

HRCA Newsletter

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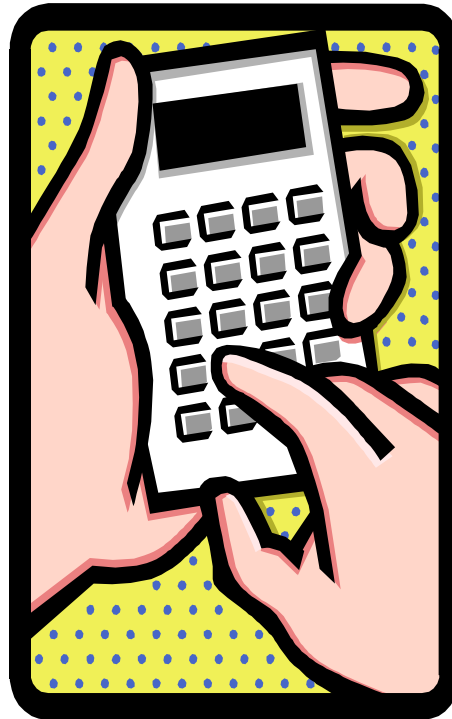
HRCA

Newsletter Summary

By James Duran

SUMMARY & INTRODUCTION

Welcome to the 3rd issue of the HRCA 2002 Newsletter! Article submissions for the newsletter can be forwarded to me directly at jamesd@duranhcp.com This is your newsletter, so please forward articles, reviews, and comments and or share your expertise with other members. If you've been to a conference or seminar lately, for example, and you learned something you'd like to share with other members, use this newsletter as a communication vehicle. As an example of this, the lead feature article in this issue is on the HR Symposium 2002, the Annual event sponsored by the SF Chronicle/Examiner, formerly sponsored by the SJMN. Next, I summarize who the top silicon valley recruitment firms are according to the San Jose Business Journal. Jim Stoch, a former partner of Westech, who became an entrepreneur, is now back at work with the SJMN as Manager of Classified Employment Advertising, has provided me an article on how he got there and what's he's doing with the Merc today. Thinking about retirement? If so, you'll want to pay special attention to the 401K updates article in this newsletter. Several new improvements have been provided for by the U.S. government and you need to be aware of them. I promise you, this article is not a sleeper! Since the job of a recruiter is just not that simple, and



even more complicated to explain to others, I finish the newsletter with a commentary on the Real Job of the Recruiter. As usual, I have a current **Calendar of HR and Recruiting Events** for the rest of the year. As another regular column, you can find all the latest unemployment statistics here too - Check San Jose out, as if you didn't already know, we're really in sad shape! For two other columns, find our web site pick of the week and a legal update on pending BI legislation changes involving references. As you read this newsletter, remember to share items of interest with me, and let me know who you would like to hear from, so I can go out and catch the news on it, him or her.

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The 16th Annual Human Resource Symposium

About the Symposium

The HR Symposium began in 1984, as a way to recognize the contributions of the human resource community. The Human Resource Symposium has become a forum to bring together business experts, leaders, and human resources professionals to discuss issues and trends affecting HR and the Silicon Valley. Since 1997 the San Francisco Chronicle has been the Symposium's major sponsor.

With sponsoring companies covering most of the expenses for the Human Resource Symposium, the bulk of the registration fees received go to Human Resources, Inc., a nonprofit corporation that manages the funds. These funds are used for scholarships awarded to upper division students majoring in Human Resource Management at universities in Northern California with excellent undergraduate HR programs.

The scholarship program is called the Lynn Boone Memorial Scholarship and is named after a long-time member of the Symposium

Steering Committee and one of the founders of HR, Inc. In the past thirteen years Human Resources, Inc. has awarded over \$85,000 to deserving students. Over \$25,000 was awarded in scholarships in 2001 alone.

HR Symposium Notes

By James Duran

Conference Moderator:

Debra Engle (DE) – Former VP HR at 3Com

Conference Speakers:

David Nagle, (DN) – VP HR, Genentech
Chris Carleton, (CC) – VP HR Network Appliance
Dan Walker, (DW) – VP HR, Apple
Libby Sartain, (LS) – Chief people Officer & VP HR, Yahoo!

Conference Format:

- 1) Initial Issues discussion about 1.5 hours, led by Debra Engle who posed questions to the panelists who commented.
- 2) Followed by a 45 minute Q&A Session, answers posed by the attendees and directed to specific panelists.
- 3) Lunch, with Scholarship Awards and Comments by Steve Falk, President of SF Chronicle and luncheon sponsor
- 4) Lunch Speaker, Carl Guardino of the Silicon Valley Manufacturers Association who spoke on trends in living in the Silicon Valley.
- 5) Awards for HR Excellence and Innovation

Part I – Issue Discussion led by Debra Engle

Subject: The perception of growing Cynicism among employees, and the need to implement measures and processes to regain Employee Trust.

DW: The Enron issue has been overplayed. The idea that company leaders are knowingly ransacking the company has been overplayed.

CC: A need exists to mandate or legislate that no company stock be issued in a company 401K for employees of the employer. This would prevent EEs from placing all of their eggs in one basket, the employer's basket.

LS: A company culture is created by Leaders of a company not HR. Frequently, we are given the impression that HR is responsible for a company culture and LS was advocating that the President and or CEO is primarily responsible for setting the tone of the company culture, acting as its primary advocate by their actions and words. HR's role is to nurture the company culture, defined by the CEO/President leadership.

CC: Many of us shortened the interview cycles in the dot com gold rush at the cost of an exhaustive interview process, and that many of the things that went wrong were the result of poorly conducted hiring processes.

