

# **PHRi Functional Area 05**

## **EMPLOYEE ENGAGEMENT**

International Human Resource Certification Institute

IHRCI® [www.ihrci.org](http://www.ihrci.org)

Professional in Human Resources – International (PHRi) Workbook

Module Five: Employee Engagement

2024 Edition

Copyright © 2024 by International Human Resource Certification Institute

All rights reserved. No part of this book may be reproduced, stored in a retrieval system, or transmitted in any form or by any means – electronic, mechanical, photocopying, recording, or otherwise – without prior written permission from the International Human Resource Certification Institute (IHRCI). The IHRCI assumes no legal liability concerning using the information contained herein. While every precaution has been taken in preparing this book, neither the publisher nor the author assumes responsibility for errors or omissions. Furthermore, no liability is assumed for damages resulting from using the information contained herein.

International Human Resource Certification Institute (IHRCI)

Flat/Rm D52, 3/F, Wong King Industrial Building No.2, Tai Yau Street, KL.

Hong Kong

[www.ihrci.org](http://www.ihrci.org)

## ***Introduction***

As a subscriber of the PHRi certification workbook series, you have access to the [www.ihrci.org](http://www.ihrci.org) learning system. The system includes a Glossary that provides a search box and descriptions of key HR terms. Additionally, the system consists of over 900 practice exam questions and answers with explanations in our database, including pre-tests, review tests, and post-tests:

**Pre-test:** It contains the same percentage of questions from each content area. Participants can take a pre-test of that module to assess their conceptual understanding of that specific area of the PHRi exam content outline. When the pre-test is completed, an overall correct percentage and the number and percentage of questions answered correctly are provided. Answers with explanations for individual questions are also provided. Our system allows users to save the pre-test results for later improvement.

**Review test:** Every review test contains questions with explanations that help you understand the concepts of that particular knowledge area for each study workbook section. Once you finish reviewing one section of the workbook text, you naturally gain access to the next section. Each new section builds on the concepts learned in the previous knowledge areas. Please follow a step-wise study approach for all the knowledge areas.

**Post-test:** Once you complete all the knowledge areas, take a post-test that simulates the final PHRi Exam under the same testing conditions as the actual exam. It consists of 115 questions to be answered in 2.75 hours. These tests are designed to give you a feel for the actual PHRi Exam, with a similar format and question types. Practice until you achieve near 80% correct answers in the post-test. This will help you understand areas where you have improved since the last test and identify topics that require further revision.

Access to the learning system is valid for twelve (12) months from the date of purchase, covering two test windows. Take the pre-test, review, and post-test as many times as possible within 12 months. Access to these practice exams is for your use, and your account should not be shared with others. Your use of the online practice exams indicates your agreement with these terms.

Please note that this workbook is not a textbook. The materials, including workbooks and practice exams, are intended for use as aids in preparing for the PHRi Certification Exam conducted by the HR Certification Institute. While studying these materials will enhance your understanding of the key functional areas that comprise the HR Certification Institute PHRi exam content outline, these workbooks should not be considered legal or professional advice.

## Table of Contents

|                                                 |    |
|-------------------------------------------------|----|
| Introduction.....                               | 3  |
| Table of Contents.....                          | 4  |
| Part One: Employee Life Cycle.....              | 8  |
| 1. Employee Life Cycle .....                    | 8  |
| 1.1. Buying.....                                | 8  |
| 1.2. Building.....                              | 9  |
| 1.3. Borrowing .....                            | 10 |
| 1.4. Bounding .....                             | 11 |
| 1.5. Bouncing.....                              | 11 |
| 1.6. Binding.....                               | 12 |
| 2. Onboarding.....                              | 12 |
| 2.1. Recruiting .....                           | 13 |
| 2.2. Orientations.....                          | 14 |
| 2.3. Support Tools and Processes .....          | 14 |
| 2.4. Coaching and Support .....                 | 15 |
| 2.5. Training .....                             | 15 |
| 2.6. Feedback Tools .....                       | 15 |
| 3. Transferring.....                            | 16 |
| 3.1. Reasons for employee transfers .....       | 17 |
| 3.2. Drawbacks from employee transfers.....     | 17 |
| 3.3. Types of Transfers .....                   | 18 |
| 4.1. Voluntary Turnover .....                   | 20 |
| 4.2. Involuntary Turnover .....                 | 20 |
| 4.3. Causes of Turnover .....                   | 21 |
| 4.4. Functional or Dysfunctional Turnover ..... | 21 |
| 4.5. Turnover and “Churn” .....                 | 21 |
| 4.6. Measuring Employee Turnover .....          | 22 |
| 4.7. Alumni Program.....                        | 22 |
| 5. Termination .....                            | 24 |
| 5.1. Paper Trail.....                           | 25 |
| 5.2. Short, Clear Meeting .....                 | 25 |
| 5.3. Explaining the Severance.....              | 25 |
| 5.4. Communicating with Staff .....             | 25 |
| 5.5. Discharge, Layoff, and Resignation.....    | 25 |
| 5.6. Termination Tips .....                     | 27 |
| 6. Exit Interview .....                         | 30 |
| 6.2. When do you conduct the interview?.....    | 31 |



|                                                        |    |
|--------------------------------------------------------|----|
| 6.3. What's the purpose of the interview? .....        | 31 |
| 7. Employee Resignation .....                          | 32 |
| 7.1. Whom to Notify.....                               | 32 |
| 7.2. What to Communicate .....                         | 32 |
| 7.3. Develop a Transition Plan .....                   | 33 |
| 7.4. Alert Clients .....                               | 33 |
| 8. Outplacement.....                                   | 33 |
| 8.1. Outplacement Services .....                       | 34 |
| 8.2. Benefits to the employer.....                     | 37 |
| 8.3. Adjust to Retrenches' Needs .....                 | 38 |
| 9. Employee Retention .....                            | 39 |
| 9.1. Why Employee Retention Matters .....              | 40 |
| 9.2. Why Employees Stay and Leave .....                | 40 |
| 9.3. How to Retain Employees .....                     | 45 |
| Part Two: Employee Experiences .....                   | 49 |
| 1. Employee Value Proposition .....                    | 49 |
| 1.1. Benefits of a Robust EVP .....                    | 49 |
| 1.2. Key Components of EVP .....                       | 50 |
| 1.3. Development of EVP.....                           | 51 |
| 2. Employer Branding .....                             | 53 |
| 2.1. Definition of Employer Branding.....              | 54 |
| 2.2. Branding Techniques .....                         | 54 |
| 2.3. Employer Brand Framework.....                     | 54 |
| 2.4. Manage the Employer Brand for the Long Term ..... | 56 |
| 3. Employee Engagement.....                            | 56 |
| 3.1. The Basics .....                                  | 58 |
| 3.2. The Work .....                                    | 59 |
| 3.3. Company Practices .....                           | 60 |
| 3.4. Brand .....                                       | 61 |
| 3.5. Leadership .....                                  | 62 |
| 3.6. Performance .....                                 | 62 |
| 4. Employee Participation .....                        | 63 |
| 4.1. Project Team.....                                 | 64 |
| 4.2. Quality Circle .....                              | 65 |
| 4.3. Suggestion Schemes .....                          | 65 |
| 4.4. Consultation Exercises.....                       | 65 |
| 4.5. Delegation .....                                  | 65 |
| 5. Employee Voice .....                                | 66 |

