on the way others perceive you. So I recommend selecting the one or two that might matter most to your effectiveness in your current assignment to work on improving. In making your selection, consider asking your manager and peers for feedback on how effective you are in all of these areas. Not only will they give you additional insight, but

sharing your plans to improve will increase the likelihood that you will follow through. What's more, if managers know of your improvement goals they may find development assignments that will help.

If you are a manager with individual contributors reporting to

you, consider periodic coaching to encourage them to adopt more of the behaviors that will help them stand out from the crowd. It will strengthen their careers and will also help them to benefit your organization even more than they already do.



**American Payroll Association
MONTHLY MEETINGS**

The Local American Payroll Association (APA) holds meetings at PeopleLink every month except for January and July. The Michiana Chapter offers networking, education and a Certified Payroll Professional (CPP) Study Group.

For more information, please contact the Chapter President Sue Pocijewski, at spocijewski@peoplelinkstaffing.com.

Meet **PAM ELLIS** »

Sales & Payroll

Pompton Plains, NJ



» How long have you been in the staffing business?

I started almost 30 years ago on Long Island as a Personnel Counselor for Snelling & Snelling, placing administrative, sales and accounting. Two years after joining Snelling, I moved from the direct hire division to become Personnel Manager of their new temporary division. My responsibilities included everything from finding office space, staff & training to sales & payroll. I left Snelling when my daughter was born, but continued recruiting in the IT & HVAC fields while my children were young. I joined Elite almost 14 years ago when I walked in to see if they had anything temporary that would work with my children's schedule and walked out with a job as a temporary part-time office assistant. Eventually, I went full-time as a recruiter, and then took over as payroll and benefits manager.

» What was your first job?

What do you remember most about it? I worked in the Sear's gift wrap department at

Christmas. I was 17 years old and thrown into the department with no training or help. Everyone wanted their wrapped box to look just like the sample box and there were no pre-made bows— it was crazy. Now I can wrap anything, but still can't do bows!

» Who was the worst boss you ever had and why?

Through the years I've worked with different bosses, each has had their good and bad qualities. Each experience has taught me and helped me to grow.

» What motivates you each day to sell and service your clients?

I enjoy my job and like what I do. I want to make sure I'm doing everything possible to make my clients and employees happy and pleased with the service that we are offering them.

» What are some of your long-term goals?

Professionally, I believe our office is well positioned to continue to grow and expand and I look forward to playing a role in our future successes.

» What makes Peoplelink unique, from your perspective?

Working with Peoplelink, we are able to maintain our local business feel while obtaining larger goals.

» What makes you successful as a Manager?

I have in depth knowledge of the industry and try to lead by example.

» What is the best advice you could give to other Peoplelink staff members?

Focus on your job and do the best that you can.

» What is your favorite movie? Book? Drink?

Favorite Movie = Sixteen

Candles, I'm an avid reader, therefore it is hard to choose one book but my favorite authors are Judy Picoult and Dean Koontz. Favorite drink - Pimm's with cucumber.

» If you could have any car you want, what would it be?

Before children I had a Nissan 300 ZX. I would love to have that car again.

» What is your home city? What is the greatest feature about your home city?

Wayne, New Jersey- The town is just 30 minutes from Manhattan, 60 minutes from the beach and 60 minutes from the ski slopes.

» How do you unwind when you're not at the office?

Jigsaw puzzles, reading and cooking (especially for our Penn State Tailgates).

» What do people like most (least) about you?

I show an interest in other's well being. I'm a hard worker. Least: I can be a perfectionist.

» Anything else you can think of?

Married to my husband Tony for the past 28 years. Together we have two children, Ashley (22) and Kevan (21). ☺

LEADERS ARE BORN OR MADE

unpredictable – and perhaps less intelligent – ways. Interestingly, there is a far stronger relationship between leaders' perceived intelligence (how intelligent they look to others) and how likely they are to be chosen as a leader than there is between actual intelligence and leadership. Apparently, when it comes to

leadership, appearances are everything.

So are leaders born or made? What is this question really asking? If it is asking whether someone will emerge as a leader among a group of peers, then those types of leaders are born. But if it is asking whether

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someone will perform effectively in a leadership position, then that is dependent on the context, the type of job, and the person's ability to develop leadership skills. This cannot be predicted by their traits.

