

# Yoke's new policy, new stage for talents to shine

## Effectively solving the growing pain of SME's in Taiwan



"When I first saw it, I was mesmerized by it and realized that's what I want!" exclaimed Steven Hong, president of Yoke Industrial Corp, on the beginning of the partnership between Watson Wyatt and Yoke.

Written by Nancy Chiu

What Steven Hong was drawn to was in fact, a single presentation slide. It was a slide that described the relationship between organization structure, job duties, market information and compensation structure; and that's what Steven Hong wants, something that captures the essence of the growing pains experienced by Taiwanese small to medium-sized businesses ("SME"). In the past, what these businesses needed were capital and skills, but as time passed by and the business grew, the age of information technology and management had arrived. "It's like growing out of your clothes," said Steven Hong. He understands that as organizations grow; if its structure and management policy did not evolve together, then employees'

long-term growth at the company will be hindered. He added that the past practices of giving hefty raises to employees who are about to leave will not only be ineffective, but bring even more associated problems.

Steven Hong knew that the time has come to create grading structures and compensation policies based on job duties and competencies. He said, "Salary tables that resemble train schedules are fake equalities and unfair; the concept of salary based on the accumulation of experiences cannot truly reflect employees' performance but instead draining talents away from companies." Thus, in order to attract and retain the best talents, Yoke moved away from these "train schedules" and benchmarked its salary from market data to make their compensation become more competitive. Every job grade had a "pay range," which provided differentiated compensation for employees with different levels of maturity and competency. This, as Mr. Hong said, "provided the best feedback for employees to do their best; which in turn, increases the productivity of the company."

The consultants from Watson Wyatt traveled between Taipei and Taichung during this project and Mr. Hong had nothing but praises when talking about them. He said, "They were able to explain clearly, the proper methods of doing things using approachable and stern stances." During the communication of the new, revolutionary policies, the consultants provided valuable assistance acting as the fair, impartial third party. "The consultants are clearly aware of the necessity for each employee to understand the company's goals why the new policies are in place. From what I've heard from employees about the new policies, the majority are supportive" said Steven Hong. Even if opposing opinions were voiced, the consultants from Watson Wyatt are able to provide detailed explanations and solve their problems. "Management needs to look at the full scope, instead of individual points; they cannot fallback when they see opposition," said Mr. Hong who believed that the change was necessity for his company to continue its growth and is determined to make it work.

"It is the most difficult for the changes to be implemented unnoticed," said Steven Hong, making a point on how the change was implemented smoothly and successfully. It is always extremely difficult for employees to accept changes naturally and without resisting. Although the atmosphere at



Yoke did not change as a result of the change in organization, Mr. Hong feels that "employees have taken more initiatives than before." This is largely attributable to performance-oriented policies, which connects employees' job competencies, performance and compensation, making them even more motivated.

In 1985, Steven Hong started Yoke Industrial Corp. and had engaged in trading business involving chains and safe sling hooks. In 1996, he created his own brand, Yoke. In order to provide his clients with products that are safer, more reliable and better quality, he invested 30 million Taiwan dollars into inspection equipments. This is because, for industrial users, the most important factor for these harnesses is how safe they are. Then in 2002, Yoke received the Taiwan SME's Innovation Award and the Rising Star Award from the Ministry of Economic Affairs, R.O.C. In 2008, Yoke became the recipient of the National Award of Outstanding SMEs.

When talking about the future, Steven Hong thought the economic crisis presents a great opportunity for Yoke because "we are fully prepared for the economic boom in two years time." Yoke will compete with a more diversified product line, with better quality and pricing. In addition, the biggest chip it has in getting ready will be the high efficiency team of talents behind Yoke. Hence, Mr. Hong places great emphasis on employee development, he added "employees' superiority is created by well-designed policies, and the development of great talents will create better future for companies." Steven Hong's entrepreneurial spirit of never being satisfied, never stops moving forward is the best reflection of Taiwanese small to medium sized businesses. 