



As 2006 draws to an end, I would like to take this opportunity to thank each and every one of you for your business and support over the last year. I hope you enjoy this Christmas and New Year edition of RossNews which offers advice on appropriate gift giving and rewards for clients, employees and suppliers, as well as tips to ensuring your employees maintain work/life balance over the festive season.

I look forward to working with you in 2007 and wish you all a wonderful and safe holiday season.

Julia Ross

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→ economic update

by Chris McFadden, Chief Financial Officer & Company Secretary

With the world economy currently experiencing its longest run of above-trend (3.5%) growth since 1984-89, current forecasts have the current expansion likely to match that benchmark in terms of duration and exceed it in terms of the pace of the growth (4.6% p.a. as against 4.1%) by 2008. Already, this sustained growth is the longest period of global growth in excess of 4% p.a. since before the first oil shock of 1973.

As previously discussed, the current global expansion is driven by the unprecedented rapid growth among developing economies, which have grown at an average annual rate of 7.3% p.a. over the four years to 2006, which represents 62% of the increase in total global GDP during this period. China alone has made a 26% contribution to the increase in the size of the global economy, and India has contributed a further 8%.

Whilst reform efforts, strengthened economic and social institutions, and other significant efforts brought about by the developing nations themselves, have been significant contributors to their economic growth, much is also related to the outsourcing of the production of many goods and services previously produced in the more advanced economies. As such, the pace of growth in developing economies is still particularly influenced by swings in the demand of these more advanced economies, with the US the key driver of much of this demand.

The leading indicators of global industrial production suggest that the current growth cycle will peak during the second half of 2006, due largely to the end of the US residential real estate boom. As previously mentioned, the US slowdown is not anticipated to move it into a recession, meaning the consensus is for a soft landing for the global economy, with global growth forecast to remain above trend.

Locally, the RBA again lifted cash rates by a further 0.25% with inflationary fears the key driver of this response. In summary, the economy is being impacted by unused labour and productive capacity, which is now very tight. In this environment it is difficult to lift production further with the current view that "the Australian economy has hit its speed limits to growth."

→ legal briefs

by Greg Coolahan, Commercial & Legal Director

Question

What are our obligations when serving alcohol free of charge at Christmas Party functions on the business premises, with guests including employees and external people?

Response

There are substantial risks that a Company (whether as an employer or host) assumes in this situation. A high level of common sense applies in all work situations where alcohol is available. An employer is responsible for providing a safe place of work but also for ensuring that what is supplied at that workplace is used responsibly and legitimately. There can be issues of: over indulgence of alcohol, the impacts of what alcohol has on some people's behaviour, and legal issues associated with excessive use of alcohol, such as drink driving. In order to avoid / reduce any liability; the employer must ensure (whether it is a function for clients, employees or both) that the appropriate standards of behaviour are maintained. The employer should establish standards and train employees to be aware of the risks and their minimisation ie. Provide alternatives to alcohol, provide snacks, set a defined period after which drinks should no longer be served and when people leave the premises. Employees should be encouraged to responsibly look after their clients and each other. A senior employee needs to be present to ensure that the standards are maintained and that all patrons leave the premises appropriately.

If you have a legal question for Greg Coolahan via RossNews, email greg.coolahan@rosshumandirections.com.

The information discussed here is a general explanation of the law, and is not intended to serve as legal advice. Readers requiring specific legal advice regarding a particular situation should consult an appropriately qualified lawyer.

Learning to say “Good Job!”

As this edition of RossNews covers our December, New Year and January period, we are conscious that this is a time when employers are frequently undertaking gift giving and rewards programs with their clients, employees and suppliers, as well as conducting team member performance evaluations. However, some managers are not always comfortable with assessing performance, giving praise and saying “good job” to their teams, and this article is designed to provide some assistance to frontline leaders stymied about the positive ways to implement corporate reward and review programs. This material has been prepared with the assistance of source material originally written by Charlotte Huff in Workforce Management.

We recognise that for some, sometimes, the joy of giving isn't all that joyful so it's important that we boost the confidence of those for whom it is part of their role. Managers can be uncomfortable with recognition programs, performance evaluations and client gift giving for a number of reasons: what should they give a valued employee? How best to present the award? Should they gather the entire team or sit down for a one-on-one? How do they determine if the client organisation accepts gifts and if so are there limitations? What's the right value and subject matter for a corporate client gift?