Unfortunately, we often choose

our leaders based on traits such as extraversion, charisma, and intelligence (or perceived intelligence). And then we wonder why their performance does not live up to our expectations.

Bright Ideas

3 QUESTIONS

Executives Should Ask Front-Line Workers

by Douglas A. Wilson, Harvard Business Review

The higher up you go in an organization, the harder it is to stay in touch with what's really happening on the front lines. And the bad news—if you hear it at all—is presented only in the best possible light. How do you get the real truth about what's happening out in the field? How do you stay connected to all corners of your organization? I have found that three simple questions, asked with the intent to learn, can help you stay in touch with reality and be a better leader:

Get out of your office and ask, “How can I help you?”

Doug Conant, while he was CEO of Campbell Soup Company, knew that if he was going to transform the company culture, he had to ask the simple question, “How can I help you?” He asked it continually of his employees, his suppliers, and his customers—and he demanded that each of his managers do the same too. Conant knew that as a leader he needed to show he cared about the employees’ and customers’ agendas if he

wanted them to care about the company’s agenda. With this one question, people knew that Conant cared, had high expectations, and was committed to solving problems, adding resources, and removing barriers. Through literally thousands of these connections with people, Conant was able to stay in touch, build confidence, motivate, and create urgency for transforming Campbell Soup. He reversed precipitous declines in market value, employee engagement, financial results, and corporate responsibility.

Get out on the front lines and ask, “Why are we doing it this way?”

Mark McKenzie, the CEO of Senior Care Centers, a large skilled nursing company in Texas, often asks, “Why are we doing it this way?” He asks to learn, not to criticize. He knows that as the company grows, which it is doing rapidly, it will need new systems and new structures, and all of these need to be aligned with

delivering outstanding patient care. McKenzie is building a culture of asking “why” and getting everyone engaged in the joy of being heard, seeing things change, and measuring progress.

Get out to your farthest perimeters and ask the question, “How are we doing in living out our values?”

Stanley Bergman, the CEO of Henry Schein, a \$10 billion global medical supply company, visits each company office at least once per year in every part of the globe. He meets with the country leaders and the product teams. Yes, he has great financial controls and excellent budget targets for each country and each product line but, as he says, the most important reason to visit is connecting with the people. In each office he visits, he makes sure he and his top people reach out to every person in the building. No one is left out. The questions he asks them are about values and how they are being demonstrated.

He might ask a salesperson, “Are we living into our values as a company in ways that support you?” He wants the truth and he has established a reputation as someone who listens—and takes action based on what he hears. He continually relates the story of what Henry Schein is doing and will do, and he’s tireless in his commitment to show that each individual is a valued contributor to “Team Schein.” His entire message is, “I want to be certain you are getting everything you need to do your job well, and that we show you respect all along the way.”

Three questions, three stories. Each one puts you in closer touch with reality, builds trust, and inspires high performance. Each time you ask these questions, you’re also acting as a role model for others in your organization. Being present, asking the right questions, and listening to what your customers, employees, suppliers, and investors have to tell you creates an invaluable feedback loop for your performance as a leader and for the organization as a whole. Do it consistently and others will follow with astounding results.

