

VAULTING OVER THE PERFORMANCE BAR *The Power of Executive Coaching*

A promising senior financial analyst looks like the best bet to replace the soon-to-retire CFO. But, her abrasive style makes her less-than-popular among the team who would report to her - and threatens to hurt her effectiveness in the position.

A much-respected COO with 20 years on the job is used to producing long, detailed reports every week and seldom offering opinions of his own. The new CEO, however, insists on fast response and even faster action - and he's ready to give the guy his walking papers.

A state-of-the-art technology company has to stay one step ahead of the market to keep up its rapid rate of growth. But, as company size has mushroomed, so have the opportunities for poor communication and political squabbles - weakening the firm's ability to turn on a dime and beat the competition.

What do these situations have in common? All three were solved by hiring an executive coach - a seasoned business pro able to help senior executives assess their strengths and weaknesses, then figure out ways to address their problems, sharpen their skills, and ultimately, clear the performance bar, often boosting the company's bottom line in the process. It's a sophisticated management tool that an increasing number of companies are turning to - with impressive results. In fact, one recent study found that executive coaching produced about three times as much improvement in overall performance as other management development techniques.

Why the sudden interest in executive coaching? In today's business world, where the pace just keeps on getting faster and decisions more complex, executives can't afford to waste time on man-

agement mistakes - or to risk doing anything but working to their utmost capacity. "Every day, every miscommunication can hurt the bottom line," says Bobbie M. Little, Director of Executive Advisory Services for The Center for Executive Options, a leading provider of executive coaching services and a division of Drake Beam Morin. "You need to be faster, better, smarter at what you do than ever before. A coach can provide the insights needed to do that." What's more, thanks to today's tight job market, more and more top level jobs are going to younger, less-experienced managers who need to get up to speed quickly - and that's also something a coach can address.

Still, hiring an outside expert to help a business-person rev up his or her skills isn't a ground-breaking idea. What is new is the emphasis on how those skills

Continued on page 3



Inside this issue:

Preventing sexual harassment claims	2
Short Facts	4

In next month's issue:

- Employment investigations

WHEN IS EXECUTIVE COACHING THE RIGHT SOLUTION?

When should you consider calling in an executive coach? The experts advise that you use coaching in six types of situations:

1. Stretch Assignments

For an executive facing a sudden critical assignment with intense time and budget constraints, a

coach can provide a valuable safety net and sounding board.

2. High Potential Executives

A manager on the fast track, who's being groomed for leadership positions, might need extra guidance to help him or her advance quickly.

3. Uneven Leadership Skills

When an executive's weakness in interpersonal relationships is causing low morale and internal conflict, a coach may be the best way to help that person recognize his or her problems and

Continued on page 3

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Preventing sexual harassment

Preventing sexual harassment claims is obviously a high priority for any employer or human resource professional. Such claims not only cost the company time and money, but they also may result in bad publicity and lower employee morale.

Fortunately, there is a lot of information available in this area and a growing number of court cases that provide guidance to employers to avoid liability. This article will focus on ways to prevent sexual harassment in the workplace and strategies for minimizing employer liability if such episodes do occur. The best way to prevent harassment is through policies, training and management oversight.

In brief, the key to avoiding sexual harassment claims is to:

- Have a sound sexual harassment policy in place
- Communicate the policy effectively to employees
- Make a reasonable effort to train all employees regarding the policy
- Provide a clear and effective procedure for employees to follow when they perceive sexual harassment
- Have a procedure in effect for investigating sexual harassment incidents
- Apply the policy quickly and consistently when harassment is alleged

Policy Guidelines

Having a sound sexual harassment policy implemented is critical. The U.S. Supreme Court allows as an affirmative defense to a sexual harassment claim the fact that an employer had such a policy in place and the employee unreasonably failed to take advantage of it when the alleged harassing behavior occurred. The policy should clearly describe the kinds of conduct that constitute harassment and state that such conduct is prohibited by company policy. The policy should outline a complaint procedure. The complaint procedure should be designed to ensure that victims can come forward without any unreasonable obstacles. There should be multiple persons who an employee can contact to report harassment, and the employer must investigate the allegation no matter where or how it receives the complaint. There should be a mechanism for promptly and thoroughly investigating alleged harassment.

