# In Practice

#### U.S. Work Patterns Undergoing Dramatic Change

While not yet a workplace anachronism, the permanent, nine-to-five job shows signs of yielding to several new ways of getting work done. Among the innovations employers have turned to are flexible or home-based work schedules and part-time and temporary jobs, according to a new report by the Bureau of National Affairs (BNA).

BNA found that more American businesses are using alternative job schedules, such as flex-time, that allow workers to choose the exact hours they work. Some employers have even made arrangements in which irregular employees such as temporary or contract workers supplement or replace regular workers.

The Bureau of Labor Statistics (BLS) backs up these findings. In 1985, according to BLS, an average of 18 million Americans—one out of every six workers—was working part-time. Their data also show that between 1970 and 1986 the number of people employed by temporary help firms grew by more than 400 percent, from 184,000 to 760,000.

These developments have drawn both praise and criticism. In a statement written for the BNA report, Randolph Hale, vice president of the National Association of Manufacturers, said, "Innovation and flexibility appear to be the keys to successful work patterns of the future. Today's responses are only the beginning." Several experts said that employees, especially working parents, benefit from new work schedules that allow them to maintain income, benefits, and job security.

However many businesses have increased their use of part-time and temporary workers who often receive lower wages, fewer benefits, and little or no job security compared to regular workers. This development drew fire from AFL-CIO economist John Zalusky, who observed that "Management is creating a second class of workers that will have less and be a

constant threat to those who have more."

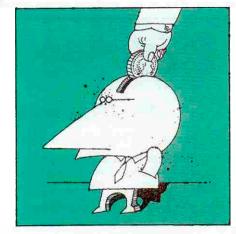
Among the BNA report's features are results of a special, nationwide survey answered by more than 440 business executives, documenting the widespread and growing use of both

temporary employees and subcontracting;

■ 16 in-depth case studies of businesses including American Airlines, Grumman Corp., Pacific Bell, and The Travelers Companies, focusing on their use of one or more of the alternative work arrangements;

■ extensive reporting on nine particular staffing and scheduling alternatives, examining the pros and cons from the perspectives of both employers and employees.

For more information, contact Emily Pilk at 202/452-4985.



#### Knowledge-Based Pay: Upside/Downside

Alternative work arrangements represent one area where employers innovate to increase competitiveness. Another increasingly publicized arrangement is knowledge-based pay (KBP), a system that rewards "individual employees for what they know—the skills they possess—rather than what they do at any given time," a definition provided by Ian V. Ziskin, division human relations manager with the Motor Division, TRW Electronic Components Group,

in Dayton, Ohio.

In an article on KBP in the Fall 1986 issue of *ILR Report*, published by the New York State School of Industrial and Labor Relations, a statutory college of the State University at Cornell University, Ziskin writes:

"The literature reports that KBP systems offer several potential advantages. Organizations experienced with KBP, such as Anheuser-Busch, Atlantic Richfield, Butler Manufacturing, Firestone, General Foods, Honeywell, Johnson and Johnson, Procter and Gamble, Westinghouse, and several TRW facilities, claim that KBP systems reinforce the following objectives:

- work force flexibility through employee cross-training;
- teamwork and employee involvement;
- higher product quality;
- increased employee identification with the task and product;
- higher employee and organization productivity;
- lower staffing requirements."

However, according to Ziskin, some have reported "potential drawbacks of KBP, also, and here there is conflicting evidence in regard to product quality and productivity:

- increased compensation costs;
- topping out;
- increased training cost;
- employee pressure for rapid job rotation:
- employee dissatisfaction with or resistance to job rotation;
- lower product quality:
- lower employee and organization productivity;
- legal concerns—equal pay for less work."

While Ziskin notes that determining whether such a system fits a company's needs means assessing "KBP in the context of a broad-based human resource philosophy," he also cautions that "we must ultimately analyze the role of KBP in supporting the strategic direction of the business.

"Only through this type of analysis can we reasonably determine whether KBP is the most appropriate compensation system for reinforcing an organization's objectives." "At last—a real alternative to K-T."

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#### Hotel Industry Grapples With High Turnover

Traditional high turnover in the hotel industry shows no signs of abating. Hotel managers polled in a recent survey report experiencing, on average, a whopping 40-percent annual workforce turnover. The hotel managers surveyed estimate the average cost of hiring and training each new employee to be \$1,100.

The survey was conducted by Honeywell Technalysis for the company's Commercial Buildings Group. More than 280 general managers of hotels with 300 or more rooms were polled about their attitudes toward integrated management systems—systems that integrate a hotel's property management, energy management, automatic temperature control, telecommunications, and fire and security systems.

