

PERSONNEL NOTEBOOK

For Your Most Important Resource—The Human Resource

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PRINCIPLES FOR MANAGING PEOPLE

There are many theories on good people management. Although most come from the academic world, the best usually come from those who have lived the experience and survived to tell us about it.

Those people and companies who have developed and experienced good management principles through trial and error have proven themselves to be the best examples for us to consider for our companies.

UPS, United Parcel Service, is an outstanding example of so many good business principles. Is good people management one of them? Lets look at UPS.

Started in 1907 by 19- year-old Jim Casey, who borrowed \$100 to start a delivery service in Seattle, Jim Casey decided to hire only the best people for the job and to expect only the best from them. And he realized early on, that he must communicate his high standards to everyone.

UPS today, employs 370,000 people worldwide from its Atlanta headquarters. They deliver 13 million packages each

day. They own their own airline and they're the worlds largest global transportation company. And candidates for employment usually far exceed the available vacancies. If we can accept that as successful, we should take a look at the principles by which they manage people.

UPS has a vision for managing its workforce and it spells that vision out in their "Policy Book" which is given to every new employee. Here are the highlights of those principles.

We Build Our Organization Around People

Our strength is our people. We design our plans around them. They are our assets, so we develop them. They are not considered costs, so we do not minimize them. Our environment is intended to enable them to develop and to find satisfaction in their work.

We Place Great Value on Diversity

We hire and retain dedicated people from the communities in which we operate. Managers are responsible for creating a workforce of inclusion and fairness encouraging participation and the best efforts from everyone.

We strive to enhance our reputation as an organization that values diversity.

We Treat Our People fairly and Without Favoritism

We believe that impartiality is the foundation of a loyal, cooperative workforce.

We want to treat our people with respect and as individuals without the perception of special treatment.

We have the responsibility to avoid any relationship that may result in actual or perceived favoritism.

We Maintain An Environment Free Of Discrimination And Sexual Harassment

All UPS employees have a right to work in an environment free of any type of harassment and discrimination. Managers and Supervisors are responsible for ensuring that all employees understand and comply with our policies and legal requirements.

We Insist On Integrity In Our People

Integrity is essential to how we run our business and maintain compliance with our policies and legal requirements.

We also expect our employees to be honest in their assessment of themselves, as well as the time and commitment they give to their job performance and their fair dealings with each other.

We expect honesty and high standards of integrity. When we discover a dishonest person in our organization we deal with that individual quickly and firmly.

We Promote From Within

We fill management positions from within, from among the people we have already chosen to work with. In doing so, we take care not to overlook qualified people whose present jobs may make them less noticeable. We fill a vacancy from the outside only when we cannot identify the professional and technical skills among our own people.

Advancement is based on individual merit and performance. All managers are responsible for encouraging and developing capable people who can fill our needs at all levels.

We Maintain A Spirit Of Teamwork

We capitalize on the advantages of working together in an informal manner. We act as a cooperative team.

We Compensate People Fairly

Our compensation program keep pace with changing business needs and will compare favorably with other companies. Our employee compensation package contains more than salary alone. Our pay ranges and levels are part of a program of added values and benefits.

We Promote The Good Health Of our employees.

Our benefits package includes programs to improve and maintain your health. We want to work together with you for your health, well-being and safety.

We Look For People Who Have Potential For Development

As we intend to fill our future management positions from within, we look for applicants who can be developed and progress beyond their immediate job. We also want and need people who can qualify and become skilled without necessarily aspiring to management positions.

We Help People To Develop Themselves

We are responsible for seeing to it that all of our people are capable and prepared to perform their jobs well.

Our managers are accountable to see that employee have, and are aware of the opportunities for, support, coaching, counseling, training, education and development inside as well as outside the company. They must set themselves as an example. We seek to give people

assignments for which they are well suited and prepared.

We Hold Frequent Evaluations With Our Employees About Their Performance

We review each person's performance to enable us to mutually understand their progress toward their goals and objectives. These formal reviews are held periodically, however there is no substitute for daily and weekly feedback on each person's performance. Managers and employees are expected to communicate regularly on performance.

We have Meaningful Discussions With Our People

We seek to develop meaningful business like relationships and better communication by having regular, planned individual and group discussions. We promote an open door approach to managing. We encourage participation and suggestions.

We Recognize Accomplishments

Our people deserve to be recognized for their contributions. All managers and supervisors are responsible for recognizing the accomplishments of the people in their groups. Beyond the company's formal programs of recognition and rewards, nothing can replace the important role of the manager or supervisor in recognizing an employee's contributions.

We Give Each Employee's Complaint Prompt, Sincere Attention

If overlooked or neglected, even minor misunderstandings can escalate into major dissatisfactions. When a complaint or issue arises, the immediate supervisor has the responsibility to resolve the complaint. When necessary, we involve the next level of management, which may include the Human Resource Manager. We keep the employee informed about the status of their complaint.

We Respect Each Employee's Point Of View

We train our managers in the skills necessary for talking and listening to their employees and in translating what they learn into action. We want your thoughts, advice and input.

We Keep Employees Informed About Company Activities And Plans That May Affect Them Or Their Work

We hold pre-work and other periodic meetings to keep everyone informed about our plans and their part in them. We use a variety of media and give public recognition to employee achievements.

We Address Each Other On A First-Name Basis

Using first names helps generate the friendly and informal atmosphere we choose to work in. Within our company the use of titles is seldom used or necessary.

We Do Not Rehire Former Employees

Unless an employee left to further their education or for other valid positive reasons, we do not rehire former employees. However our desire is to retain the good will of former employees. We seek their advice upon leaving us, as to their recommendations for improving our company. We realize that we may be beneficial to each other in future relationships.

We Stress Safety Throughout Our Company

The safety of our people, our clients and the general public is of utmost importance. We encourage involvement in all our safety awareness activities and recognize and reward safe practices all over the company.

We train our people to avoid injury and we do not tolerate unsafe work habits. If it's not safe, we don't do it.

We Keep Our Building, Equipment And Work Environment Clean And Neat

Facilities and vehicles that are clean and neat have an important effect on our attitude, safety and efficiency. This includes our grounds, parking lots, lawns and shrubbery. Our employees' clients and the public see that we are proud of our company and that we give the same meticulous attention to our services.

We Expect Our People To Be Neat In Appearance

A neat appearance greatly impacts the way our customers view us. Your uniforms were designed to have a distinct reflection of our company and our service. This holds true for our people in the field as well as our office employees. We ask them to select clothing and accessories that are appropriate to our business environment.

We Prohibit The Use Or Possession Of Alcoholic Beverages Or Controlled Substances While At work

Employees are not permitted to start work or to remain at work if they possess, are using or are under the influence of any of the following:

- Any alcoholic beverage
- Any controlled substance, illegal drug or any derivative thereof.
- Any substance that could impair their ability to perform a job safely and competently.

We Prohibit Gambling, Holding Raffles And Similar Activities On Company Time Or Property

At best, these are un-business-like and inappropriate on the job. They also place people under improper pressure to spend or contribute money.

We Prohibit The Use Of Company Time, Facilities Or Materials For Personal Profit

Beyond the company's sponsored events and programs, employees may not use the company's labor, time, equipment, tools, buildings or other assets for personal use or benefit.

We Separate Business And Social Functions

Our company open houses and other social functions are designed to include family members and friends. However, It is not appropriate to bring them into business functions. We do not combine business functions with social functions. We feel that this can create conflicts and misunderstandings that may adversely affect our company and our people.

Although not every principle is appropriate for every company, UPS has been one of America's most successful companies of the 20th century and it's still growing.

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