U.S. staffing industry forecast: April update

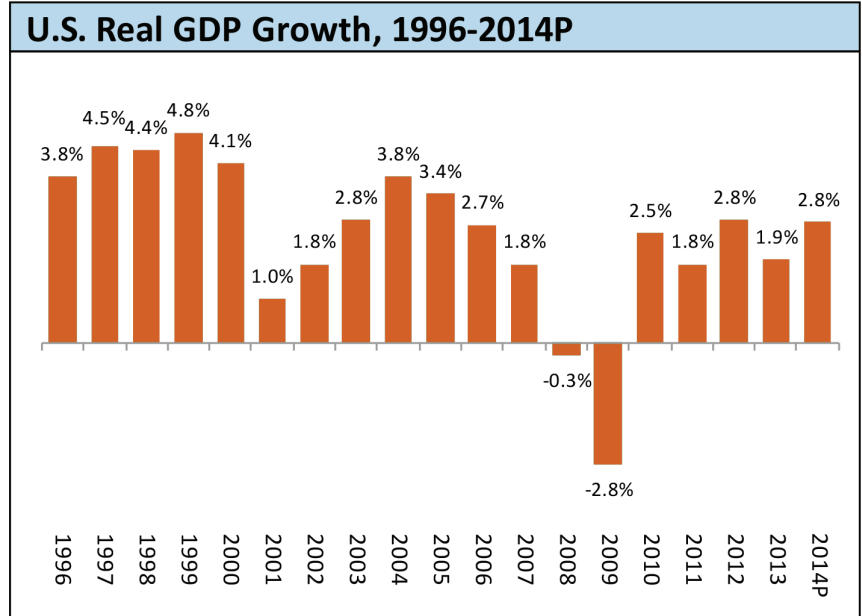
Source: Staffing Industry Analysts

U.S. economy poised for accelerated growth in 2014 and 2015

- The U.S. economy is projected to grow 2.8% in 2014 and increase 3.0% in 2015, according to the median of four widely cited forecasts (see chart at right.) If this comes true, it would represent the fastest level of economic growth since 2005. Drivers of growth in the economy include falling unemployment, recovery in the housing and construction sectors, and the anniversary of federal government sequester cuts.
- Our forecast for the U.S. staffing industry contained in this report is based upon our agreement with the GDP growth forecast of 2.8% in 2014 and 3.0% in 2015 mentioned above. In our last forecast report, published September 2013, we assumed 2.5% GDP growth in 2014. Consequently, we have raised our staffing industry segment growth forecasts in 2014 in many cases in part due to the faster expected GDP growth.

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Source	Forecast Date	2014	2015
The Conference Board	3/12/2014	2.6%	2.7%
Federal Reserve Bank of Philadelphia - Survey of Professional Forecasters	2/14/2014	2.8%	3.1%
International Monetary Fund	3/25/2014	2.8%	3.0%
WSJ Economic Forecast Survey	3/13/2014	2.7%	3.0%
Median		2.8%	3.0%



Source: U.S. Bureau of Economic Analysis and Staffing Industry Analysts
2014P indicates median of 2014 GDP forecasts

Peoplelink Processes.

Better sourcing. Better screening. Better planning. By implementing better operating procedures, Peoplelink can give you access to a deeper pool of talent, reduce the risk of hiring mistakes, and make sure you get the people you need – where and when you need them.

Our patented 6-step, candidate evaluation process, Assurelink®, allows Peoplelink to deliver all this and more by digging deeper to obtain more information about each candidate.

We also go the extra mile to combine successful placements with extensive assignment tracking, reporting, and follow-up processes – all customized to meet your unique staffing needs.

By taking a more thorough approach to hiring, we can consistently deliver the right people – and the best results, every time.