|                                                                         |     |
|-------------------------------------------------------------------------|-----|
| 5.1. Types of Employee Voice .....                                      | 66  |
| 5.2. The Main Purposes of Employee Voice .....                          | 67  |
| 5.3. The Practices of Employee Voice.....                               | 67  |
| 6. Employee Resource Groups (ERGs) .....                                | 70  |
| 6.1. The Significance of ERGs .....                                     | 71  |
| 6.2. Enhance the Effectiveness of ERGs .....                            | 72  |
| Part Three: Employment Performance Management .....                     | 74  |
| 1. Job Performance Management .....                                     | 74  |
| 1.1. Performance planning .....                                         | 75  |
| 1.2. Performance monitoring .....                                       | 75  |
| 1.3. Performance appraisal .....                                        | 75  |
| 1.4. Performance development.....                                       | 75  |
| 2. Performance Planning .....                                           | 75  |
| 2.1. Performance Standard .....                                         | 76  |
| 2.2. Management by objectives (MBO) .....                               | 76  |
| 2.3. Goal Setting .....                                                 | 76  |
| 2.4. Objectives and Key Results (OKRs) .....                            | 78  |
| 3. Performance Monitoring.....                                          | 79  |
| 3.1. Eliminating Obstacle or Updating Objectives.....                   | 79  |
| 3.2. Reinforcing Effective Behaviors .....                              | 80  |
| 3.3. Conversations, Feedback and Recognition (CFR) .....                | 81  |
| 3.4. Maintaining performance records.....                               | 82  |
| 4. Performance Appraisal .....                                          | 83  |
| 4.1. Objectives of Performance Appraisal .....                          | 83  |
| 4.2. Process of Performance Appraisals .....                            | 84  |
| 4.3. Methods of Performance Appraisal .....                             | 85  |
| 4.4. Measurement Error .....                                            | 97  |
| 4.5. Rater Errors.....                                                  | 99  |
| 4.6. Performance Calibration .....                                      | 100 |
| 5. Performance Development .....                                        | 104 |
| 5.1. Prepare the interview.....                                         | 105 |
| 5.2. Getting people to open up .....                                    | 107 |
| 5.3. Facing up to the problem .....                                     | 107 |
| 5.4. Agreeing a plan for the future.....                                | 108 |
| 5.5. Achieving corrective actions.....                                  | 109 |
| 6. Performance Improvement Plans and Individual Development Plans ..... | 111 |
| 6.1. Performance Improvement Plans (PIPs).....                          | 111 |
| 6.2. Individual Development Plans (IDPs) .....                          | 113 |

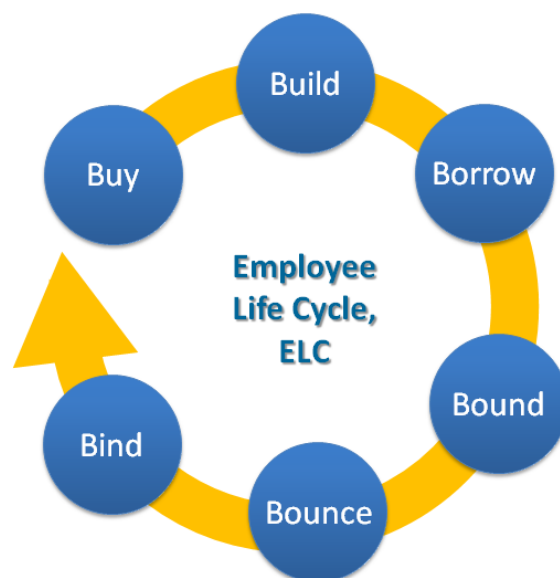
|                                          |     |
|------------------------------------------|-----|
| 6.3. Implementation of PIP and IDP ..... | 116 |
| Reference.....                           | 118 |

## ***Part One: Employee Life Cycle***

### **1. Employee Life Cycle**

The intertwined nature of the employee life cycle (ELC) and employee engagement is fundamental to shaping both the individual experiences of employees and the collective success of an organization. Grasping the interplay between these two elements is a cornerstone of adept human resource management.

The ELC is a conceptual framework used in human resources to map out the various phases of employee management and optimize investment in human capital. While there are variations in specific ELC models, a common and strategic approach is encapsulated in the '6Bs' framework, as outlined in “HR Transformation” by Dave Ulrich. This model includes Buying, Building, Borrowing, Bounding, Bouncing, and Binding as key stages, each playing a critical role in navigating an employee's journey within an organization. These stages collectively contribute to sculpting the broader employee experience, underscoring the importance of each phase in the overarching human resource strategy.



Source: Ulrich et al. (2009)

#### **1.1. Buying**

The 'Buying' stage is where the organization acquires new talent. This process has evolved significantly with the advent of the internet. Nearly all job seekers now turn to

online platforms, making internet recruiting a critical tool for HR professionals. This stage encompasses not just the posting of job vacancies but also reaching out to potential candidates through employee networks, referral programs, and even re-engaging with former employees. Moreover, many companies now involve clients in the recruitment process and emphasize building a strong employer brand to attract top talent.

Acquire new employees by recruiting individuals from outside or from other departments or divisions within the organization. HR can recruit, source, secure, and assimilate new talent into the organization according to the following trends:

- Internet recruiting continues to be critical. Approximately 98% of all job seekers go online to look for a new job.
- Online recruiting reaches both active and passive candidates (local, national, and global)
- Instant access to all required resources, such as job applications, shortens the time to hire and the streamlined environment drives down cost per hire.
- Employee networks/affinity groups are being used to reach out to targeted communities.
- Referral programs are stronger than ever, including referral of family members.
- Keeping contact with and re-hiring former talented employees is also an increasing practice.
- Client involvement in recruitment and hiring processes is being used in many companies.
- Positioning the organization as an “employer of choice”, by building, developing and maintaining employer brands and employee value proposition

## 1.2. Building

Once talent is acquired, the 'Building' phase focuses on employee development. The contemporary trend in HR is to favor dynamic learning environments over traditional formal training. This includes action learning programs, in-house training, coaching, and mentoring, supplemented by real-life on-the-job experiences. Companies are now more inclined toward providing opportunities like involvement in special projects and task forces for skill development. These practices are viewed as more enriching and rewarding, contributing significantly to employee growth.

Develop people through training, education, formal job training, job rotation, special assignments, and action learning. HR can help people grow through training, on the job or life experiences according to the following trends:

- Action learning, in-house programs, coaching and mentoring are increasing vs. traditional formal training courses.
- Offering on-the-job growth and development opportunities, like involvement in task forces, special team projects are used more frequently for skills development and are reported as highly rewarding for employees.
- Customer involvement as presenters and/or participants in different training programs is also a current trend.

### 1.3. Borrowing

'Borrowing' involves partnering with external entities such as consultants, vendors, and other organizations to bring external skills and knowledge into the company. This strategy includes outsourcing certain functions, entering into joint ventures, or simply drawing on external expertise to enhance internal capabilities. Such collaborations are essential for mitigating risks, fostering innovation, and accessing a pool of talent that might otherwise be out of reach. Participating in trade associations is another aspect of this strategy, allowing companies to benchmark performance and obtain mutual benefits through shared learning.