Such findings are nothing new: The Technalysis survey echoes an earlier study conducted by William S. Wasmuth and Stanley W. Davis in conjunction with Cornell University's School of Hotel Administration. In that study managers estimated the cost of training new hourly employees averaged \$1,500 each. Managers also estimated that to hire and train a front office clerk, for example, cost \$1,200.

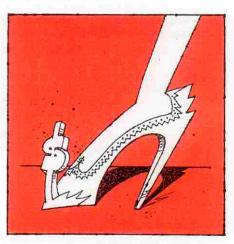
Results of the Technalysis survey show that hotels with 600 or more rooms experience a higher annual work force turnover (43 percent) than hotels with 300 to 599 rooms (39 percent). However, the amounts spent, on average, to hire and train new employees are lower in the larger hotels.

Increasingly managers trying to cut such costs have turned to integrated systems. Richard Cathcart, vice president of Honeywell's Integrated Buildings Center, explains that "the lower training costs experienced in the hotels with integrated systems result from both the automation of procedures made possible by the systems themselves and from the need to teach employees the use of only one system for most control, communication, and computer functions."

Only two of five hotel managers polled in the Technalysis survey described their hospitality management systems as integrated, although 81 percent of integrated system users say it is "absolutely necessary for large hotels."

For further information contact Theresa Queripel at 612/339-6368.

#### Women Execs Earn Six-Figure Salaries



Average annual base and bonus compensation for responding corporate women officers of *Fortune*-1000 organizations is \$116,810, according to a recent nationwide study. And, said David R. Peasback, president and CEO of Heidrick and Struggles, the New York executive search company that ran the study, "One of ten female executives now earns more than \$200,000 a year.

"In 1980, only nine percent received more than \$100,000."

Results of this survey of corporate women officers reflect the responses of 52.4 percent of the selected population.

"Not surprisingly," added Peasback, "participating female executives, ages 40 to 49, receive the largest paychecks. They average \$132,170 a year, with almost one of ten awarded \$250,000 or more.

"Compensation for these executives is indicative of a dramatic change in title. More than four-fifths of the respondents are at the vice-presidential level or above, compared to only one-third six years ago. Today, just one of ten female executives holds the title of assistant or corporate secretary. In

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1980, the majority of corporate women officers held these positions."

According to the survey, the typical corporate woman officer is a 44-year-old white Protestant, is married to a professional or business executive, and is childless. Her employer is a \$2 billion-or-more service organization headquartered in the East. This executive devotes 55 hours weekly to work and spends less than one-fourth of the time on business travel. She has had three employers thus far in her career

Copies of *The Corporate Woman Officer* are available for \$20 per copy from Heidrick and Struggles' Publications Center, 125 South Wacker, Suite 2800, Chicago IL 60606.

#### Execs Peg Cutbacks as Number One Human Resource Problem

A nationwide survey of 76 major corporations shows them acknowledging the following as their three principal human resource problems in 1987:

- identifying and efficiently managing personnel cutbacks and staff downsizing due to the impact of mergers, acquisitions, and divestitures and rebuilding confidence and morale (48.6 percent of respondents);
- attracting, recruiting, and motivating skilled managers (30.2 percent);
- managing compensation and benefits under the new tax law to maintain and contain costs (27.6 percent).

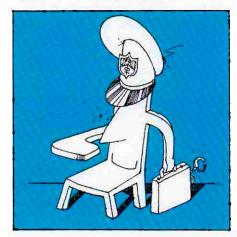
The survey, conducted by Goodrich & Sherwood Company, a New York human resource management consulting firm, identified other major "people problems" for 1987 as implementing cost-effective skills training to meet the need for employee career development and upgrading (26.3 percent), managing employee career and succession planning programs to provide advancement opportunities (15.7 percent), establishing an optimum organization structure (10.5 percent), and detecting and handling substance abuse and AIDS to maintain a healthy and positive workplace while ensuring employees privacy rights (8 percent).

## Operation Bootstrap

Submitted by Michael G. Shanahan, chief of police, University of Washington, Seattle.

Individual Americans subscribe to the bumper sticker philosophy of "support your local police," but corporations find it difficult to provide meaningful day-to-day support. One reason is that, because of possible conflicts, law enforcement officials are reluctant to solicit cash contributions from corporations to benefit the police profession. Generally solicitations have remained the domain of police labor groups. Some benefit charitable causes; others are fund raising ventures that channel money directly into the war chests of collective bargaining units.

But things are changing. Not long ago the International Association of Chiefs of Police (IACP) discovered that corporations can be a source of outstanding training for police organizational improvement when they open the corporate classroom to upwardly mobile law enforcement managers. Thus Operation Bootstrap was born.