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

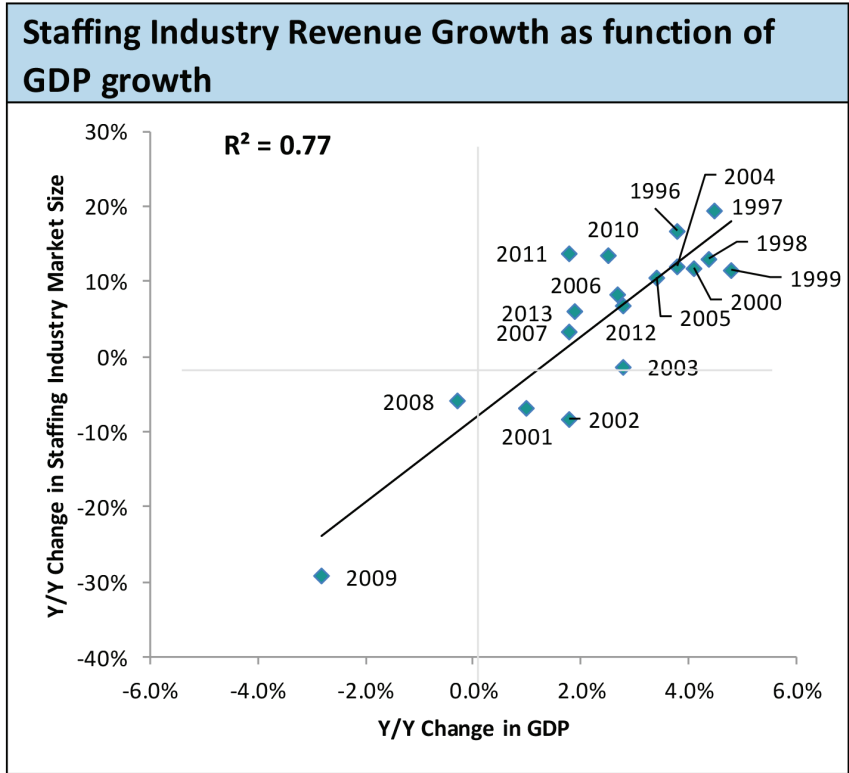


U.S. staffing industry forecast: April update

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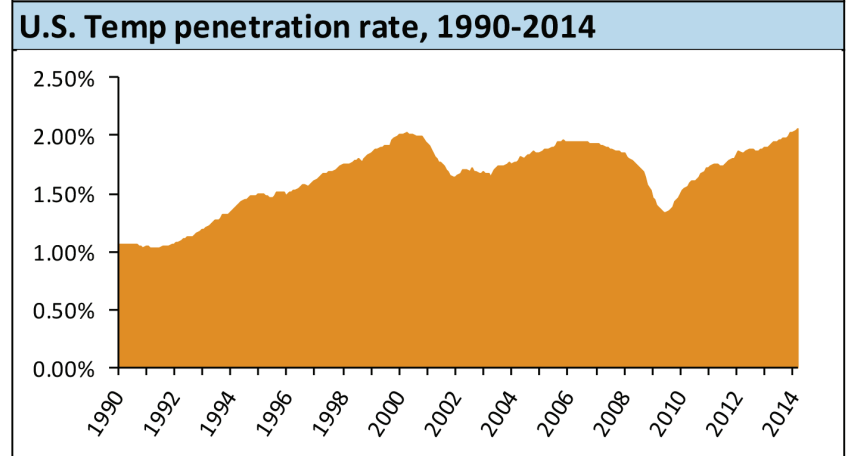
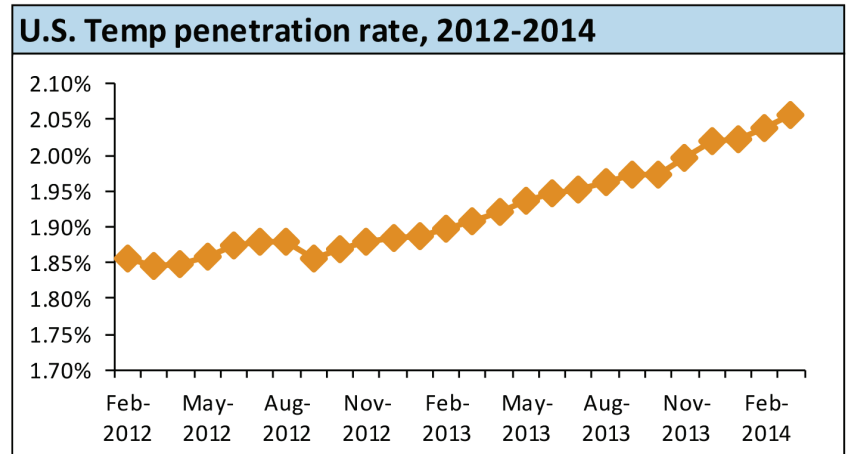
U.S GDP growth as a predictor of U.S. staffing industry growth

- U.S. GDP growth is a significant predictor of growth in the U.S. staffing industry. Looking at the past 17 years, these two variables have an r-squared statistic of 0.77, meaning that 77% of the growth rate in the staffing industry can be explained by the growth rate in U.S. GDP.
- In the graph at right, each dot represents one of the years from 1996 to 2012. The fact that the dots form a line illustrates the strength of the correlation between GDP growth and staffing industry growth.



U.S. temporary penetration rate at a historical high

- The nationwide temporary penetration rate (the ratio of U.S. temporary help services employees to total U.S. employees) climbed to 2.06% in March, a record high. In other words, for every one hundred U.S. employees, there are roughly two employees working through or for temp agencies.
- As shown in the chart below right, the temporary penetration rate has doubled since 1990, an indication of the increased acceptance and adoption of temporary agency workers in the U.S. workforce.
- As the temporary penetration rate is a volume-based metric (number of jobs as opposed to revenue), changes in the rate are more reflective of changes in commercial staffing (industrial and office/clerical segments), rather than professional staffing. We estimate that roughly 80% of U.S. temporary workers fall into the industrial or office/clerical segments.