Subject: Although we are seeing very low turnover today due to high unemployment and fewer opportunities, we need to come up with new methods to reengage EEs. How do you engage people in today's environment?

LS: Hire people who believe in the business.

DW: Great Leadership – People respect and work harder for great leaders and good products, and like working in places where they get recognition. The relationship with your boss is more important than the relationship with the company.

CC: Form a team, create vision, over communicate, install and support systems that reinforce culture.

Subject: Key challenges over the next 18 months?

CC: Attaining profitability, increasing market share, reinforcing the systems to support profit and market share. The prior period of the dotcom boom was most unusual, and the circumstances that created are unlikely to occur again. We need to sharpen our ability to anticipate what people want and need next.

DW: We are entering a long protracted fight for business where companies want to gain more for less. Companies need to increase productivity to do this, and get very serious about driving revenues and profits. You need to figure out where your future talent will come from.

LS: Youths today have very high expectations. People are looking for social connections and a sense of community. Employers of tomorrow have to do a better job of managing the expectations of tomorrow's youth as they enter the workforce. The challenge is to be able to engage someone who is already rich, as so many people have now made their millions, we need to find new ways to engage them. When Libby was at Southwest Airlines, at least one day each year was reserved for scenario planning, just to try to deal with the uncertainties of the airline industry.

DN: If we don't attach an EE early on (to the employer), we lose them. The emphasis needs to be on developing a clear value proposition.

Subject: The future role of HR?

CC: The challenge is to find ways to work with insufficient resources. New G&A budgets will come in at 3-4%. The need exists to develop a ECDN or Enterprise Content Delivery Network. (I'm somewhat clueless about what she was talking about.)

DW: Move faster. In today's environment, 3 months is long term planning. We have a high rate of change. A high % of the top HR jobs are being filled by non-HR people. (I don't like this idea, it's as if HR people are

not given credit for their skills and implies that non HR people can walk into these jobs and do a good job. I think it undervalues the skills of HR folks and didn't see any brilliant ideas coming out of David Nagle's mouth – the only non HR executive in the crowd)

DN: 1) Be sure language spoken in business is the language of HR. (I think he meant that HR needs to be conversant with the technology, products and competitive position of the employer to gain and maintain respect.) 2) The business has challenges, make them relevant to HR and then HR needs to impact them. Handle the nuts and bolts of HR activity flawlessly to address business needs. (I haven't seen anybody get special recognition yet for not making mistakes in benefit plans, so I'm not sure that I agree at all with this being a high impact measure. It's also true that we can lose credibility by making lots of mistakes in benefits and comp issues, but their not going to give us medals and award us superior business partner status on the basis of "flawlessly executed" benefit plans.)

LS: Handle basic blocking and tackling flawlessly.

Subject: Advice to prepare for the future.

DW: Act like a business. "Make" people that enable business processes.

CC: Listen to your words and see if they echo in the organization. If people are using HR language elsewhere in the organization, then you know you are having an impact.

LS: Don't take yourself too seriously, make work enjoyable for your team and have fun!

DN: Map out what you do every day and test to see how it aligns with the business – realign if there is a mismatch.

Part II – Q&A Session led by Debra Engle

For DW: *How are you able to retain and attract great HR folks?* Steve Job referred to HR folks as "Corporate Barnacles". Apple had high turnover

in HR (of the corporate barnacles). They believe in what they are doing.

For CC: *How do you reconcile core values in a downturn?* The impact is phenomenal if you stay true to your values.

How do you rebuild an environment of trust?

LS: With good strong clear communications – walk the talk.

DW: It starts with CEO leadership.

How do you handle a dysfunctional leadership team?

LS: Quit. Every team is a little dysfunctional.

DN: Change is incremental.

What is or should be the relationship of HR to the Board (of Directors of a company)?

DW: At Apple, they have a stellar CEO Board. More involvement by HR is required as the Boards get more involved with the inner workings of a company.

CC: Be sensitive to the CEO and create relationships, but respect the relationship of the CEO to the Board.

How does HR justify huge payoffs to CEO's of failing businesses?

DW: It's wrong! – Stop doing it!

More candidates are demanding of contracts, how do you deal with it?

DW: Take it or leave it.

How much time does the CEP devote to HR work?

LS: They are attached at the hip in building a team.

DW: Steve Jobs understand the core tenets of HR. Make sure you agree on the HR agenda, keep them informed, do not insert yourself into the boardroom and don't get them (Boards) involved in nitty gritty details.

CC: It's the quality vs. quantity of time that leaves an impact on the employee base. Establish a good trust relationship.

Comment on the core competencies of a 10 for 1 swap. (If I heard him right earlier, Dan Walker of Apple fame indicated that he could turn over 10 “old or traditional” (my words) HR people for 1 good one, tuned in to new HR modes of thinking.

DW: New HR hires must be smarter than everybody else in the rest of the company. They must share in the core values which include hard work, long hours, a strong work ethic, intellect, creativity, courage, and risk takers not afraid to lay their job on the line.

DN: Hire HR people who meet (resemble) the model HR is pursuing.

LS: Best business partner.

DW: Get out of the box in looking at talent. (He described how his current Employment Mgr was former Customer Service Mgr at The Gap (headquarters for the popular retailer.)

Work life balance?

DN: A real challenge.

CC: You will lose employees as business improves unless you respond to this. Look at is the job getting done vs. the hours worked.

Last Question: *What are you doing to stay sharp and remain engaged?*

LS: Nothing except reading and learning about the new business she is in. (Recently moved from SW Air to Yahoo!)

DW: Attends panels like this one. It also depends on the phase of business and business growth. Talk to smart people.