Partner with consultants, vendors, customers, and suppliers outside the organization in arrangements that transfer skill and knowledge. HR can bring knowledge into the organization through outside advisors or partners by the following reasons:

- Transferring knowledge and know-how, outsourcing and/or joint ventures:
  - Mitigate Risks
  - Accelerate Innovation
  - Reach otherwise inaccessible talent.
- It allows organizations to tailor outside ideas to business.
- Its important to know when to in-source and when to outsource.
- Participation in trade associations – which exist for almost every industry- allows organizations to learn from each other, share information benchmark industry's performance and team up with similar companies to obtain mutual benefits.

#### 1.4. Bounding

The 'Bounding' stage is about career progression within the organization. It includes promoting employees to higher positions and ensuring that talent is recognized and retained. This phase involves a continual effort to not just fill positions but to strategically place the right people in key roles. Retention here is seen as a challenge that requires daily attention. The focus is on offering meaningful rewards, both financial and non-financial, that resonate with employees, and on providing flexible work arrangements and customized benefits packages.

Move the people through the organization and into higher positions. HR can promote the right people into key positions by:

- Retaining talent is a challenge and should be an everyday effort.
- Effective rewards (financial and non-financial) that are personally significant to the recipient, will motivate employees in the short term and help engage them for the long haul.
- Providing flexibility and a broader benefits/award selection is an actual trend:
  - Flexible hours and work arrangement
  - Job-sharing (two employees sharing one position)
  - Home-based jobs
  - Customized benefits

#### 1.5. Bouncing

In the 'Bouncing' phase, the organization addresses underperformance. This involves removing low-performing individuals from their roles or the company. Strategies in this phase can range from involuntary downsizing, with tools like early retirements and severance packages, to performance-based exits, where clear standards and expectations are set. The process must be fair and legally sound, with a focus on maintaining the overall health and efficiency of the organization.

Remove low-performing or underperforming individuals. HR should remove poor performers from their jobs, and from the organization if they don't fit anywhere when:

- If involuntary downsizing:
  - Use early retirements.
  - Create severance packages.
  - Learn with and rely on outplacement firms.
  - Find new ways to accomplish work, e.g., subcontract a work unit.

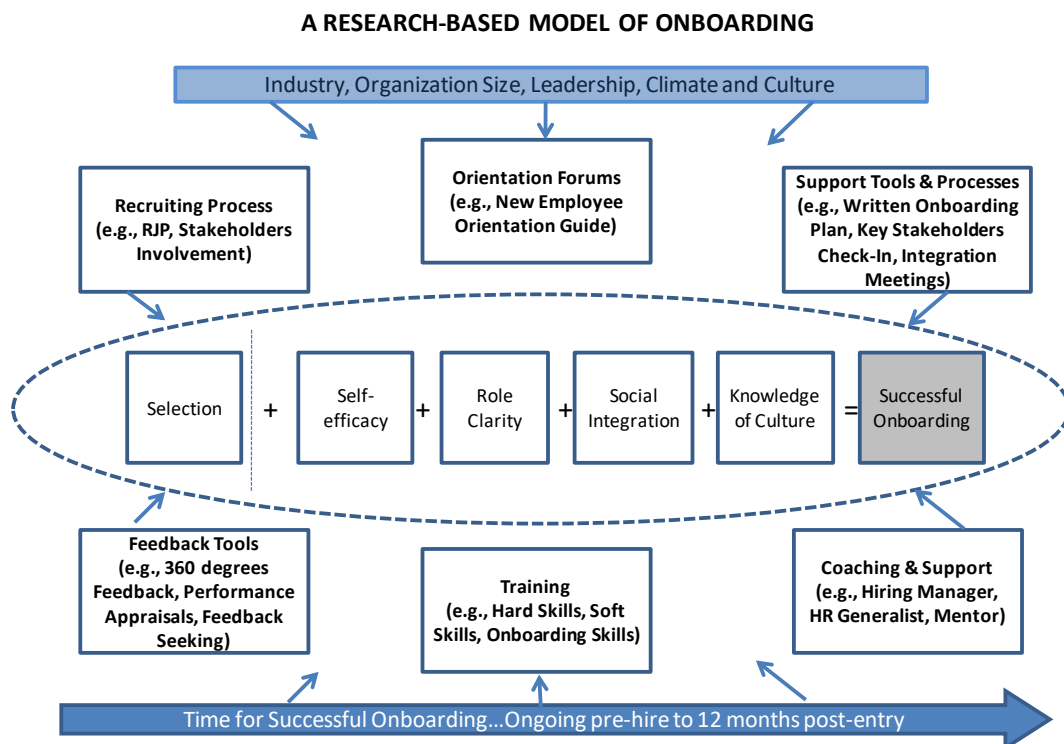
- If performance based:
  - Have clear standards and expectations.
  - Ensure a due process which is fair, have a clear criteria and legal support.
  - Be bold.

### 1.6. Binding

Finally, the 'Binding' stage is centered on retention of high-potential employees. Recognizing that financial rewards, while important, are not the sole motivator, this phase involves offering a mix of incentives. These can include career development opportunities, recognition programs, and benefits tailored to employee needs. The goal is to ensure that the organization's top talent feels valued and motivated to stay, thus securing a competitive edge in the marketplace.

## 2. Onboarding

Onboarding, also called "Employee integration", is the process of introducing and engaging new employees into an organization. It involves providing them with the necessary information, training, and support to perform their roles effectively and to feel comfortable and valued in the workplace. Onboarding is a crucial step in enhancing talent management systems after effective recruitment and selection. It aids new employees in acclimating to the social and performance aspects of their jobs, a process that should be a core focus for HR departments.





Historically, onboarding was grouped under "socialization" in academic studies and seen as a minor element of human resource management. Nowadays, both scholars and practitioners recognize that the most effective onboarding programs are those grounded in robust research and applicable to real-world practices. The accompanying diagram outlines research on the factors contributing to successful onboarding, encapsulating the adjustment of new employees and the outcomes of a fruitful onboarding experience. The hiring process is foundational to onboarding, as selecting individuals who exhibit the desired behaviors can lead to a more efficient transition.

Onboarding involves multiple activities that ease this transition. The culmination of successful onboarding is the integrated effort of various HRM functions. Although these functions are described individually, their integrated operation is essential for a smooth introduction of new employees. This process begins with recruitment, the initial HRM function and point of contact for the new hire with the organization.

## 2.1. Recruiting

In Passive Onboarding, organizations' recruiting processes are unrelated to new employee onboarding plans. Rather than viewing recruitment as a time to begin the onboarding process, it is seen as a separate function. In fact, the entire goal of recruitment should be to get candidates to the next step—selection—and then to help them fit into the organizational environment and get to know organizational insiders and stakeholders. The recruitment process provides information, but it also helps new employees form realistic expectations and engage coping mechanisms. In this way, the quality of recruitment practices relates to higher organizational commitment.