As soon as management learns about the allegations, it should determine whether a detailed fact-finding investigation is necessary.

If further harassment might occur before the investigation is complete, the employer should consider measures such as scheduling changes and transferring the alleged harasser or putting him/her on non-disciplinary leave with pay. The policy should provide safeguards for confidentiality to the extent possible and assurances of no retaliatory action for reporting sexual harassment. The employer should establish that it will undertake immediate and effective action, including discipline, whenever it finds that harassment has occurred. The remedial measures should be designed to stop the harassment, correct its effects, and make sure that it does not happen again.

The courts have made it clear, however, that having such a policy provides no defense from liability if it was not disseminated to all employees. HR-OneSource recommends that each new employee receive a copy of the sexual harassment policy and sign a statement verifying they have received and read it, thus eliminating claims they were not aware of the prohibitions against sexual harassment or of the procedures for reporting such harassment.

The Equal Employment Opportunity Commission has issued policy guidelines for its enforcement personnel on factors that establish employer liability for harassment. The EEOC notes that there are no mandatory requirements for what has to be in an anti-harassment policy, and warns that the existence of such a policy will not protect the employer from liability if it fails to implement its provisions effectively. But the failure to establish, publicize, and enforce anti-harassment policies is a sign that an employer failed to exercise reasonable care to prevent and correct harassment.

Training

As a further method to prevent sexual harassment, many companies also conduct sexual harassment training classes for employees. The value of sexual harassment training is to make employees more aware of how their actions, which they may view as harmless or humorous, can be perceived by co-workers as offensive.

For supervisors and managers, training in prevention and recognition of sexual harassment is doubly important. First of all, sexual harassment by a supervisor, as opposed to a co-worker, is a more serious liability situation. In situations where a supervisor takes "tangible employment action" (such as hiring, firing, failing to promote, demotion) in furtherance of his or her harassment campaign, the

employer is strictly liable for such actions. Also, supervisors need to be trained in the recognition of sexual harassment in order to realize when a situation in the workplace is creating a hostile work environment and to take steps to remedy the problem. From a liability standpoint, knowledge by a supervisor of harassment is imputed to the employer and courts tend to rule against employers who are aware of sexual harassment by employees and do not take corrective action against it.

Response to Complaints

The sexual harassment policy should clearly state what an employee should do if the worker believes he/she is being harassed and what steps the company will take to investigate the situation. Employees should be encouraged to notify the employer at the first opportunity of objectionable behavior before a pattern of sexual conduct is established. If an immediate supervisor is the harassing party, it is important that the report and complaint procedure of a sexual harassment policy provide employees with more than one person to bring complaints before. As mentioned previously, the employee should be assured that there are strict prohibitions against any type of retaliation for using this complaint procedure or for assisting in an investigation.

The importance of responding quickly and properly to a complaint of sexual harassment in the workplace cannot be overemphasized. Establishing a track record of dealing effectively with harassment shows a commitment to eliminating it. Once a complaint has been made, the employer should immediately conduct a full and fair investigation; including interviewing the complaining employee, the alleged harasser, any witnesses to the conduct or anyone with relevant information on the matter. If sexual harassment is found, a prompt and effective remedy should be taken. The courts do not require that the offending employee always be fired if other remedies are available. Remedies may include as little as an apology to more severe disciplinary actions such as a transfer or suspension. The main objective is to ensure that any harassment ceases and does not recur. Courts also find favor if an attempt is made to deal with the harassed employee's needs, such as for counseling or some time off. Generally, it is not a good idea to transfer the complaining employee to remedy the situation. Unless such transfer is wholly voluntary, it could be construed as retaliation.