CC: Hire a great team, eat right, get exercise, sleep, take vacation.

DN: Depends on your life cycle in the job. (Doesn't sound like he is getting any sleep). Try not to be active when not at work. Structure time, compartmentalize to create separation.

Part III – NOON LUNCH

HR Scholarship Awards, also called the Lynn Boon Awards (Lynn was a famous silicon valley recruiter) – 6 scholarships given.

Speaker: Steve Falk, President of the SF Chronicle

?? Technology employs 605,000+ people in the bay area.

?? Chronicle Business Section was recently named one of the best in the Country

?? Sfgate.com is the 5th largest newspaper web site in the country

Part IV – Speaker: Carl Guardino President of the Silicon Valley Manufacturing Group, with 190 member companies

According to SJMN poll, he was recently voted one of the 10 most powerful people in the Silicon Valley. He's a great consensus builder.

Subject: SV economy and impact on long-term growth issues:

?? Over 140 other geographic locations in the US are trying to emulate our accomplishments in the silicon valley.

?? We have gone from a 1.3% unemployment rate to 7.7% in 18 months.

?? Population of Silicon Valley is 2.3M people today in 4 counties: San Mateo, Alameda, Santa Cruz and Santa Clara.

?? Job growth, homes are not. The deficit will grow to 150k homes by 2010.

?

?

?? The primary reason for growth is people having babies vs. relocations, H1s, etc.

?? Home affordability is limited to 20% of the population, up significantly from past years.

?? Longer commutes are projected.

?? Transportation funding is miniscule and nowhere near the requirements!

?? Education: Not enough quality teachers, demand for them is growing, and the housing supply they can afford is shrinking based on their low salaries. Over 15% of teachers in 2001 have waived credentials and the number is growing. \$36K is the starting salary for teachers. The median home price is \$470k!

?? Environment: Water is the coming crisis. We are dependent on a decaying Hetch Hetchy water distribution system that can be easily disrupted in an earthquake.

?? Energy: SV generates 15% of its own energy. We need to get to 40%!

?? We need to become Doers and donors vs. talkers and takers – necessary to impact the future.

Part V – Awards

Peg Wynn, VP HR at Xilinx, was awarded the Overall HR Excellence Award. Amongst many other accomplishments, Peg managed to avoid any company RIFs while revenues decreased by a huge margin over previous year.

Gerard Broussard, was awarded the HR Innovation award at HP for a huge company wide PeopleSoft implementation.



401(k) Improvements

Jeanne Ackley

A 401(k) plan is a retirement savings plan funded by employee contributions and (often) matching contributions made by employers. The major attraction of a 401(k) is that the contributions are taken from your pre-tax salary and allowed to grow tax free until withdrawn. Employees are allowed to self-direct the investments within the plan's parameters. Negatively, it is difficult (and expensive) to access your money before age 59 ½. Conversely, you are required to begin withdrawing your money when you turn 70½. You are taxed on the distribution at that time, but the expectation is that you will be in a smaller tax bracket at age 70 than you are in now!

You are allowed to borrow from your 401(k) plan for a few reasons such as a house purchase or a child's education. It's best to avoid this if at all possible. You are actually borrowing the money from yourself and then paying it back with interest. The interest you pay yourself over the life of the loan is nowhere near as lucrative as what your 401(k) plan could be earning for you if all that money was still intact! If you terminate from your job your loan would need to be repaid. If you choose not to sell your car, boat, dog and kids to pay

back the loan, it is treated as an early withdrawal and penalized heavily.

The Economic Growth and Tax Relief Reconciliation Act of 2001 was passed late last year by Congress and has changed 401(k)'s for the better. You can now save more, consolidate retirement plan accounts and even make up for lost time if you're over 50.

In 2002 your contribution limit raises to \$11,000, then to \$12,000 in 2003, \$13,000 in 2004, \$14,000 in 2005 and finally \$15,000 in 2006. After 2006 the contribution limits will be increased by \$500 per year.

The new tax act also increases the total contributions allowed to your 401(k). That's your contributions plus your employer's contribution. It used to be 25% of your compensation or \$35,000 - whichever was less. Now your contribution can total 100% of your compensation or \$40,000 - whichever is less.

Another important change increases the total compensation eligible for 401(k) contributions. The previous total of \$170,000 has been increased to \$200,000. This allows for increased contributions for higher income individuals.

If you are aged 50 or over (consider yourself special), the new tax relief act allows you to make up for lost time. You are now able to contribute an extra \$1,000 this year to your 401(k) above and beyond the \$11,000 everyone else is allowed to contribute. Your extra \$1,000 is not included in the "discrimination testing" or other tests designed to keep "highly paid individuals" from being the sole beneficiaries of a company's 401(k) plan. The extra 50 and over contribution allowed in 2003 will be \$2,000, \$3,000 in 2004, \$4,000 in 2005 and \$5,000 in 2006.

Rolling your 401(k) over to another qualified plan used to be tricky business. The new tax act has streamlined and improved your options tremendously. When you terminate from your job you can now roll your 401(k) into your new employer's 401(k) plan, a qualified IRA, a 403(b), or a governmental 457(b). You can also roll your money the other way from any of these plans into your current 401(k). Rolling after-tax 401(k) contributions into a qualified plan is now also allowed. A direct rollover is vastly preferable to handling it your-self. Beware that if you close your 401(k) with the intention of hand carrying it to another qualified plan, the IRS will hold on to 20% of your money while waiting for you to put 100% of what was in your old plan into your new plan. (Is that what they call "new math"?)