### Realistic Job Previews

Organizations can provide employees with realistic job previews (RJPs) regarding both the specific job to be done and the organizational culture. RJPs have advantages and disadvantages. As an experiment, one firm randomly assigned prospective employees to either an RJP group or a non-RJP group. As expected, the RJP group was more likely to reject a job offer, but they had 50 percent less turnover than the non-RJP group. Realistic previews help to prevent new employees from suffering unmet expectations. Past research has found that new employees receiving large amounts of accurate information about a company and their new job tend to adjust better than those who don't acquire this information.<sup>40</sup> RJPs can be provided during recruitment and hiring or through more on-the-job experiences such as internships.

## 2.2. Orientations

Some organizations now use some type of new-employee orientation—either in person or online. Formal orientation programs help new employees understand many important aspects of their jobs and organizations, including the company’s culture and values, its goals and history, and its power structure. Orientation programs also serve a social role, helping newcomers feel welcome by introducing them to their co-workers and other individuals within the organization. Orientations, which may last a few hours to a few months, can provide new employees with valuable information and the chance to process a lot of paperwork and procedures quickly, using tools that include discussions, lectures, videotapes and written material. During short orientations, companies often use computer-based information systems and intranets to help support new employees. This approach lends consistency to orientations in different locations and at different times.

## 2.3. Support Tools and Processes

Both during and after the orientation, readily available support tools, such as those discussed below, are invaluable for onboarding success.

- A written onboarding plan. A formal document, or roadmap, that outlines the specific timeline, goals, responsibilities and support available to new hires will help them succeed because it spells out what they should do and what assistance they can expect. The most effective onboarding plans are usually written, communicated to all members of the company, consistently applied and tracked over time.
- Stakeholder meetings. Some organizations often create check-in meetings at specific intervals to help new employees get the information they need in a timely manner. Many stakeholders should be involved in these onboarding meetings, and the schedule should identify who is involved at what point in time. With regular “touching base” meetings, potential problems can be solved before they expand into large problems.
- Onboarding online. Some organizations use technology to deliver initial orientation programs, but one study shows that benefits may not be quite as positive in computer-based orientations. Researchers compared employees taking part in a regular, face-to-face orientation to those in a computer-based orientation and found less understanding of the job and the company for those in the computer-based version. Technology also can be used to follow the onboarding process, automate basic forms, track progress against development and career

plans, and help stakeholders monitor new employees to see when they may need additional support.

#### 2.4. Coaching and Support

As mentioned above, stakeholder involvement is extremely valuable for successful new employee onboarding because stakeholders can help newcomers manage and meet expectations. Stakeholders include those involved in hiring, training, HR, and normal coaching and support. They can influence new hires by not only sharing information but also serving as role models to be emulated.

Mentors are a similar resource to help new employees learn the ropes. A mentor can teach new employees about the organization, offer advice, help with job instruction, and provide support in social and political terms. New employees may go to mentors with questions that they are hesitant to ask their managers for fear of seeming incompetent. One study found that new employees with mentors became more knowledgeable about their new organizations than new employees who did not have mentors. Researchers have also found that new employees are more likely to have learned and internalized the key values of their organization's culture if they had spent time with a mentor. Mentoring programs, opportunities for informal interaction with colleagues and adequate information certainly will help the new employees adapt more easily to the new work environment.

Both internal and external coaching can be critical in the success or failure of new employees. External coaches can be especially important for executive onboarding, where the stakes are high. An objective coach can help new executives by offering a safe sounding board for ideas and approaches. External coaches can also help new executives prepare for their onboarding process before they enter, as well as assist with any challenges they encounter in their new organization.

#### 2.5. Training

A new employee needs the confidence, clarity and skills to do the job he or she has been hired to do. Potential training for new employees includes hard skills, soft skills and onboarding skills, and each skill set is important. If a new employee has low levels of self-efficacy at the start, training is even more necessary to boost subsequent ability to cope and job performance. Training can show newcomers how to proactively help their own adjustment and therefore encourage successful onboarding.

#### 2.6. Feedback Tools

New employees often make missteps and may find it challenging to understand and

interpret positive or negative reactions they receive from co-workers. This means they will often need feedback and guidance. Research consistently shows the benefits of feedback for new employee adjustment. During onboarding, feedback is a two-way process. New employees seek and receive information, and companies vary in how well they use feedback tools during the onboarding process. A couple of common approaches to employee feedback are:

- Performance appraisals and 360-degree feedback. Within the HRM system, performance appraisals can give new employees developmental feedback. Normally, however, organizations conduct appraisals only once or twice a year. When integrating appraisals into the onboarding process, quarterly meetings can be helpful. The benefit of 360-degree feedback is that it helps new employees understand how others view them. Feedback from all sides can help resolve any disagreements early on.
- Employee-initiated information and feedback seeking. Employees can help or hinder their own onboarding. Information-seeking and feedback are proactive new employee behaviors that may help them adjust as they ask questions about different aspects of their jobs, company procedures and priorities—all to make sense of the new workplace. Workers may seek information using more passive methods—monitoring the environment, viewing the company web site, reading the employee handbook or other written literature. But very little insight about company culture and unwritten rules will emerge from passive methods. As time passes, employees should start asking more questions of supervisors about expectations and evaluation, but they may be reluctant to do so if they believe such questioning will reveal their own weaknesses. Yet asking questions will often communicate to others that the new employee is interested in learning the norms and performing well. The need for new employees to ask the most basic questions is lessening as more organizations institute formal onboarding programs that include help desks, online information centers and regularly scheduled meetings with stakeholders.

### **3. Transferring**

Transferring is “a lateral shift causing movement of individuals from one position to another usually without involving marked change in duties, responsibilities, skills needed or compensation”. Transfer may be initiated either by the company or the employee. It also can be temporary or permanent.

### 3.1. Reasons for employee transfers

Transfer of employees is must and essential in an organization for the purpose of minimizing politics between employees, to ensure cordial relationship between employees, to increase transparency in work, to obviate syndicate of employees for unethical purpose and to obviate nepotism in organization.

Employee transfers is considerable, as most essential when a position of employee is a top-level in hierarchy. Especially in the governmental organizations employees holding top-level positions are affected with frequent transfers for the reason, to obviate nepotism into increase transparency in the work. Organizations having no transfers for their employees may create their own informal groups for their common interest and their own benefit. Subsequently, this may leads to secrecy in the flow of work, eventually, no transparency in work. Employee transfers less organization may definitely see organizational politics among employees, which leads to fall in coordination in between employees, eventually may lead to drop in overall. Transfers are generally affected to build up a more satisfactory work team and to achieve the following purposes:

- To increase the effectiveness of the organization.
- To increase versatility and competence of key positions.
- To deal with fluctuations in work requirements.
- To correct incompatibilities in employee relations.
- To correct erroneous placement.
- To relieve monotony.
- To adjust workforce.
- To punish employees. (Generally in government organizations, employees who commits mistakes or malfeasance will be treated with transfer to other place where he cannot act according to his wish or misuse his job position. )

### 3.2. Drawbacks from employee transfers

Inauguration point of view, transfer of employees will definitely benefit organization and also keeps away disturbances and misunderstandings in between employees. However, there are a few drawbacks out of employee transfers that effect individuals or employees. Below listed are a few drawbacks due to employee transfers.

