

Election is all about leadership

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WORLD VIEW



This month is the time to vote for the next leader of our province. Who has an uncluttered vision, innovative ideas, and just the right dose of pragmatism to lead this province with an economy that is better than most sovereign nations? Will Ontario remain an economic giant or will election results reduce us to a lumbering elephant?

On the one side we have Premier Dalton McGuinty who is generally regarded as a moderate fiscal conservative. He promises to reinvest in public services, balance the budget, and not raise taxes. His tenure hasn't been outstanding, Ontario was dead last in economic growth among Canadian provinces in 2006 – trailing the next slowest growing province (PEI) by a substantial 0.6 per cent, according to the RBC Financial Group, Provincial Outlook, January 2007. Ontario is the only province other than PEI projected to run a deficit this year, and many of the jobs McGuinty brags about creating are public sector jobs.

Ontario reported a net loss of 30,000 people to other provinces last year, with a record loss of 14,700 people in the third quarter seeking better job prospects elsewhere.

McGuinty has increased government spending by more than \$20 billion since his election, but has delivered few results and hasn't been able to keep his promises.

Ontario has lost 120,000 high-paying manufacturing jobs over the past two years yet the McGuinty Liberals have not been able to bring in a real job plan to deal with the outflow of high-paying manufacturing jobs. There is news that another 1,200 jobs will be lost – a macabre gift to the City of Oshawa.

The alternative is John Tory, a hard-core entrepreneur who has a proven track record as a business leader with the ability to reach his goals.

But a political leader is not a CEO of a commercial organization. He has a more diversified function. However when a leader panders to cheap tactics, it shows that political exigency is getting the better of wisdom and sagacity.

Tory's advocacy of funding all faith-based schools is fraught with dangers. Tory is usually a thoughtful and articulate man,

but some of his comments are sending a different signal. His reference to the University of Ottawa as the "University of Zero", his promise to extend public funding to faith-based schools, and his expressed willingness to see creationism taught in those faith-based schools, show the difference between a politician and a statesman.

The election manifestos of both parties promise heaven on earth. The past is testimony to the fact that promises made before elections are routinely broken afterwards. The present government introduced a \$2.6-billion-a-year tax in 2004 after promising in the 2003 election not to raise taxes.

However, let us start with a clean slate.

The Liberals focus on five priorities: education, public healthcare, job creation, the environment and improving quality of life. For job creation they propose to earmark \$500 million.

Tory detailed his party's fiscal plan and demonstrated that the Leadership Matters platform is affordable and achievable. The costing is the most comprehensive ever released by an Ontario political party for an election campaign. "This plan makes it very clear that our commitments are prudent, affordable and achievable," said Tory.

"Through this plan we clearly map out how we will implement our platform while respecting Ontarians' tax dollars." The fiscal plan allows for significant investments in health care, education, infrastructure and the elimination of Dalton McGuinty's so-called "health tax".

In most areas the platforms of Liberals and Conservatives are identical. Both stress education, seek to provide more jobs, ensure better healthcare and dental plans, better infrastructure, and so on. They differ on funding for faith-based schools and also in the quantum of allocation of resources.

While all these factors are important, what about our economy? I have yet to see how both the parties plan to:

- Face global competition,
- Enhance exports as the loonie reaches parity with U.S. greenback
- Encourage innovation
- Decrease dependence on trade with the U.S.
- Decrease traffic gridlock

The list continues and all the issues are important for the businesses and citizens of Ontario. We require both a macro and micro approach to solving problems – which we have not seen.

We have to study the track record of the two leading parties.

One big Liberal achievement was setting up a \$500 million auto investment fund. This fund has leveraged \$7 billion in new investment. It created thousands of new jobs and retained thousands of others.

Tory promises to change the orientation of government to focus on performance and results. As a capable CEO he says he'll ensure the observance of good management practices – for example: keeping expenses in order; making sure processes are transparent and fair; and getting projects completed.

He wants to review each government program to ensure that it is achieving its original public policy goals. He also aims to change government accounting practices. For example, he says there should be quarterly financial statements from every Ministry, with comparisons to the previous year's numbers. This can help expose and discourage the longstanding practice of year-end spending sprees. To improve

accountability to Ontarians, public accounts should be completed within 90 days of year-end. He plans to update business planning practices.

All these are excellent concepts and their relevance to the corporate world is commendable. But we need something more. We would like to see how these practices are going to bring Ontario out of the quagmire of job losses, and make its economy more vibrant.

Ontario's economy depends on diverse sectors. Its auto sector is strong, but we have fierce competition. The recession in the U.S. housing market has had an impact on the construction industry, and these further impact our manufacturing. None of the leaders has outlined a pragmatic plan.

McGuinty has scored one point. His investment of \$3 million in six new projects designed to bring innovations to market will help Ontario industry become more environmentally sustainable; but it isn't enough. Only a clear vision will allow the Ontario economy to regain its strength – and you can't lay the misdeeds and failures of earlier PC governments on Tory.