New rules have also gone into effect regarding the vesting of your employer's contributions. Your employer must adopt as a minimum either a "3-year cliff vesting schedule" or a "6-year graded vesting schedule". The 3-year schedule entitles you to all employer matching contributions made after 12/31/01 and any earnings on those contributions after 3-years. The 6-year schedule entitles you to a certain percentage of the matching contributions each year, until you reach 100% after 6-years. Your employer is not required to modify the vesting schedule for any matching contributions made before 1/1/02 but may do so voluntarily.

Finally, all of these changes went into effect on 1/1/02 and will remain in effect until 12/31/10. If congress does not act to extend these changes, the 401(k) rules will revert to the old 401(k) laws on the books as of 2000 on 1/1/11.



Legal Corner BI Update

By Susan Fox

Good news for California Employers struggling to create processes to handle the burden of AB 655 which

as of Jan 1, 2002, made it a legal requirement for employers to provide employees, prospective employees or applicants with written copies of any background checks performed either by the employer or by a third party investigation company engaged by the employer. This legislation is currently interpreted to extend even to references from a candidates' former employers, references that were likely supplied by the candidate. Originally designed to help protect Californians from identity theft, many feel the bill went too far, creating another paperwork logjam and new ethical dilemmas for HR departments in the State.

In response to this relatively new and ill-defined legislation, legal opposition has proposed two bills, AB 1068 and AB 2868, which would amend AB 655 by rescinding some of the reporting requirements and changing others. Firstly, it would make references or qualitative statements of past employers exempt from reporting. Secondly, it would allow the employer to add a check box to the background authorization form where employees would request a copy of their background or consumer report. The employer would then not be responsible for sending a copy to any employee who chose not to get one. Now pending in the General Assembly, look for these changes to be effective in the next 3-4 months.



Web Site Pick of the Week

By Jeff Polo

I'm always a little skeptical of any company offering anything for FREE! But, Alexa Internet has a free download that is a helpful addition to the Internet Explorer Browser. The Alexa Toolbar is a quick and customizable download that integrates with Internet Explorer 5.0 and higher.

Once the Alexa 6.5 Toolbar is installed, you have access to several functions that make finding information about a specific web site/

company fast and easy. The Toolbar consists of four main functions: Site Info, Related Links, Search, and Way Back.

Site Info offers one-click access to vital web site information such as, contact information, traffic rankings, as well as site statistics & ratings. There are also user reviews available for some sites, and an interface that allows you to write your own.

The **Related Links** feature provides suggestions via a drop down listing of links to other related web sites. If you visit a site and it's not quite what you're looking for Alexa suggests other options. For example if you visit eBay.com and want to check out other auction sites, clicking the Related Links tab give you instant access to sites such as, onsale.com, haggle.com, firstauction.com and More...

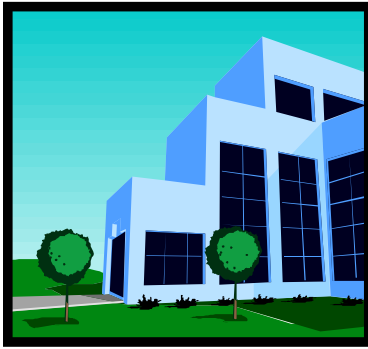
The **Search** feature allows you to quickly do a basic search, and lets

you choose the focus of the search from ten options which include three different search engines, news, stocks, white pages, yellow pages, dictionary, thesaurus, and Amazon.com (Alexa is an Amazon.com Company. Hmm... I guess I was right, nothing is really free)

Finally, Alexa includes a nifty little feature called **Way Back**. Their *Internet Archive WayBack Machine* lets you select a web site, pick a date, and see archived copies of that site at that time... way back when.

Eight parts useful and two parts fun, the Alexa 6.5 Toolbar is a quick download, user-friendly, and free addition to your web surfing gear.

To get the toolbar, go to www.alexa.com, and at the bottom of the page, you will find a link to the Alexa toolbar download. It's simple to click on it, then follow the instructions to install.



Largest Executive Search & Recruitment Firms

Summarized from 5/31/2002 San Jose Business Journal
www.sanjosebizjournals.com

Largest Executive Search Firms
 Ranked by Sr. Level Silicon Valley
 Placements in 2001

1. Ray & Berndtson
 Palo Alto
 650 494-2500
www.rayberndtson.com
2. Next Step Recruiting
 San Mateo
 650 577-8000
www.4nextstep.com
3. The Ultimate Source
 Menlo Park
 650 854-1849
www.e-ultimatesource.com
4. Rusher, Loscavio & Lo-
 Presto

Palo Alto
 650 494-0883
www.rll.com

5. Parker & Lynch
 Santa Clara
 408 298-6700
www.parkerlynch.com

6. AT Kearney Inc.
 Redwood Shores
 650 637-6600
www.executivesearch.atkearney.com

7. Management Recruiters of
 the Silicon Valley Inc.
 San Jose
 408 453-9999
www.mrsiliconvalley.com

8. Foxhunt Staffing Inc.
 Los Altos
 650 941-9400
www.foxhunt.com

3. Foxhunt Staffing Inc.
 Los Altos
 650 941-9400
www.foxhunt.com

4. OM5/Daystar
 San Jose
 408 246-9696
www.OM5daystar.com

5. Netsoft
 Santa Clara
 408 562-2068
www.netsofts.com

6. Parker & Lynch
 Santa Clara
 408 298-6700
www.parkerlynch.com

7. Solutus Legal Search LLC
 Palo Alto
 650 325-7578
www.solutuslegal.com

8. Karr & Associates
 San Mateo
 650 574-5277
www.karr.com

9. Josephine Personnel Services
 San Jose
 408 943-0111
www.jps-inc.com

10. Balance Staffing Services
 Santa Clara
 408 980-9000
www.balancestaff.com

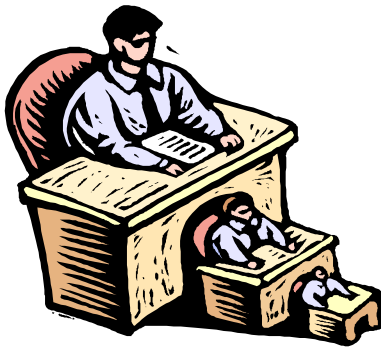
Largest Recruitment Firms Ranked by Perm Placements in 2001