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Liability Pointers

Generally, sexual harassment has been described as taking two separate forms: “quid pro quo” harassment or “hostile environment” harassment. Quid pro quo harassment involves an employee being pressured to submit to unwelcome sexual advances in exchange for favorable employment consequences. This type of harassment is committed by a supervisor or someone in power within the company. Employers are strictly liable to employees who suffer economic consequences as a result of quid pro quo harassment, regardless of whether the employer had actual knowledge of the harassment.

Hostile environment harassment occurs when an employee is subject to unwelcome conduct based on gender that is sufficiently pervasive or severe as to alter the terms or conditions of employment and create an abusive or hostile work environment. A hostile environment can be created by supervisors, co-workers, or even nonemployees, such as customers or vendors. To rise to the level of hostile environment sexual harassment, the conduct must unreasonably interfere with an individual’s work performance or create an intimidating, hostile, or offensive work environment.

In examining whether hostile environment harassment has occurred, the usual standard of review is whether a reasonable person would have found the conduct sufficiently objectionable to create a hostile working environment. However, research shows that men and women often have different perceptions as to whether harassment has occurred. Because of this difference, some federal courts have applied a reasonable woman standard, under which a female employee is considered to have been subject to hostile working environment harassment if a reasonable woman in the same situation would agree.

Employer Liability

Employers generally are liable for any sexual harassment committed by their supervisors in the workplace. However, the U.S. Supreme Court has ruled that an employer has a defense and can avoid being vicariously liable for alleged sexual harassment under Title VII by demonstrating that the employer exercised reasonable care to prevent sexual harassment and that the affected employee failed to take advantage of the processes accorded them under the employer’s anti-harassment policy. However, the court added, this defense is not available when the supervisor’s harassment

Continued on page 4

HR-News

VAULTING OVER THE PERFORMANCE BAR

Continued from page 1

relate to the business as a whole. So while executive coaching aims to strengthen critical management skills in high-level executives, the work doesn’t happen in a vacuum. That’s particularly true at The Center for Executive Options. “Before, the development of executive skills was unconnected to what was going on in the organization,” says Little. “Today, we look at the big picture.” While more traditional coaching tries to fix just an executive’s management style, The Center tackles skills that tie directly to corporate objectives. Its coaches focus not only in interpersonal behavior, but also on hard-core business skills - with the goal of linking individual effectiveness to organizational performance.

Not surprisingly, then, the people doing the coaching are different, too. No longer mostly therapists by training, they tend to be businesspeople themselves, with the kind of high-level corporate expertise needed to help even CEOs do their jobs better. “We give executives the insights and tools to adapt their behavior, so they can be more effective in their jobs,” says Phillip D. Simshauser, president of The Center for Executive Options.

Those aren’t the only things that set The Center’s approach to executive coaching apart. A major difference lies in how the coaching process is structured. It starts with an assessment of the individual’s needs, employing a host of psychological tools and often including 360-degree feedback. Next, coach, executive, and employer set goals and lay out a plan for achieving them. After that is the real nitty gritty, during which coaches do everything from ‘shadow’ their charges - watching them in action and offering suggestions for how to change - to conducting

role play exercises. The last stage: a final evaluation, when coaches solicit a second round of feedback about the executive and review results. Typical length of time from start to finish: three to six months.

The last part may be an even more critical difference: The success of the coaching experience is measurable. How that’s done is a highly customized process, which differs from company to company, and is formulated from the get-go by the client. “We ask what success would look like and use that as the basis for measuring the outcome,” says Little. In some cases, it may mean that the company’s revenue or stock price increases over a certain period. In others, that there are no grievances filed against a particularly difficult executive. Or, that specific behavior has changed, as seen by the people the executive works with: Is he less arrogant? Does he listen more? Has he learned to function appropriately, even when his coach isn’t around?

That, of course, is the ultimate goal: To help executives learn to carry on, incorporating what they’ve learned, on their own. Says Little, “We want to make the executive as self-sufficient as possible.” In other words, the most telling sign of a coach’s success is that he or she isn’t needed anymore.