- Employees who are having attachment with the organization and their morale maybe disturbed due to transfer to some other location.
- Family members of employee who got transferred maybe psychologically disturbed because they have to shift their entire family to new location for which it may take time to get accustomed to new place.
- Definitely, employee transfer will financially cost to him by way of shifting of his households and furniture in transportation.
- In case of your employees, employee transfer may lead to resignation for the reason he may not willing to leave current location if that location is his native place.

### 3.3. Types of Transfers

Employee transfers may be classified as below.

#### 3.3.1. Production transfers

Such transfers are made to meet the company requirements. The surplus employees in one department/section who are efficient might be absorbed in other place where there is a requirement. Such transfers help to stabilize employment.

#### 3.3.2. Replacement transfers

This takes place to replace a new employee who has been in the organization for a long time and thereby giving some relief to an old employee from the heavy pressure of work.

#### 3.3.3. Versatile transfers

It is also known as rotation. It is made to develop all round employees by moving them from one job to another. It also helps to reduce boredom and monotony.

#### 3.3.4. Personnel or remedial transfers

Such a transfer is made to rectify mistakes in selection and placement. As a follow up, the wrongly placed employee is transferred to a more suitable job.

#### 3.3.5. Shift transfers

This is pretty common where there is more than one shift and when there is regularized

rotation.

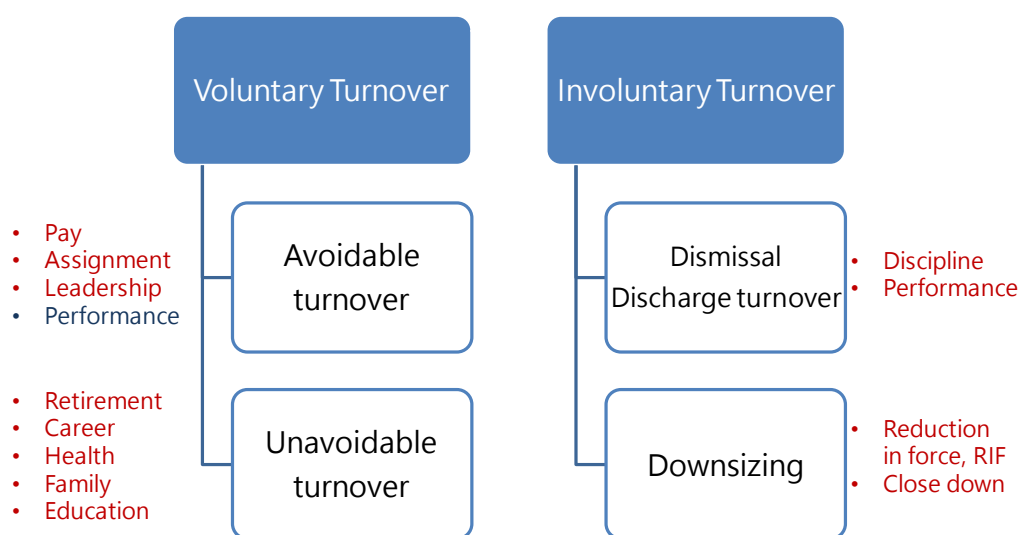
Every organization should have a fair and impartial transfer policy which should be known to each employee. The responsibility for effecting transfers is usually entrusted to an executive with power to prescribe the conditions under which requests for transfers are approved. Care should be taken to ensure that frequent or large-scale transfers are avoided by laying down adequate selection and placement procedures for the purpose.

#### 4. Offboarding

Offboarding refers to employee lifecycle processes surrounding the removal of an identity for an employee who has left the organization. The term may also be used to describe the restriction of certain access rights when an employee has changed roles within the organization.

All companies have employee turnover. An excessively high rate is negative, but an excessively low rate is not positive either. Employee turnover is generally defined as the percentage of employees who are replaced at the company during a certain period of time in relation to the average number of employees.

Turnover is classified in a number of ways. One classification uses the following categories, although the two types are not mutually exclusive:



Turnover Rate:  $(\text{number of employees leaving} / \text{average number of employees}) * 100$

#### 4.1. Voluntary Turnover

Voluntary turnover too can be caused by many factors, some of which are not employer controlled. Common voluntary turnover causes include job dissatisfaction, pay and benefits levels, supervision, geography, and personal/family reasons. Career opportunities in other firms, when employees receive unsolicited contacts, may lead to turnover for individuals, especially those in highly specialized jobs such as IT. Voluntary turnover may increase with the size of the organization, most likely because larger firms are less effective in preventing turnover and have more employees who are inclined to move. Voluntary turnover, in turn, is broken down into avoidable and unavoidable turnover.

4.1.1. Avoidable Turnover: Employees leave for reasons that could be influenced by the employer. Avoidable turnover is that which potentially could have been prevented by certain organization actions, such as a pay raise or a new job assignment.

4.1.2. Unavoidable Turnover: Unavoidable turnover represents employee quits that the organization probably could not have prevented, such as people who quit and withdraw from workforce through retirement or returning to school. Other examples of unavoidable turnover are people who quit due to: dual career problems, pursuit of a new and different career, health problems that require taking a different type of job, child care and elder care responsibilities, and leaving the country. Even though some turnover is inevitable, employers recognize that reducing turnover saves money, and that they must address the turnover that is controllable. Organizations are better able to keep employees if they deal with the concerns of those employees that might lead to the controllable turnover.

#### 4.2. Involuntary Turnover

Involuntary turnover is triggered at all levels by employers terminating workers due to organizational policies and work rule violations, excessive absenteeism, performance standards that are not met by employees, and other issues. Involuntary turnover is split into discharge and downsizing types.

4.2.1. Discharge turnover is aimed at the individual employee, due to discipline and/or job performance problem.

4.2.2. Downsizing turnover typically targets groups of employees and is also known as reduction in force (RIF) caused by organizational restructuring or cost-reduction program.



### 4.3. Causes of Turnover

#### 4.3.1. Voluntary turnover depends on three factors:

- Desirability of leaving: low job satisfaction, shocks to employee, and personal (non-job) reason.
- Ease of leaving: favorable labor market conditions, general & transferable KSAOs, and low cost of leaving.
- Alternatives: internal new job possibilities and external job offers

#### 4.3.2. Discharge turnover is due to extremely poor person/job matches, particularly the mismatch between job requirements and KSAOs. One form of the mismatch involves the employee failing to follow rules and procedures. The other form of discharge turnover involves unacceptable job performance.

#### 4.3.3. Downsizing turnover is a reflection of a staffing level mismatch in which the organization actually is, or is projected to be, overstaffed. In other words, the head count available exceeds the head count required, which may be due to poor workforce planning.

### 4.4. Functional or Dysfunctional Turnover

Not all turnover is negative for organizations; on the contrary, functional turnover represents a positive change. Some workforce losses are desirable, especially if those who leave are lower-performing, less reliable, and/or disruptive individuals. Of course, dysfunctional turnover also occurs. That happens when key individuals leave, often at crucial times.

#### 4.4.1. Functional Turnover: Lower-performing or disruptive employees leave

#### 4.4.2. Dysfunctional Turnover: Key individuals and high performers leave at critical times

For example, a software project leader who leaves in the middle of a system upgrade in order to take a promotion at another firm could cause the system upgrade timeline to slip due to the difficulty of replacing the employee and could also lead other software specialists in the firm to seek out and accept jobs at competitive firms.