1. Next Step Recruiting
 San Mateo
 650 577-8000
www.4nextstep.com
2. The Ultimate Source
 Menlo Park
 650 854-1849
www.e-ultimatesource.com

Quote

"It's time for an agenda that restores faith
 in business, trust in business leaders, and
 hope in the future."

--Business-education leaders Robert
 Simons, Henry Mintzberg, and Kunal Basu



BLS & EDD EMPLOYMENT FIGURES, FEBRUARY 2002

Bureau of Labor Statistics

UNEMPLOYMENT

Both payroll employment and the unemployment rate were little changed in May, according to the latest report by the Bureau of Labor Statistics of the U.S. Department of Labor.

The number of unemployed persons (8.4 million) and the **unemployment rate (5.8 percent)** were little changed over the month.

The May unemployment rate is 1.9 percentage points above its most recent low of 3.9 percent in October 2000, and the number of unemployed persons is 2.8 million higher.

In May, the unemployment rates for blacks (10.2 percent) and Hispanics (7.0 percent) declined. The rates for the other major worker groups—adult men (5.2 percent), adult women (5.2 percent), teenagers (16.9 percent), and whites (5.2 percent)—were little changed.

The unemployment rate in the silicon valley remains phenomenal, and does not reflect the rates in the nation or many other Southern California counties (or Marin county) which are in relatively good shape.

?? San Jose, Calif., again recorded the largest over-the-year unemployment rate increase (+4.7 percentage points).

?? Of the 51 metropolitan

areas with a 1990 census population of 1 million or more, Portland-Vancouver, Ore.-Wash., San Jose, Calif., and Miami, Fla., continued to report the highest unemployment rates, 7.6, 7.4, and 7.3 percent, respectively.

?? For the ninth month in a row, San Jose, Calif., had the largest over-the-year rate increase among these large areas (+4.7 percentage points); it was followed by Dallas, Texas (+2.9 points), and Denver, Colo., and Portland-Vancouver, Ore.-Wash. (+2.7 points each).

?? The largest over-the-year percentage declines in employment were reported in San Jose, Calif. (-6.2 percent)

The unemployment rate in the silicon valley remains phenomenal, and does not reflect the rates in the

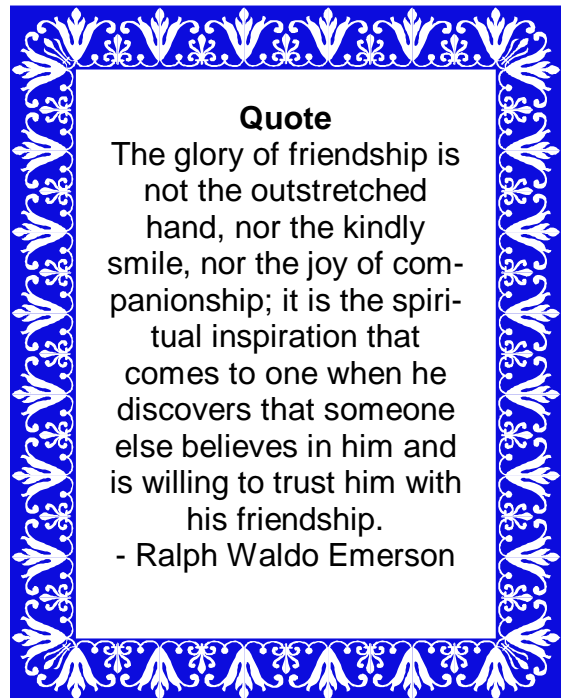
MAY 2002 — Unemployment Rates for Selected California Counties —

	Rank (May)	Labor Force	Employment	Unemploy- ment	2002 May	2002 April	Rate March	Rate Feb	2002 Jan
California (58 Counties)		17,432,400	16,402,100	1,030,300	5.9%	6.3%	6.7%	6.5%	6.8%
Alameda	27	764,600	718,700	45,900	6.0%	6.2%	6.4%	6.2%	6.6%
Contra Costa	15	514,800	419,500	23,300	4.5%	4.7%	4.8%	4.6%	4.7%
Los Angeles	33	4,823,100	4,511,800	311,300	6.5%	6.5%	6.7%	6.5%	6.8%
Marin	4	136,000	131,300	4,700	3.4%	3.5%	3.7%	3.6%	3.7%
Sacramento	17	621,800	592,800	29,000	4.7%	4.9%	5.1%	5.1%	5.4%
San Diego	6	1,459,400	1,406,100	53,300	3.7%	3.8%	3.9%	3.8%	4.1%
San Francisco	30	431,300	404,000	27,300	6.3%	6.6%	6.8%	6.8%	7.3%
San Mateo	10	403,300	386,600	16,700	4.1%	4.3%	4.5%	4.4%	4.6%
SANTA CLARA	36	993,700	922,700	71,000	7.1%	7.4%	7.6%	7.5%	7.7%
Santa Cruz	27	146,200	137,400	8,800	6.0%	8.5%	9.6%	9.9%	10.4%

Continued...