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Source: Staffing Industry Analysts, © Crain Communications 2014

U.S. staffing industry forecast: April update

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Labor trends by federal reserve district (February 2014)

District 1: "Labor demand remains strong across most industries, with contacts noting particularly high demand in the software, engineering, legal, specialty manufacturing, and healthcare sectors. Demand has weakened in the defense sector."

District 2: "The labor market has shown further signs of gradual improvement in early 2014. Business contacts in both the manufacturing and service sector report steady to rising employment; and more firms plan to increase than reduce staffing levels in the months ahead—particularly in the manufacturing sector."

District 3: "Staffing services showed little net change after growing modestly over previous periods."

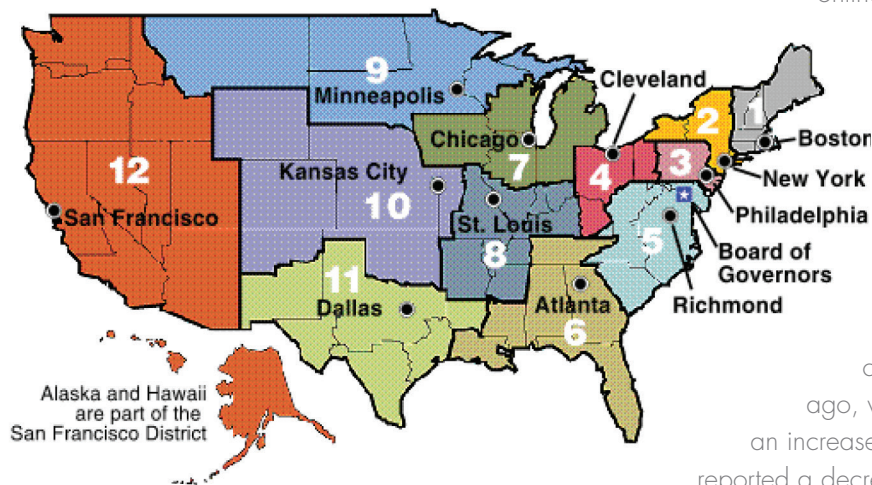
District 4: "Hiring was sluggish across most industry sectors though we are seeing a pickup in manufacturing jobs. Staffing-firm representatives reported that the number of job openings is trending higher, while placements are flat. Vacancies were found primarily in manufacturing and healthcare."

District 5: "Reports on labor were mixed, as weather-related shutdowns slowed hiring slightly. Demand was strong for semi-skilled workers, project-based laborers, government and healthcare workers, and experienced administrative professionals. Increasingly, quality temporary workers were being offered permanent positions. Turnover remained high among low skill positions. [...] Manufacturing employment slowed."

District 6: "Job growth remained muted across the District. Contacts in construction, manufacturing, energy, hospitality, and real estate noted modest growth in employment. [...] Rather than adding to payrolls, businesses reportedly continued to rely on technology to enhance output. Some employers continued to show reluctance in large-scale hiring due to concerns about healthcare reform."

District 7: "The pace of hiring slowed, as did expectations of future hiring, though expectations for the coming year remained positive. A staffing firm reported continued growth in demand for its industrial services, despite some weather-related closures. In contrast, growth in demand for its professional services weakened. [...] Many contacts noted continuing strength in the demand for skilled workers, with positions often difficult to fill in engineering, information technology, accounting, and other technical occupations."

District 8: "Firms in health care, telecommunication, computer-system consulting, legal, fitness and recreation, online shopping, and food distribution services reported new hiring and expansion plans in the District. [...] 72 percent of contacts reported that employment levels have remained the same over the past three months, compared with a year ago, while 20 percent reported an increase and 11 percent reported a decrease."



District 9: "Labor markets tightened slightly since the last report. [...] A home improvement retailer announced plans to hire about 1,000 workers in the Minneapolis-St. Paul area to fill spring positions."

District 10: "Wages rose modestly in most industries, and contacts continued to report difficulty finding workers for some skilled positions."

District 11: "Employment levels held steady or increased slightly at most responding firms. Staffing firms said employment levels were up modestly and expected to hire additional workers. [...] Labor shortages were reported for engineers, truck drivers, mechanics, machinists and construction workers."

District 12: "Wage gains remained quite modest on net, although contacts pointed to signs of building upward wage pressures in areas with particularly strong regional economic activity. Wages for some worker types, notably software developers and engineers, continued to increase rapidly."