HR-OneSource provides coaching services with existing staff or through DBM’s Center for Executive Options. If you have any questions regarding coaching, please call Bob Welch at 515-221-1718.

WHEN IS EXECUTIVE COACHING THE RIGHT SOLUTION?

Continued from page 1

figure out how to turn them around.

4. Specific Performance Problems

For the leaders of units and divisions that are behind plan or unlikely to meet business targets, a coach can provide strategic business insights and support.

5. Beat the Competition

A coach can help executives enhance their leadership and business skills, so that their organizations can stay ahead of the competition.

6. Building Teams

Often used in mergers and acquisitions or turn-around situations, coaching helps an executive team quickly acquire new skills, particularly when time is of the essence.

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SHORT FACTS

- **CPI** - The Consumer Price Index for All Urban Consumers (CPI-U) declined 0.3% in July. The Department of Labor reported that for the 12-month period ending in July, the CPI-U increased 2.7%.
- **Wage increases** - Compensation costs for civilian workers (private industry plus state and local government workers) increased 3.9% for the 12 months ending in June 2001. This compares with over-the-year increases of 4.4% in June 2000 and 3.2% in June 1999. Compensation costs in private industry rose 4.0% in the year ended June 2001, compared with increases of 4.6% in June 2000 and 3.3% in June 1999.
- **Unemployment** - The July national unemployment rate remained unchanged at 4.5%. Job losses continued in manufacturing, but employment in most other major industries showed little significant change. The jobless rate has been either 4.4 or 4.5% since April; its most recent low was 3.9% in October 2000. Iowa's unemployment rate increased to 3.1% in July from a revised rate of 3% in June. The jobless rate was reported at 2.6% for the same period one year ago.

Preventing sexual harassment claims

Continued from page 3

culminates in a tangible employment action, such as discharge or demotion.

Moreover, an employer can be found liable for quid pro quo sexual harassment by a supervisor even if the supervisor has not acted on the threats. When sexual harassment is so pervasive that a hostile work environment exists, an employer is liable—even if no economic harm results—if the employer knew or should have known about the harassment and failed to take remedial action to correct the situation. Once an employer becomes aware of the harassment, it is obligated to promptly and thoroughly investigate and take sufficient remedial action to eliminate the harassment. Failing to promptly and thoroughly investigate sexual harassment claims can cause additional harm for which employers also can be held liable. Possible sources of additional liability include:

- **Failure to protect the alleged harasser.**

An employer's sexual harassment policy should require a thorough and fair investiga-

tion of sexual harassment charges before the employer takes disciplinary action against an alleged harasser. Employers also must take reasonable steps to keep information about sexual harassment complaints confidential to avoid possible liability for defamation.

- **Constructive discharge.**

Constructive discharge occurs when sexual harassment is so pervasive or offensive that an employee is forced to quit his or her job to escape the harassment. In constructive discharge cases, employers can be liable for back pay and other damages.

- **Retaliation.**

Federal civil rights laws prohibit retaliation against employees who file discrimination charges against their employers. If an employer takes adverse action against an employee for filing a sexual harassment charge, the employee also can file a retaliation charge against the employer. The anti-retaliation provisions of federal civil rights laws also protect employees who: communicate an intent to file a sexual harassment charge; testify on behalf of a co-worker who filed a charge;

refuse to testify on behalf of the employer; file charges against other employers; oppose discriminatory employment practices; or report discrimination or harassment on behalf of another employee.

Summary

Sexual harassment claims can be very damaging to a company from a monetary and a loyalty perspective. The best defense against such a claim is to prevent harassment before it starts - through policies, training, and proper management oversight. The prime tool to do that is a strong message by the company, from the top down, that acts of harassment will not be tolerated. The message is sent by having a clear policy against sexual harassment properly explained to all employees, special training for supervisors, prompt investigation of all complaints, and swift remedial action when a problem is detected. Sending such a message does take a commitment of time and resources, but when the alternative could be a large damage award or discord among employees because of improper workplace behavior, the choice is not difficult to make.