2002—UNEMPLOYMENT for SELECTED STATES —2002

	2002 January	2002 February	2002 March	2002 April	2002 May	2001 April	2001 May
California	6.8	6.5	6.7	6.3	5.9	4.8	4.7
Colorado	5.9	5.8	5.8	5.2		3.1	3
Illinois	6.7	6.4	6.4	6.1		5	5
Massachusetts	5	4.7	4.7	4.4		3	3.2



HRCA Board Contact information:

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Marianne Beyari, BrassRing/Job Fair Coord, mbeyari@earthlink.net
Jan DiNuoscio, Past President, dinuse@aol.com
James Duran, Newsletter Editor, jamesd@duranhcp.com
HRCA Business Office Service, Helen Frederick, hrca@earthlink.net
Jolene Huey, Programs, johuey@aol.com
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What's New Jim?

Jim Stoch
Manager of Recruitment Advertising
408-920-5015
jstoch@sjmercury.com

Here's a scoop for you. I'm the new Manager of Recruitment Advertising at **the San Jose Mercury News**. That may come as a shock to those who remember that I was a minority owner of Westech 1997-1999 and had worked with Westech as President of JobsAmerica, during the bad old days, from 1990 to 1996.

But let me give you the whole story from the beginning.

I've actually been in the recruitment industry for 22 years. Ten of those years were spent in recruitment advertising, first with Nationwide Advertising in Cleveland and Denver and then with Austin Knight in Sausalito. Fred Faltersack and Rod Lake saved me from a life of steady paychecks and solid benefits to introduce me to the wild world of entrepreneurialism as President of JobsAmerica in 1990. In late 1996, Central Newspapers bought Westech, JobsAmerica, High Technology Careers and the Virtual Job Fair, and combined them into one company under the Westech name. Rod exited the company while Fred Faltersack, Paul Burrowes and I remained to run it.

After Fred, Paul and I sold our re-

maining interest in the company to Central Newspapers in 1999 (who in turn sold to BrassRing eight months later), I tried a couple of start-ups.

I teamed up with Darrell Batchelder and some other talented folks to present *MyOnlineResume* to the recruiting world. Great idea. Wrong time. VC money dried up overnight. We found ourselves with a great product and no money to implement it with the partners we had signed to promote it. Plus, with unemployment still very low, job seekers simply did not need an upgraded, web-based resume in 2000.

My next stop was AfterCollege where I helped to establish the marketing and sales strategies for another great idea. Simply put, AfterCollege offers recruitment advertising opportunities to employers on web sites of individual academic departments. Companies can advertise directly to the disciplines in which they need to hire, quickly and easily. Unique vertical recruiting opportunities in high tech, biotech and healthcare too.

AfterCollege is doing great, thank you, but my job there was done. Not old enough or rich enough to retire, I networked to find the opening at the Mercury News.

There's plenty new at the Merc. Joe Natoli is now the Publisher. Jeff Kiel is the new VP of Advertising, Debbie Carlson is the VP of Business Development and Pete Herschberger (my boss) is the Director of Employment Advertising. Although new to the Mercury News, they are veterans in the newspaper industry and bring progressive thinking to the Merc.

They are the reason I accepted the job with the Mercury News. They realize that the Internet, Bay Area newspapers and other media are challenging the Merc in the recruitment arena. To compete effectively, the Mercury

News has to take an aggressive, customer-focused stance towards sales. They are willing to try new ideas and take chances.

Here are some of the things we are doing to be competitive:

- ?? We have a special promotion that discounts our ¼, ½ and full-page ads in the CareerBuilder Help Wanted section. Yes, a big discount. And it includes a job posting on CareerBuilder.com.
- ?? Knight Ridder and the Tribune Company teamed up to buy Headhunter.net and integrated it with CareerBuilder.
- ?? The result is a powerful, national online job board with strong, local penetration in top recruitment markets like San Jose.
- ?? Did you know that, as of the writing of this article, CareerBuilder is the largest online job board (by number of total jobs posted) in Silicon Valley? That's right. It's not that other job board.
- ?? The Mercury News offers you print + online combo buys that deliver two media, and therefore more value, for the same price as our main competitor.
- ?? You now have the ability to place a recruitment ad anywhere in the newspaper to reach passive job seekers.
- ?? Through the **Viet Mercury** and the **Nuevo Mundo**, you have the Valley's top ethnic buys.
- ?? Want East Bay coverage too? We can give you a Contra Costa Times/Mercury News combo buy. Or you can buy them individually. Your choice.
- ?? And there's more coming.

Those who know me, remember that I believe in listening to my customers and delivering what they need to get their jobs done. That hasn't changed and our team at the Merc shares that philosophy. Our goal is to be a larger part of your total hiring solution.



EVENT CALENDAR 2002

SHRM 54th Annual Conference & Expo

June 23-26, 2002
Philadelphia, PA
(800) 283-SHRM, (703) 548-3440
FAX: (703) 535-6490**
www.shrm.org/conferences

BrassRing Job Fair

Santa Clara, CA
August 5-6, 2002
Santa Clara Convention Center
Santa Clara, CA 95054
(800) 562-2820
Fax 408 980-5103
www.brassring.com/

BrassRing Job Fair

Santa Clara, CA
September TBA, 2002
Santa Clara Convention Center
Santa Clara, CA 95054
(800) 562-2820
Fax 408 980-5103
www.brassring.com/

National Association of Personnel Services

41st Annual Conference & Exposition – The Evolution Begins

September 12-14, 2002
Hyatt Regency, San Diego, CA
<http://www.napsweb.org/events.htm>