Beginning in late 1984 as an outgrowth of a loaned executive program of the Washington Association of Sheriffs and Police Chiefs, the IACP Division of State Associations ventured into the world of corporate training. Letters were drafted to a number of *Fortune*-500 companies with a simple proposition: The message was not a request for cash contributions but rather for a position in corporate course work on any management subject area that would have relevance for police administrators. The second part of the

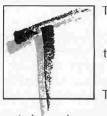
message informed the corporations that the sending agency would be pleased to pay for all travel and per diem costs associated with the training experience if the host corporation would waive the tuition charge. Tuition waivers ranged from a low of \$650 for a two-day seminar to \$3,000 for an intensive one-week management survey course.

Several corporations—"charter members"—responded quickly: the AT&T Organization Effectiveness Group, the Burroughs Corp., General Telephone of California, Monsanto, Boeing, Citibank, Chevron, and Xerox. To avoid any selection conflicts, individual state associations were contacted to forward the names of nominees for training; quality candidates in several states were named on short notice.

Coursework has ranged from oneweek management surveys to such subjects as finance for nonfinancial managers, managing conflict, organizational culture, problem solving and decision making, coaching and counseling, and developing organizational strategies. Positive feedback from both participants and trainers affirmed the notion that basic management principles, whether applied in public or private sector, are relevant regardless of the enterprise at hand.

Operation Bootstrap also has created a partnership in at least two states where corporations send faculty into police training academies to provide management instruction. In Connecticut and Washington, corporations such as The Hartford, Union Carbide, and Weyerhaeuser have either designed courses for law enforcement personnel or have shared their own faculty within the police academy setting. In Seattle, Boeing developed a "Managing for Excellence" program that routinely includes mid-level law enforcement managers.

Operation Bootstrap's short-term objectives—infusing high-quality training into law enforcement agencies—meets a critical need: the availability of training at the FBI National Academy and other government facilities doesn't meet current demand. Law enforcement is witnessing an influx of college graduates hungry for quality management training that will advance not only their individual careers but the units



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they command as well. And taxpayers, whose annual law enforcement investment has risen to over \$14 billion, expect that these costly assets will be managed expertly.

But Operation Bootstrap's long-term goals may prove most crucial to fulfill. For the last 15 years, private-sector security not only has doubled in size but now outspends police budgets by nearly \$7 billion annually. Struggles over turf, trust, and cooperation have risen with this growth. Police departments find themselves less than comfortable with the complexities of the corporate world-especially problems associated with internal corporate victimization.

The root of some of these differences springs from the corporation's dependence on meeting payroll and retraining stockholder loyalty. In public law enforcement, the closest comparison to this competitive environment would be if citizens chose their particular police agency by dialing, say, 711, 811, or 911, with the responding agency receiving compensation for the number of service calls "sold." On the other hand, corporations have much to learn from the way public law enforcement agencies respond to taxpayer demands for increasing levels of service with limited or shrinking resources.

Operation Bootstrap, then, arranges a setting where each sector can learn about the other's contribution to the greater society. If the relationships developed in this setting are maintained, the dividends will become self-evident.

For more information contact Michael G. Shanahan, Chief of Police, University of Washington Police Department, 1117 N.E. Boat Street, Seattle, WA 98105.

Print Infotopia

Although computer-accessed information sources grow in popularity by leaps and bounds, reference book publishers have yet to throw in the towel. Recent publications by Detroit's Gale Research Co. show that the industry is anything but moribund. In quick succession they have released three volumes that will enhance any

human resource manager's library: Encyclopedia of Business Information Sources, Computers and Computing Information Resources Directory(first edition), and International Organizations 1987 (Encyclopedia of Associations, Volume 4). The first volume easily enables users to identify key "live" and print sources of information on some 1,100 business topics from accident insurance to finance companies. In addition to covering basic business topics, it reflects subjects of current interest, new technologies, and new industries. Topics added since the previous edition (published in 1983) include artificial intelligence, biotechnology, computer graphics, bank marketing, business failures, personal finance, air travel, coins as an investment, and gambling.

The second volume, Computers and Computing Information Resources Directory, contains over 4,000 live sources ranging from worldwide associations and user groups to consultants and research organizations. In addition, more than 1,500 periodicals, directories, and abstracting and indexing services in the computer field are profiled.

The last, International Organizations 1987, is of primary value as a basic guide to information on specific subjects. By providing comprehensive information on the associations and professional societies listed, it connects persons needing information to highly qualified sources throughout the world.

All three volumes are easy to use and well indexed and outlined. For additional information on these publications, contact David Bianco, Gale Research Co., Book Tower, Detroit, MI 48226; 313/961-2242.

"In Practice" is edited and written by Robert Bové. Send items of interest to: In Practice, Training & Development Journal, 1630 Duke St., Box 1443, Alexandria, VA 22313.