May's Shining Star, (center), James Henderson, pictured with President of Fleetline, Alain Mineault (left) and Sr. Staffing Specialist, Goodlettsville, TN, Sharon Remeiro (right).

Peoplelink is pleased to announce that James Henderson has been chosen as our May *Shining Star* employee. James is a Machine Operator at Fleetline. He reports to the Goodlettsville, Tennessee Peoplelink branch.

James has worked at Fleetline for nearly a year. He assembles fenders for diesels

as well as running machines. According to James' supervisor, he is a quick learner whose work quality is very good. He consistently meets production-related deadlines and willingly works overtime to support customer requirements.

Congratulations to James for being Peoplelink's May *Shining Star* employee!

Find your shining star! Contact Peoplelink at 574.232.5400.

HR News

After decades of exodus, companies returning production to the U.S.

By LA TIMES, Don Lee

In 2001, Generac Power Systems joined the wave of American companies shifting production to China. The move wiped out 400 jobs in southeast Wisconsin, but few could argue with management's logic: Chinese companies were offering to make a key component for \$100 per unit less than the cost of producing it in the U.S.

Now, however, Generac has brought manufacturing of that component back to its Whitewater plant — creating about 80 jobs in this town of about 14,500 people.

The move is part of a sea change in American manufacturing: After three decades of an exodus of production to China and other low-wage countries, companies have sharply curtailed moves abroad. Some, like Generac, have begun to return manufacturing to U.S. shores.

Although no one keeps precise statistics, the retreat from offshoring is clear from various sources, including federal data on assistance to workers hurt by overseas moves.

U.S. factory payrolls have grown for four straight years, with gains totaling about 650,000 jobs. That's a small fraction of the 6 million lost in the previous decade, but it still marks the biggest and longest stretch of manufacturing increases in a quarter century.

Harry Moser, an MIT-trained engineer who tracks the inflow of jobs, estimates that last year marked the first time since

the offshoring trend began that factory jobs returning to the U.S. matched the number lost, at about 40,000 each.

"Offshoring and 're-shoring' were roughly in balance — I call that victory," said Moser, who traces his interest in manufacturing to his parents' work at the long-closed Singer Sewing Machine plant in New Jersey. (He once worked there too.)

He now runs the Reshoring Initiative, a Chicago nonprofit that works with companies to bring manufacturing jobs back to the U.S.

Several factors lie behind the change.

Over the last decade, Chinese labor and transportation costs have jumped while U.S. wages have stagnated. The average hourly

138% increase in China, Boston Consulting found.

And the rise of online commerce has made local control of supply chains more important, especially because many U.S. manufacturers report growing problems with quality control of goods made in China.

"We got to the point where everything we were bringing in had to be inspected," says Lonnie Kane, president of Los Angeles apparel maker Karen Kane, noting that his company used to check just 10% of goods from China.

"Now prices are escalating, quality is dropping and deliveries are being delayed," he says. In the last three years, Kane has shifted 80% of his production from China back home.

his skepticism when salesmen told him two years ago about their efforts to land a contract making 5,000 to 10,000 wireless printers. He was sure an overseas competitor would get the work.

"I don't know why you're wasting your time chasing that business," he says he told the sales force.

Zentech ultimately won the contract, and Turpin says the company added at least five full-time employees to his shop, where the front office window is draped with a large American flag.

A similar story has played out with Generac.

Aaron Jagdfeld, the company's chief executive, was the comptroller at the time of the offshoring. Jagdfeld, now 42, had grown up in the region and graduated from the University of Wisconsin at Whitewater with an accounting degree.

The offshoring "didn't feel right" because of the families affected by layoffs, he said, but the company needed to make the move to remain competitive.

Generac grew rapidly over most of the rest of the decade. Its sales rose to \$1.5 billion last year, and it now has about 3,300 workers, including 720 in Whitewater, its largest plant. But the last decade also saw costs surge in China while they increased little in the U.S.

What began as a \$100 gap in the cost of producing an alternator narrowed as the Chinese yuan jumped in value and Chinese wages and other costs soared.

The tipping point came when Generac had enough sales to justify investing millions of dollars in new equipment for the Whitewater plant. The company can now produce an alternator with one worker in the time it took four workers in China.

Although a small price gap remains,



pay for non-supervisory manufacturing workers in the U.S. has barely kept up with inflation, rising on average just 2.3% over the last 10 years and by only half that since 2010, according to Labor Department figures.