### 4.5. Turnover and “Churn”

Hiring new workers while laying off others is called churn. This practice raises a paradox in which employers complain about not being able to find skilled workers while they are laying off others. As organizations face economic and financial problems that result

in layoffs, the remaining employees are more likely to consider jobs at other firms. In this situation, turnover is more likely to occur, and efforts are needed to keep existing employees. HR actions such as information sharing, opportunities for more training/learning, and emphasis on job significance can be helpful in lowering turnover intentions of individuals.

#### 4.6. Measuring Employee Turnover

The turnover rate for an organization can be computed as a monthly or yearly cost. The following formula, in which separations means departures from the organization, is widely used:

*Turnover Rate: (number of employees leaving/average number of employees)\*100*

Other areas to be included in calculating detailed turnover costs are also available. Some of the most common areas considered include the following:

- 4.6.1. Separation costs: HR staff and supervisory time, pay rates to prevent separations, exit interview time, unemployment expenses, legal fees for separations challenged, accrued vacation expenditures, continued health benefits, and others.
- 4.6.2. Vacancy costs: Temporary help, contract and consulting firm usage, existing employee overtime, and other costs until the person is replaced.
- 4.6.3. Replacement costs: Recruiting and advertising expenses, search fees, HR interviewer and staff time and salaries, employee referral fees, relocation and moving costs, supervisor and managerial time and salaries, employment testing costs, reference checking fees, pre-employment medical expenses, relocation costs, and others.
- 4.6.4. Training costs: Paid orientation time, training staff time and pay, costs of training materials, supervisor and manager time and salaries, coworker 'coaching' time and pay, and others.
- 4.6.5. Hidden/indirect costs: Costs that are not obvious, such as reduced productivity, decreased customer service, additional unexpected employee turnover, missed project deadlines, and others.

#### 4.7. Alumni Program

An alumni program for an employer is a community that allows the organization to keep in touch with its former employees and benefit from their skills, knowledge, and connections. An alumni program can help the employer to recruit talent, enhance

brand reputation, gain insights, and foster networks. Corporate Alumni Programs are specifically designed as communities to foster enduring relationships between organizations and their ex-employees. These programs are rooted in two fundamental concepts:

*Functional Aspect:* Companies invest considerable resources in recruiting the right talent, nurturing their growth through compensation, ongoing education, and retention efforts. When an employee departs, losing contact essentially means forfeiting the substantial investment made in their development.

*Human Connection:* The second principle emphasizes the value of networking. Maintaining connections with former employees is not just a good practice but a strategic business decision. These relationships can be invaluable for various purposes, including recruitment, sales, business development, and enhancing the organization's brand. Recognizing the worth of these networks underscores their role in achieving diverse organizational goals.

Once the offboarding process is complete and your former employees have joined the alumni network, the next step is transforming this network into a thriving community. Here are five practices to achieve this:

#### 4.7.1. Encourage Alumni Engagement

Emphasize the human aspect of your corporate alumni network by encouraging alumni to actively share their experiences and updates on the platform. This engagement fosters a lively community, promotes networking, and can lead to valuable collaborations, benefiting the entire network.

#### 4.7.2. Collaborate with Stakeholders

Managing an alumni network is a collaborative effort. Involving key figures like the CEO or the head of recruitment in communications shows a comprehensive commitment to the alumni. Including messages or contributions from these leaders, as well as engaging former employees or consultants, adds depth and value to the alumni experience.

#### 4.7.3. Host Alumni Networking Events

Organize events that allow alumni to reconnect, learn, and grow, thereby deepening their connection with your organization. Link these events to current global happenings or industry trends, like virtual town halls during significant events, providing alumni with opportunities to network and advance their careers.

#### 4.7.4. Create and Share Engaging Alumni Content:

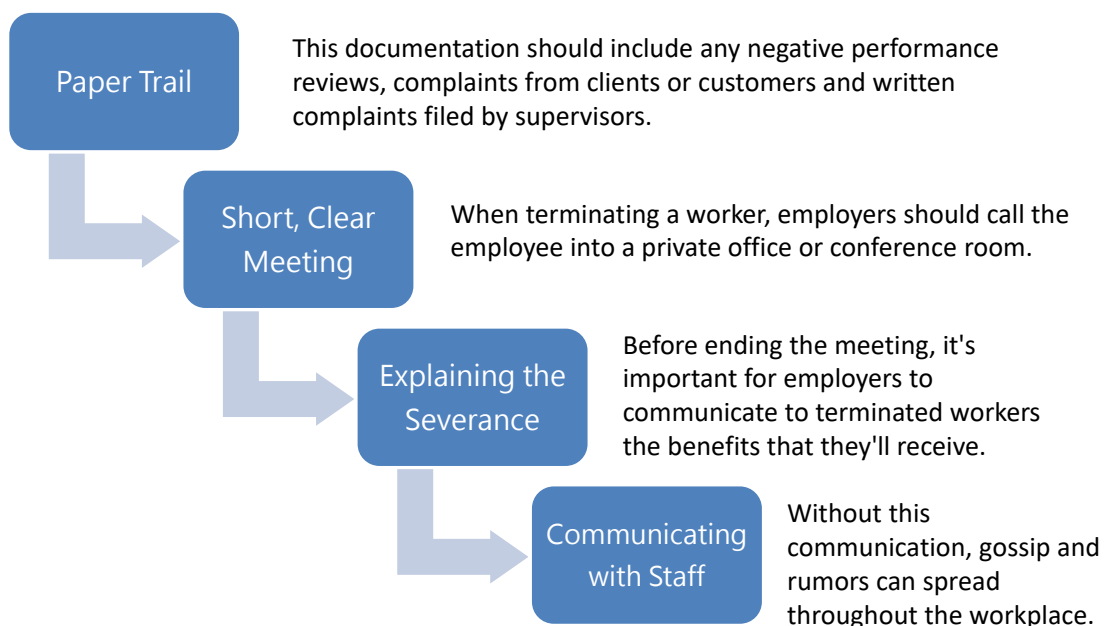
Keep the alumni network dynamic and relevant by regularly updating and sharing fresh content. This might include success stories, industry news, or general interest topics. A monthly newsletter is an effective tool for sharing company updates, news, and open positions, keeping alumni informed and engaged.

#### 4.7.5. Foster a Socially Responsible Community

Unite your alumni around social causes, demonstrating your commitment to social responsibility. This could involve supporting specific charitable projects or mentorship programs. By aligning with socially and environmentally conscious values, you not only engage your alumni but also enhance your employer brand, resonating with the growing preference of employees to associate with responsible organizations.

### 5. Termination

It's one of the most unpleasant tasks that employers face: firing an employee. It's a task that employers must handle carefully, calling for direct communication with the fired employee and the company's remaining staffers. Employers need to explain clearly to employees the reason behind their termination and build a paper trail that protects them in case a fired worker files a lawsuit. Employers must also communicate with remaining staffers, briefly and in general terms, about what the termination means to them and the future of the company.



### 5.1. Paper Trail

Before employers terminate a worker, they should take the time to build a paper trail detailing the reasons for the dismissal. This documentation should include any negative performance reviews, complaints from clients or customers and written complaints filed by supervisors. Such written evidence can protect the company if the terminated employee decides to file a lawsuit alleging unlawful termination.