A dispassionate analysis of Tory's statements shows that despite his gaffes, he has the ability to plan for the future and encourage the entrepreneurial spirit. His proven ability to successfully manage business enterprises encourages us to believe he might well know how to make an economy grow. Still, as the Conservative party leader he has shown no outstanding capability. McGuinty has demonstrated pragmatism, and the experience he has gained in his term as premier could enable him (and the Grits) to steer the province through the muddy economic waters ahead.

Personally, I prefer a proven entrepreneur to lead us – but perhaps continuity of leadership is more important for this election.

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Build a proper 'value'-based biz plan for your employees

Do you deserve to earn more money? My friend Mary thinks so. She is the Controller for a medium sized company in Mississauga and was fairly satisfied with her salary until last month. That's when the company hired a Marketing Director at \$14,000 more per year than she is making. You see, Mary has a staff of 8; the Marketing Director has no reports. Mary has a B.Comm and an accounting designation; the Marketing Director has a college diploma. Mary has worked in Finance for 18 years; the Marketing Director has 9 years' experience. Mary reports directly to the CEO; the Marketing Director reports to a Vice President. When Mary came to me for advice she asked whether I thought this situation seemed fair. Hell no, I said. But does it happen all the time? Absolutely.

Ideally, organizations of all sizes will implement a pay structure to compensate their employees fairly and equitably. They will take into consideration the salaries of other organizations, in other words the market value of their jobs. They will analyze all of their jobs to determine their relative value and they will pay people according to an appropriate pay range. Ideally,

In reality, a lot of organizations don't bother to do this. Why? Maybe because they don't want to spring for the cost of developing a pay structure. Or because they enjoy the freedom of paying people at senior management's whim, unfettered by a structure. Or because they believe that the principle of supply and demand solves everything. Or because they only know how to sell "widgets" and have no clue about how to effectively handle the people portion of their business. Or because they really don't care about their people.

As a Human Resources professional, it is my mission to enlighten business owners / managers on how to effectively handle the people aspects of their business; in other words how to attract, retain, coach, train,

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compensate, etc. But some business owners simply don't care. In my opinion they do not deserve to hire talented people. My advice: find out what you're getting into in advance and don't work for these organizations.

But what if it's too late and you find yourself in a situation similar to Mary's? Or you just think it's time for a raise? Do you ask for more money? If so, how? Here is my advice:

- Don't mention your co-workers'

salaries. This is comparing apple to oranges. Besides, it may appear that you are petty or have a personal vendetta.

- Be aware of comparable external salaries. Get your hands on salaries of other similar jobs in your area and industry – there are surveys available.

- Develop a short business case detailing your value and contribution to the company. This might include the skill / knowledge required to do your job, your portfolio or areas of responsibility, the scope of what you do, recent results / accomplishments, disasters averted, key relationships developed, processes or decisions implemented, beneficial advice offered and tangible differences made. Keep it short – one page is plenty.

- Craft your approach. Once you have all your facts / figures, decide what you're going to say and in what order. Consider your boss's personality. Does s/he value facts and logic, or are people's feelings and fairness more important to him/her? Does your boss like to make quick decisions or does s/he prefer to go off and ruminate before making a decision?

- Anticipate objections. You know best what these might be ("can't afford it", "budget is 3.5 per cent", etc.) Be prepared to counter them.

- Be positive. Mention what you appreciate about the position and/or company. Avoid giving ultimatums or sounding like a disgruntled employee.

Some business owners simply don't care. In my opinion they do not deserve to hire talented people. My advice: find out what you're getting into in advance and don't work for these organizations.

- Pick your timing carefully. If your boss hates Monday mornings, don't meet then. If s/he's under a lot of stress this week, defer your meeting to next week. Consider also how your timing dovetails with the financial health of the quarter, budgets, salary review times, etc.

- Consider alternative income sources besides salary. How about a car allowance? Or a restructure of your bonus? Or extra vacation time? Provide alternatives.

- Be realistic. If the facts and conditions don't point to a raise at this time, wait.

- Develop an exit strategy. If your boss ultimately says "no", plan to leave the discussion in such a way that there is no harm to the relationship. For example, you could thank your boss for listening, indicate that you understand the current situation and you hope that the door is open for next year.

The best thing you can do to ensure a high reward, is to be a high performer. If you are an exceptional contributor, your value will be recognized and rewarded – if not now, then later, perhaps at another company. If you cannot make a decent case for a raise, consider that this may not be the right time.

All of that said, unfairness of salaries does exist, to some extent, in almost every organization. Sometimes companies must hire a "star" at a higher salary in order to solve a problem or realize an opportunity. The employer's right to hire outside of the salary range on occasion, to meet a specific need, must be retained and respected.

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