Factoring in the rise in value of its currency, China's base wage, measured in dollars, has risen 17% a year, according to an April report by Boston Consulting Group.

Manufacturing also has become more automated, further reducing labor's weight in the cost equation.

The boom in natural gas production in the U.S., largely driven by fracking and other new drilling techniques, has led to a 25% decrease in gas prices in the U.S., contrasted with a

Expansion in the domestic apparel industry remains unusual because the labor-intensive work can be done in many low-wage countries. But in other industries, a growing number of domestic and foreign companies — including General Electric, Caterpillar, Toyota and Siemens — are opting to build or expand their facilities in the U.S., particularly in the Southeast, where labor costs are relatively low.

For the first time, some small contract manufacturers in the U.S. are beating bigger rivals in Asia, the center of global industrial production.

At Zentech Manufacturing in Baltimore, the company's president, Matt Turpin, recalls

HR NEWS CONTINUED ON PAGE 11

Jagdfeld figured that having greater control over delivery would make up the difference.

More frequent power outages—from Hurricane Katrina and Superstorm Sandy, not to mention this past winter's ice storm in the South—have brought bursts of orders for portable generators, challenging the company's inventory and delivery capabilities.

"We were constantly fighting a battle for what product was needed, and we were always guessing wrong," Jagdfeld said. "We kept saying, 'If we could just control the alternator, we'd have a better opportunity to respond more effectively.'"

Those sorts of calculations lead experts who have studied reshoring to see potential—particularly for makers of appliances, transportation equipment, electronics and machinery—to return jobs to the U.S.

Led by these industries, 21% of large manufacturers in the U.S. said they were already returning production or would do so over the next two years, according to a survey Boston Consulting conducted last summer.

"In 2012, companies told me 'you're crazy,'" said Hal Sirkin, a senior partner at the consulting group's office in Chicago. "Now they're doing it—maybe not all the way, but they're testing the waters."

Pay Now Top Reason for Job Satisfaction

By SHRM, Dana Wilkie

Pay is now the No. 1 contributor to job satisfaction—the first time that compensation has been so important to U.S. employees in at least five years,

according to a poll by the Society for Human Resource Management (SHRM).

Asked what was very important to them in a job, 60 percent of responding employees said it was compensation/pay, making this the biggest contributor to job satisfaction. The survey was conducted in 2013 and released May 8, 2014.

The last time compensation/pay was the top contributor to overall job satisfaction was the pre-recession year of 2007. For four straight years after that, compensation/pay took a back seat to job security as the No. 1 reason for being content with a job.

Alex Alonso, SHRM's vice president of research, cautioned that despite the poll's findings, the manager-employee conversation should never be "only about pay."

"At a time when salary budgets aren't increasing significantly, employers might want to emphasize overall benefits packages—including health care, retirement savings and paid time off—as a way to help them retain skilled workers," Alonso said.

The poll surveyed 600 randomly selected employees at various sized companies during the summer of 2013. SHRM conducts a survey of employee job satisfaction and engagement each year.

'Relationships' Less Important to Executives

For the third straight year, employees rated relationships with immediate supervisors among the top five things contributing to job satisfaction. Compared with 2012, this aspect jumped from the No. 5 to the No. 3 reason for liking a job. Middle managers, however, more frequently said that relationships with direct supervisors were "very important" than did employees at the executive level.

"Employees frequently associate their perception of their supervisor with their overall attitude toward the organization," the report authors wrote. "In fact, management issues are one of the major sources driving up employee turnover. This reason alone speaks to the multiple implications the employee-management relationship has on an organization. Poor management has widespread consequences, ranging from diminished employee morale and reduced productivity to damage to an organization's reputation."

Even if relationships with direct managers are important to workers, communication with senior managers appears to be less so. In 2013, half of the respondents said communication with senior managers was very important to them—a decline of 7 percentage

points from the previous year. That decline displaced this "communication" aspect of a job from the top five list of job satisfaction contributors to the No. 6 position. Women indicated this aspect was more important to them than men did.

Pay Importance Crosses Generations, Most Job Titles

Four generations of employees—Millennials, Generation X, Baby Boomers and veterans—ranked compensation as either the first or second aspect of job satisfaction, according to the survey. It was also among the top three job-satisfaction contributors across employee groups, such as those who are in nonexempt positions, in professional jobs and in middle management.