PIHRA 45th Annual Conference

(largest Western Regional HR Conference, a SHRM affiliate)
Sept. 18-19, 2002
Anaheim Convention Center
Anaheim, CA
800 734-5410
Fax (213) 622-7450
www.pihra.org

National HR Staffing Metrics Summit

By Staffing.Org
September 18-20, 2002
Astor Crowne Plaza
New Orleans, LA (French Quarter)
215-659-0480
<http://staffing.org/summit.html>

5th Annual HR Technology Conference and Exposition

September 25 – 27, 2002
Navy Pier
Chicago, IL
www.hrtechconference.com

NCHRA 18th Annual Conference & Trade Show

September 30 and October 1, 2002
Oakland Marriott City Center
www.nchra.org
Diane Perez O'Connor, programs2@nchra.org
415-291-1992

BrassRing Job Fair

San Francisco, CA
October 2-3, 2002
(800) 562-2820
Fax 408 980-5103
www.brassring.com/

BrassRing Job Fair

Santa Clara, CA
October 7-8, 2002
Santa Clara Convention Center
Santa Clara, CA 95054
(800) 562-2820
Fax 408 980-5103
www.brassring.com/

The Human Resources Forum Europe

October 24-27, 2002
Sailing on Costa Allegra, from:
Genoa, Italy
Richmond Events Ltd.
44 (0) 20 8487 2252
Fax 44 (0) 20 8487 2300
email:
mbrown@richmondevents.com
www.hrforumeurope.com

2002 Recruiting & HR Solutions Conference & Expo (formerly known as the e-Recruiting & Staffing Conference)

By Kennedy Information Inc., a subsidiary of the Bureau of National Affairs Inc.
Nov. 6-7, 2002
Jacob Javits Center
New York City, New York
www.kennedyinfo.com

NACCB 15th Annual Conference

November 6-9, 2002
Westin Diplomat Report & Spa
Hollywood, Florida
www.naccb.org
800 340-2366

Continued...

Comdex

November 18-22, 2002
Las Vegas Convention Center
Las Vegas Hilton
MGM Grand Conference Center
781 433-1665
<http://www.key3media.com/comdex/fall2002/>

BrassRing Job Fair

Santa Clara, CA
December 2-3, 2002
Santa Clara Convention Center
Santa Clara, CA 95054
(800) 562-2820
Fax 408 980-5103
www.brassring.com/

HR Masters Symposium

Palm Desert Marriott Resort & Spa
December 8-11, 2002
Palm Desert, CA
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www.thehrmasters.com/

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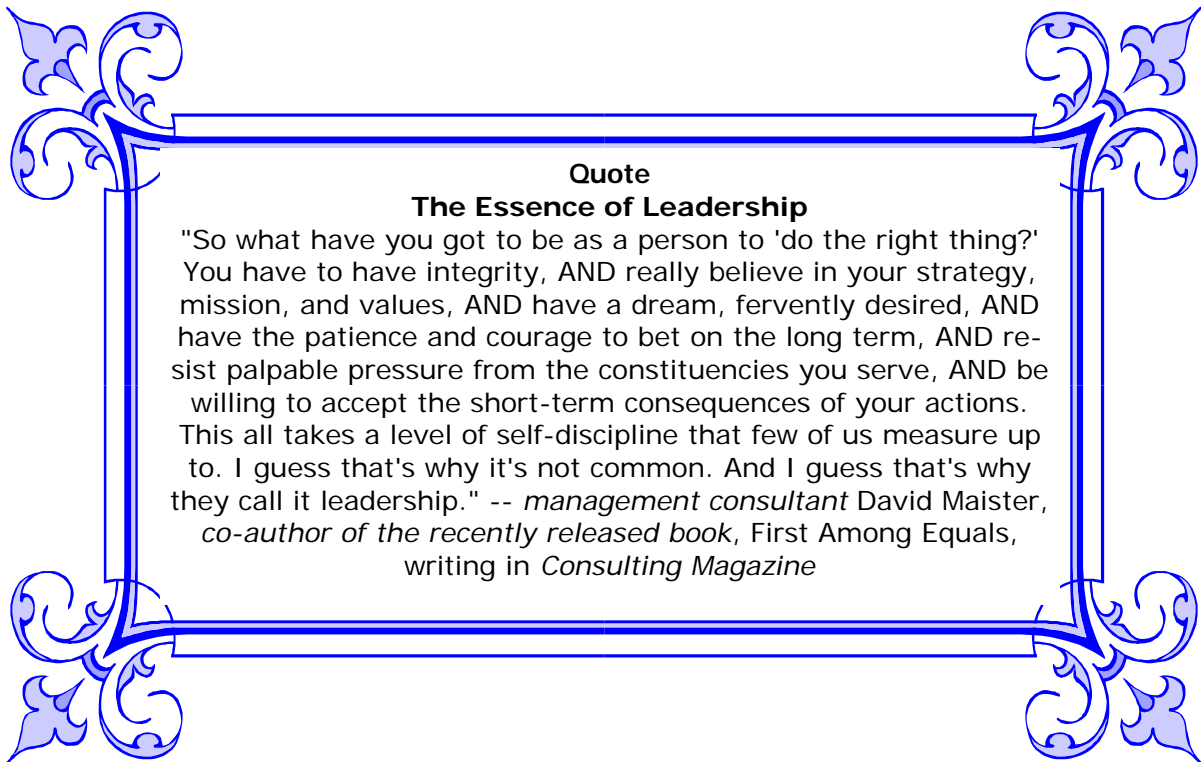
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The Walt Disney Approach to HR Management

The Disney Institute
February 6-9, 2002
May 1-4, 2002
September 25-28, 2002
Walt Disney Resort
Lake Buena Vista, Florida
407 566-2620
www.shrm.org/seminars/disney