In today's environment, consideration must be given to matters such as cultural sensitivity (not all companies and employees celebrate Christmas for example) and appropriateness (high value gifts to public sector organisations for example, can require certain protocols to be managed).

Days can pass as managers procrastinate due to lack of confidence or knowledge and they then regret that they've lost an opportunity to recognise work well done or thank a customer. Some companies are taking steps to boost confidence in this area. After years of fielding employer requests for recognition training this year, the National Association for Employee Recognition in the US started offering a certification program, says Christi Gibson, the association's executive director. The first class was so crowded with midlevel and senior managers that they had to turn people away, Gibson states. Other companies provide internal training. There have also been a number of books written on the subject. One that we recommend is 1001 WAYS TO REWARD EMPLOYEES by Bob Nelson.

Some companies offer classes that teach recognition techniques to recently promoted managers. Some managers are naturals, while others need to learn to ensure “kudos-time” is scheduled on their to-do lists.

Frontline managers aren't always given the best resources and support for implementing recognition programs. Layers of corporate approval can be required to purchase awards. Plus, it's difficult to break the cost-conscious mind-set in today's business environment as in many organisations managers are under increasing pressure to do more with less.

Suggestions for some key elements of gift giving or reward and recognition programs include:

- **Timing:** Relevance to an occasion or particular achievement/behaviour is critical. The closer the reward occurs to the behaviour, the more meaningful it is.
- **Appropriateness:** Ensure that the reward or gift that you're giving is appropriate in motivating the continuation of the behaviour you are rewarding
- **Selection:** When choosing a gift, give something that employees would like rather than necessarily something that carries a “message” the employer wants to convey for their own reasons.
- **Tailored impact:** Specify what accomplishments are being recognised rather than using generalised praise, like “good job” or “hard work.” Ensure the impact of your reward or gift supports the achievements and behaviours that your company values.

On Thursday 26th October, Julia Ross hosted the Australian Institute of Office Professionals' Professional Development Evening, held in support of The Cancer Council's “Girls Night In.”

The Australian Institute of Office Professionals (AIOP) is the only national professional body for office professionals in Australia. The Institute was established in 1963 to encourage the attainment of a professional qualification and promote and develop the private secretarial profession at all levels. The Institute is still primarily involved with improving the profile of Office Professionals in the business community and increasing their education levels.

Those who attended the evening enjoyed moving speeches by Jenny Horton from The Cancer Council, Elena Reed from Russia with Style and Camille Valvo.

The evening raised close to AUD\$500 for The Cancer Council.

Ensuring your employees maintain work/life balance isn't something you do just for them – it is crucial to the success of your organisation. Employee burnout can have a major impact on the productivity of your business, and in the lead up to the holiday season, it is important to address this issue.

These days, it is common for businesses to continue operation over the Christmas and New Year period with little or no shutdown of business operations. It is a good opportunity for businesses to reduce their leave liability where possible by enabling ‘skeleton staffing’ to be in place over this period. More often than not employees will choose to take leave over this time; however businesses may be required to run on ‘skeleton staff’ to address any immediate business concerns. This is also a good time of year to direct those employees who have accrued excessive annual leave.

For those employees who will continue to work through the holiday period, it is vital to ensure that the lack of additional resources does not result in staff burnout. Employee burnout is caused by a number of factors, including an employee's own abilities, their workload, management expectations, their responsibilities and the amount of support the employee receives. But there are things an employer can do to help employees juggle work and home life. Something that may appear small to the employer can mean a lot to an employee and shows employees that you respect their time away from the office. In turn, this will enhance their feelings about the relationship they have with the company.

What can employers do to ensure workflow is not disrupted?

- Provide your employees with at least a month's notice and give them the opportunity to let you know when and how much leave they would like to take so management can then ensure their teams are covered with skeleton staff in each department to cover any urgent issues which may arise.
- If employees would like to take leave, why not employ temporary staff over the holiday period?
- Prioritise tasks so that all urgent requirements are addressed immediately.

How can you reward your employees for covering the Christmas period?

- Enable employees to take alternating Christmas breaks off
- Be flexible with work schedules and consider offering flexible working hours over the holiday period. Flexible work hours can help an employee meet conflicting needs without compromising the amount of hours they work.
- Establish a Christmas dress code, which enables working employees the opportunity to dress down if they are not client facing. This may assist employees to feel more relaxed whilst their colleagues are on holidays and they are covering the extra work load