Only executives failed to rank compensation as one of their top three job-satisfaction contributors. In fact, pay didn't even rank in the top five for executives, who most often said that the chance to use their skills and abilities, and "the work itself," were the most important aspects of a job.

Jamming Employee Phones Illegal

By SHRM, Stephenie Overman

The Supply Room in Oxford, Ala., had what general manager Tim Barton called "the perfect solution" to employees using their phones on the job. The company, which manufactures military uniforms and insignia, installed cellphone jammers that disrupted phone signals and prevented employees from using their phones at work. The company wanted to improve employee safety, Barton said. "We're manufacturing. We have a 10-ton press. People can have accidents. They can put embroidery needles through their fingers because they're not paying attention. You look down for a minute, and that's it."

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FCC Steps In

But under the Communications Act of 1934, using a cellphone jammer is illegal, and in April 2013 the Federal Communications Commission (FCC) issued fines against The Supply Room and against Taylor Oilfield Manufacturing Inc., in Broussard, La., for using jammers.

Fines included \$10,000 for operating without FCC authorization, \$5,000 for using unauthorized or illegal equipment, and \$7,000 for interference with authorized communications, plus a \$16,000-per-day fine for violations of the prohibition on signal jamming. In both cases, the companies cooperated with the FCC and the amounts of the fines were reduced.

In charging The Supply Room, the FCC stated: "Jammers are not only designed to impede authorized communications and thereby interfere with the rights of legitimate spectrum users and the general public, but also are inherently unsafe. For example, jammers can be used to disrupt critical public safety communications, placing first responders like law enforcement and fire fighting personnel—as well as the public they are charged with protecting—at great risk. Similarly, jammers can endanger life and property by preventing



individuals from making 911 or other emergency calls. In order to protect the public and preserve unfettered access to emergency and other communications services, the act generally prohibits the importation, use, marketing, manufacture, and sale of jammers."

In an interview, Barton said, "We did not know they were illegal. ... We thought we had an easy solution."

Now, more than a year later, "we put a new policy [in place] immediately restricting the use of phones in the workplace," he said. "It's in the employee handbook. There are posters when you enter the building."

Employees may keep their phones in their lockers, "they just can't have them past that

door after the time clock. If they're taking a smoking break they can use them. But we're not going to allow them in the building. We're not going to do it, we're not going to give in," Barton said.

If an employee is caught using a cellphone, the person is sent home without pay.

"If it continues, we will terminate them. We have zero tolerance," he said. It may sound harsh, he noted, but added that most workplaces do not have the kinds of potential hazards that exist at The Supply Room.

"People feel they have a right to their cellphone, but they don't in the workplace, according to us. We don't want somebody losing a body part. We monitor as closely as we can," he said.

Cellphone Policies

In general, cellphone use "should really be up to enterprises and employees managing the usage intelligently," said Holger Mueller, principal analyst and vice president of Constellation Research Inc.

Companies may prohibit employees from using their phones during certain circumstances, such as when they should be waiting on customers, "as it would both be rude to the customer and hinder work. Otherwise, I think employers should trust and empower employees. There are many other ways to get distracted and not be productive at work, taking frequent breaks, chatting, using a PC for other than work tasks, etc.," Mueller said.

"Should employees make the wrong judgment call, it all comes back to their manager to do coaching and oversight to prevent abuse and foster appropriate behavior."

Scott R. Flick, a communications lawyer who is a partner with Pillsbury Winthrop Shaw Pittman in Washington, D.C., said companies may try installing jammers because "they don't want employees wasting time. Rather than make a rule and then enforce it, they think it's easier to jam.

"There wasn't a lot of this until the cost of cellphone jammers decreased," Flick added. Cellphone jammers can be found on the Internet for just \$24.99.

"It would have been hard to get ahold of this equipment in the pre-Internet era. Now you can buy overseas and it's surprisingly cheap. It's not a complicated piece of equipment," he said.

A more common problem than companies using illegal cellphone jammers, Flick said, is the problem of employees using illegal devices without company knowledge to prevent the company from being able to track a company vehicle. For example, a New Jersey man faces a \$32,000 fine from the FCC for using a GPS-jamming device near Newark Liberty International Airport. The FCC began investigating after a new global positioning system guiding planes to runways at Newark began switching off without warning.



Always treat your employees exactly as you want them to treat your best customers.

-Stephen R. Covey