Quote

The Essence of Leadership

"So what have you got to be as a person to 'do the right thing?' You have to have integrity, AND really believe in your strategy, mission, and values, AND have a dream, fervently desired, AND have the patience and courage to bet on the long term, AND resist palpable pressure from the constituencies you serve, AND be willing to accept the short-term consequences of your actions. This all takes a level of self-discipline that few of us measure up to. I guess that's why it's not common. And I guess that's why they call it leadership." -- *management consultant David Maister, co-author of the recently released book, First Among Equals, writing in Consulting Magazine*



A Message from the Board... The Real Job of the Recruiter

James Duran

Most recruiters have been approached by family, friends and friends of friends seeking help from us because they have assumed that since we are recruiters, we place people in jobs, and since they are looking, we can place them. Sounds simple, but the truth is that we do not work for candidates or job seekers, we work for clients or employers who actually pay the bill and or our salaries.

Steve Leung, the now deceased founder of Resumix summarized a principle of business very well when he said the key to a successful business proposition lay in identifying a reve-

nue stream source. Without a revenue stream, there can be no lasting business proposition – the bursting of the dot.com bubble has proven that beyond any doubt. Contract recruiters are essentially paid by clients/employers, sometimes with intermediaries. If you are not a regular employee, then the employer is a client, otherwise they are your employer. The meaning of this is very simple, no client/employer, no pay.

In the process of developing our skills as good recruiters though, we would be fools if we learned nothing of value in the way of techniques, information and advice that we can offer candidates or job seekers. Just remember, that when you offer this advice and counsel to your friends, referrals or other erstwhile inquirers, you are indulging in an activity which at best is only minimally recognized by your client/employer as adding value to your function, because they think you are there to fill jobs for them, not to advise the unemployed on how to get a job. In many cases, the cold hard reality and truth of the situation is that this activity has no value to the employer.

I have the typical example -- while attending a recent homeowners dinner for my neighborhood, I met a neighbor who was unemployed -- under employed if you count the menial job he now held for a retail outlet which did very little to utilize his BSCS and MBA with a Business Development / Mar-

keting bent. After twenty years with big 5 employers such as KPMG and Anderson consulting, followed by several more years working for local technology giants such as Sun, my neighbor now finds himself unemployed. In another case, my sister-in-law referred a friend in Colorado with an IT background who was also looking for a job, unemployed now for over 6 months. As recruiters, these types of chance encounters and referrals happen to us all the time. I told the neighbor I might be able to help him and spent some time counseling him. In the process of our talking together I gave him some tips on networking and marketing his skill set, which was about the best advice I could give him. Near the end of this conversation, he asked me how could I make some money from this deal. I explained that in the near term, there was no direct way I could make money from our encounter. However, more importantly, I further explained that in helping me today, when he got a job down the line, he could help me by calling on me when he became a hiring manager and needed help in hiring people himself. Further, I explained that in the process of looking for a job, he would meet other people looking for help, and if any of them needed expert recruiting help, he should be sure to refer me. And in this way he could repay me...

Back then to the real job of the recruiter... The real job of the recruiter is managing expectations. Managing the expectations of the client as well as those of the most likely candidate(s) for a given job. Corollaries include managing the expectations of the hiring manager, the interviewing team, upper management, as well as those of alternative candidates who ultimately do not get the job. The best professionals in the business of recruiting are the best at managing expectations. If we don't lie to the candidate, or distort the picture of what the client/employer has to offer, then we have less to explain later on. That does not mean that we cannot sell our client, because it is also our job to place the employer's in the best possible perspective, emphasizing such characteristics such as the employers' product service qualities, their competitive edge, their positioning in the marketplace, the management team, the vision of the future and roadmap to success, their financial resources and stability, their solid customer base, their great people (employees) and fantastic benefits, etc. On the employer side our responsibility is to place the candidate(s) in perspective.

We can talk about what the current scenario is for the candidate, what else he/she is looking at, what we need to do to close them, how much we need to pay them, what skills they

have to offer in the job, how great their communication skills are, what kind of training and or mentorship they need, what kind of supervision and environment they best work in, why they would be interested in the job, etc. We can tell the employee what they should expect in the way of an offer and on the other hand, tell the employer what it will take to close them. We can manage the process so that there are no surprises on either side. If the candidates are not right, then we can be honest with them and tell them how to present themselves in the best possible light for similar positions in the future, making sure that they do not make pests of themselves. If we don't tell them, then they don't learn and are more likely to repeat the same mistakes. And they keep calling us, wondering what the next step will be, when in reality, they will not be a next step for second tier candidates. We can tell them that they did everything right, but that the next guy/gal was a better match. Tell them about job fairs and job boards where they can market themselves so they go away with more leads and perhaps better prepared for the next opportunity. Manage their expectations.

Sometimes, we even get lucky, finding the best available candidate, for a narrow set of defined responsibilities and skill sets, just perfect for our client/

employer at this point in time. And if we have correctly managed expectations on both sides of the equation, the employer and the candidate, we get positive closure and a new hire. However, in the end we can't guarantee a hire. We can only manage for the hire, and if the force is with you, the deal goes down right. What we can guarantee is that we can professionally and successfully manage expectations. We can guarantee to execute and or manage the sourcing processes, as well as the employment processes that ensue – provided we know how. And if we don't know how to do these latter two things, then it's very likely that we won't be doing a very good job of managing expectations.



Quote

"No outsourcing arrangement can ever be an effective surrogate for a company's culture – that is why HR needs to be a vital part of the organization."

-- Helen Drinan,
Former President &
CEO, SHRM