### 5.2. Short, Clear Meeting

When terminating a worker, employers should call the employee into a private office or conference room. Once away from other staffers, employers should immediately but politely tell the worker that he is being terminated. Employers should always include concrete reasons for this firing: The worker's job performance may not have improved. The worker may have been turning in shoddy work. Clients and customers may have filed too many complaints against the worker. Perhaps he violated company policy.

### 5.3. Explaining the Severance

Before ending the meeting, it's important for employers to communicate to terminated workers the benefits that they'll receive in their severance package. Tell a fired employee how many additional weeks of pay she will receive, if any job training services are available and how many weeks of health insurance coverage she will receive.

### 5.4. Communicating with Staff

After the termination is complete, employers must then communicate with the rest of their workers about the firing. Without this communication, gossip and rumors can spread throughout the workplace. Employers should say that a certain worker was terminated, but shouldn't go into details about the reason for the firing. They should instead focus on future plans: Will a new worker be hired immediately? Is the fired employee's position being eliminated, too? If so, how will the fired worker's workload be dispersed among remaining employees? The more information about the future that employers can provide, the less likely it is that employees will form their own, incorrect, assumptions about the company's direction.

### 5.5. Discharge, Layoff, and Resignation

Discharge, layoffs and resignation are three means by which employment relationships are severed, but each carries distinctly different connotations and implications.

Discharges and layoffs are generally viewed as a negative necessity, but resignations can occur under positive or negative conditions. Understanding the difference between these three terms can give you more insight into employees' relationships with their employers.

#### 5.5.1. Discharge

Discharging an employee can also be referred to as firing an employee. Companies fire employees for a wide range of reasons. Employers may fire specific employees due to a lack of performance after numerous attempts to help the employee improve his productivity, for example. Employees can be fired after continual confrontations with management or co-workers, as a way to prevent subversive influences from creating a hostile work environment. In extreme cases, companies may fire employees on the spot for exhibiting violent or threatening behavior, or for committing a criminal act such as fraud or theft on the job.

#### 5.5.2. Layoff

A layoff is similar to a discharge, except that layoffs are not performed due to the negative behavior or poor performance of employees. Companies lay off workers when they cannot afford to pay them anymore due to financial hardship. Layoffs can also occur when two companies merge, due to human resources redundancies that need to be right-sized. Companies also lay off employees as a precursor to outsourcing departments internationally.

#### 5.5.3. Resignation

A resignation occurs when an employee takes the initiative to terminate the employment relationship. Employees resign for a wide range of reasons. Employees may leave their employers due to the type of continual confrontation mentioned, or for purely financial reasons. Employees may resign while maintaining a good relationship with their employer, to pursue other career opportunities, to move their home to a different area or a host of other possibilities. In rare cases, employees may voluntarily resign after committing an act that would require the company to discharge them.

#### 5.5.4. Re-hiring

The three ways to end an employment relationship each carry different implications for the possibility of re-hiring employees. Discharged employees are the least likely to be re-hired, and many companies have policies in place preventing them from re-hiring any employee who has been fired. Laid-off employees are the most likely to be offered their jobs back, as long as the jobs actually come back, and some employers actually

lay off employees with the intention of re-hiring them when the company gets back on its feet.

Re-hiring employees who have resigned is a highly subjective matter. Employees who quit for negative reasons may present the same type of problems that previously discharged employees do if they are brought back on board. On the other hand, re-hiring these employees can instill in them a stronger sense of loyalty than ever before.

## 5.6. Termination Tips

Firing an employee is one of the most unpleasant tasks you face, not to mention legally risky, and should be navigated with much caution, preparation, and deliberation. Here are 15 tips for effective, compliant, and professional terminations as follows:

### 5.6.1. Terminate in-person

Always conduct the termination meeting in person and have the decision-maker and another management official present in the meeting as a witness. The decision-maker regarding the termination is usually a manager or executive in the organization. In most cases the immediate supervisor of the worker should be responsible because he or she is usually most familiar with the reasons for the discharge. Also, the supervisor will usually be most familiar with the worker's personality and will be most able to handle him or her in the face of bad news. If you are not the immediate supervisor, let him or her handle the meeting.

Besides the supervisor (which will usually be you) and the worker who's being fired, there are situations where you may want to have a third party attend the meeting. If the person being terminated requests a witness, it's probably best that you allow this, so that the person doesn't feel that he or she is being railroaded out the door unfairly. But do explain that the person is there as an observer only, not to act as a representative or argue on behalf of the worker.

### 5.6.2. Choose a time and day early in the day/week

If possible, terminating employees as early in the day and week as possible is best. Hold the meeting in a private and neutral location. A "late afternoon" termination meeting may be of assistance, since the employee will not have to face other employees on the way out, particularly if the termination is to take effect immediately.

### 5.6.3. Keep it short

The meeting should last no longer than 10–15 minutes. It should simply provide a short, clear statement about the final decision, inform the employee of the effective

date of their termination, and how logistical details will be handled (final paycheck, benefits, removal of personal property, etc.).

#### 5.6.4. Give reasons for the termination with caution

Most states do not require employers to disclose reasons for the termination, but an employer may choose to provide them. Explaining reasons for the termination should be handled cautiously:

- List two or three reasons for the termination
- Do not reference personal reasons or character
- Do not state suspected misconduct that has not been proven
- Describe factual and objective behavior

However, do not engage in a debate. The decision has been made. Arguments should be avoided.

#### 5.6.5. Have documented, legitimate reasons to terminate

The decision to terminate an employee carries a risk of legal action, so be sure that you have sufficient grounds to terminate, including clearly documented conduct or performance issues. This information can include:

- Performance reviews
- Formal warnings
- Write-ups
- Documented counseling or coaching
- Company policies and procedures

#### 5.6.6. Never terminate on-the-spot

It's never wise to terminate an employee on-the-spot without any investigation, conversation, or discipline—no matter how grave the offense is. Rather, if the issue or misconduct is very serious, consider suspending the employee pending an investigation and carefully review all of the evidence.

#### 5.6.7. Consult with an employment attorney

If an employee is in a protected class, has a known medical condition or disability, has taken job protected medical leave, or if there is suspicion of any other legal issue (e.g.



harassment, retaliation), be sure to consult with an employment attorney before terminating.

#### 5.6.8. Anticipate reactions

These should be based on your knowledge of the employee and how they may react to the termination notice. Though the employee should not be surprised with a termination if you've done your due-diligence, taken steps prior to warn them, and used a progressive discipline process, a firing can be a traumatic experience.

#### 5.6.9. Avoid emotional reactions

If you are conducting the termination meeting, avoid displays of emotional reactions. Keep away from getting angry or upset, raising your voice, using forceful words/behaviors, or blaming the individual being terminated.

#### 5.6.10. Treat employees with dignity and respect

When employees are treated with empathy and respect during their terminations, they are less likely to file a lawsuit, claim wrongful termination, or backlash against the company. This can involve:

- Giving the individual a few moments to pause and gather their thoughts
- Escorting them out of the office in a dignified manner
- Having another member of your staff clean out their desk or office
- Offering information regarding post-termination, and even outplacement help

#### 5.6.11. Do not use the termination meeting to conduct an exit interview

The termination meeting is not the time or place to conduct an exit interview so avoid these types of questions during the meeting. In general, exit interviews are more relevant and useful for voluntary terminations.

