

"Building Beyond Basics"

Managing Risks in today's Environment

Today, more than in any other time in our history, employees are aware of right and wrong in business. The media has made cases like Enron, Hollinger and the Privacy Commission high profile in the minds of everyone.

Employees now want to know how their pension funds are being invested, for example. They are suspect of Executive decision-making and words that are meant to 'help' them understand something is in their best interest or to their advantage.

'Good Governance' is a buzzword and there is a story in the media regularly about mismanagement, unethical behaviour and lack of executive accountability.

WHAT ARE SOME OF THE RISKS?

There are the obvious financial risk/exposure scenarios including fraud, and overstatement of earnings. There is also financial risk when employees are mismanaged such as constructive dismissal, or harassment. These can cost employers and executives big dollars and expose them to legal

action – up to and including incarceration.

But what happens to the company's reputation? What happens to its ability to sustain its operations by attracting high potential employees? What are the hidden costs?

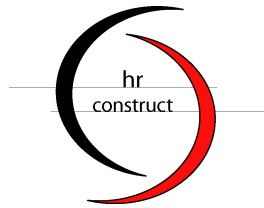
THE PRICE OF INTERNAL CONFLICT

Whether several employees are standing around trying to fill in what they don't know about a situation, when an organization is in crisis, or one employee is struggling with knowledge they have of some unethical actions (should I report it? Who do I report it to? What will happen to me?) It's costing the company money.

1. Wasted time
2. Reduced decision quality
3. Loss of skilled employees
4. Restructuring
5. Sabotage/theft/damage
6. Lowered job motivation
7. Lost work time
8. Health costs

Depending on how many employees are involved, this cost of conflict can be in the hundreds of thousands of dollars.

"We provide the content, not just the template"



“Building Beyond Basics”

GETTING INTERESTED?

That's good. You've worked hard to grow your business or get to the executive level. Do your Due Diligence!

As a business owner or executive, you should realize that in this new environment, your business is exposed to new risks and you owe it to yourself to act to reduce or eliminate manageable risk. Doing nothing is no defence.

WHAT DO YOU DO?

COMMUNICATE. I can't stress this enough – clearly, consistently, continuously and honestly. And create opportunities for your employees to talk to you.

1. Develop an open door policy & process.
2. Make sure you have a whistle blower policy.
3. Monday morning 'huddle' meetings
4. Quarterly all employee meetings

BE PROACTIVE WITH HR PROGRAMS

Expect leadership integrity throughout the organization. Develop and hire leaders with the right value set. Ensure your HR Programs, Policies, and Practices measure, develop and reward the right behaviours.

SET UP AN OMBUDS PROGRAM

Create either a new internal position or hiring a 3rd party external resource. An Ombuds service will help avoid litigation or fines, pre-empt the involvement of governing bodies and ensure that you have knowledge of internal issues so you can deal with them before they become highly visible.

HR Construct
905-543-0681

www.hrconstruct.com
info@hrconstruct.com

1931 King St. E., Suite 205
Hamilton, Ontario
Canada L8K 5C2

“We provide the content, not just the template”