#### 5.6.12. Have the employee immediately return company property

All company property in the employee's possession such as keys, credit card, cell phone, or company, should be given back to the organization immediately following termination.

#### 5.6.13. Use prompted resignation only in some circumstances

Offering an employee the opportunity to resign versus being terminated can be considered when an employee is being terminated because of their failure to meet

certain performance standards and when no misconduct or violation of a company policy has occurred. But be aware that, traditionally, employers are responsible for unemployment claims for prompted resignations.

In cases of prompted resignation, employers should consider the following for protection:

- Using a termination agreement/release
- Providing a severance package in exchange for the resignation
- Making performance issues known ahead of time to the employee

#### 5.6.14. Conclude on a friendly note

End the meeting in a friendly and positive manner by wishing the employee well in the future and possibly providing them with an outplacement resource. Some companies offer customized solutions that deliver high quality services at an affordable price. Consider offering outplacement counselling. For more difficult terminations or particularly sensitive employees, it may be appropriate to have the outplacement counselors on site.

#### 5.6.15. Meet with your other employees as soon as possible

Communicate to your remaining employees that the individual is no longer employed at the organization. Do not make any negative comments about the terminated employee and keep your communication objective. Be available to employees for questions and concerns.

Sometimes terminations are a necessary evil in the workplace. Using these tips will help your organization manage terminations in a professional manner and also reduce the likelihood of a wrongful termination lawsuit.

## 6. Exit Interview

Exit interviews are structured discussions held with employees before, or shortly after, they leave an organization to gauge their perception of working in the organization. The real reason businesses conduct exit interviews is to get information about an employee's work experience with the company. This information could be valuable all on its own or used with other exit interview data.

### 6.1. Who will conduct the interview?

Many companies have an employee's supervisor administer the exit interview. Not a good idea. If an employee had an issue with their supervisor, then chances are it will not come to the surface during the interview.

An exit interview is a meeting with a terminating employee that is generally conducted by Human Resources staff. The exit interview provides your organization with the opportunity to obtain frank, honest feedback from the employee who is leaving your employment.

Since HR is considered the keeper of employee references, employees may not open up to HR. At this point in their career, they don't want to burn bridges. So this becomes an exercise in futility. If you really want employees to provide open, honest and unfiltered feedback, consider engaging a neutral, third party to conduct the interview.

#### Purposes

- Glean feedback from employees in order to improve organization
- Minimize an employer's exposure in litigation
- Retain high performers or talents

#### Principle

- Should be a neutral person (HR or a consultant)
- Should provide a sufficient training for the interviewer
- Should be a structure interview format that contains questions about unavoidable and avoidable reasons for leaving
- Should prepare for each exit interview by reviewing the interview format and the interviewee's personnel file
- Should be conducted in a private place, before the employee's last day
- Should be confidential and that only will be used for retention
- Should be aligned with the organization's business needs

### 6.2. When do you conduct the interview?

Some firms like to do exit interviews at the point a person announces their resignation. Experts suggest that waiting not only until after a person leaves but even giving them a couple of weeks. Time allows employees to gain perspective. I've seen many situations where departing employees were upset with the company or their manager. A couple weeks later, they still aren't happy but they're able to talk about it with less emotion. They are able to offer some constructive criticism.

### 6.3. What's the purpose of the interview?

An employee's need to leave on good terms drives their answers regarding their resignation. For example, when an employee tells you they are resigning and you ask

why, they'll say more money, flexible schedule, less driving time, more benefits, etc. And all of that might be true. But what the employee didn't tell you was the catalyst that started them looking for a new opportunity in the first place. Something made them read the classified ads, take the headhunters call, etc. The purpose of an exit interview is to find out what that 'something' was.

If you want to improve the workplace and increase engagement, then create an exit interview process that yields good results. And include in the process a solid plan to review and act on those results. With solid information, you can incorporate positive change and, hopefully, reduce the need for exit interviews.

## **7. Employee Resignation**

If an employee leaves the company and his or her departure is marked by some sort of "going away" event, e.g., lunch or celebration, there may be no need to make a formal announcement about the departure. A simple note in a company newsletter or the like may be enough, or a simple announcement advising of the employee's last day.

However, if an employee is terminated by the employer or resigns in lieu of being discharged, the employer should act quickly to manage communication and dispel rumors related to the departure.

### **7.1. Whom to Notify**

If the company is organized by clearly defined departments, the employer should first address the staff in the departing employee's department. If the organization is small, the employer may wish to address the entire staff at once.

Although more personal communication is usually preferable, in a large organization, it may be necessary and appropriate to send an email informing the staff of an employee's departure.

### **7.2. What to Communicate**

If an employee is leaving for another job opportunity, following a spouse or partner to a new location, or leaving for any reason without conflict, the employer may simply announce the employee's departure date and wish the employee well.

If the employee is leaving involuntarily, the employer must be particularly discreet in what is said. Often the announcement is made after the employee's departure. A simple announcement that the employee has left the company or that the employee has resigned may be sufficient. Employers should avoid providing details to avoid any risk of defamation claims or the like.

### 7.3. Develop a Transition Plan

The absence of a departing employee will create a gap in productivity that you may need to fill with other employees. Thus, management should develop a plan to fill this void and share the plan with concerned employees. A transition plan to address an employee resignation should include:

- A decision about whether to:
- Hire a replacement from within the company;
- Recruit externally; or
- Divide the departing employee's responsibilities among existing staff
- A determination of which employees will be called on to pick up all or a portion of the departing employee's duties
- An estimated timeframe for how long other staff will need to share the departing employee's responsibilities
- A projection of additional costs of the shared responsibilities, i.e., overtime, covered meals

### 7.4. Alert Clients

Finally, if the departing employee has established a professional relationship with one or more of your company's clients, it is prudent to alert any such clients to the employee's departure. When dealing with a trusted employee who is leaving on positive terms, you may want to allow the employee to have this conversation directly with the client. Doing so may help the client understand that nothing troublesome occurred between the employee and the company that could negatively impact the client. In addition, it is important to consider doing the following:

- Inform clients of the employee's departure date.
- Reach out to clients and introduce the person who will be replacing the departing employee to ensure a smooth transition.
- Refrain from any criticisms of the departing employee. Any perceived deficiencies in the employee's past performance will reflect just as poorly on your organization as the individual who will no longer be part of it.

## 8. Outplacement

When an organization makes the tough economic decision to terminate employees, any

assistance the company provides is appreciated. A severance package that covers two weeks, or more, of pay for each year that an employee worked and continuation of benefits for a period of time are the most common severance package components.

Outplacement is a systematic process by which a laid-off or terminated employee is counseled in the techniques of career self-appraisal and in securing a new job that is appropriate to his or her talents and needs. It is frequently offered as part of a severance package; benefit packages may vary in length between three months to one year or, in some instances, until a suitable job is accepted.

Outplacement is a rapidly growing component of a severance agreement. Whether outplacement is effective in helping employees find jobs more quickly is up for debate. Experiences of former employees vary and employers appear to do very little vetting or measuring of the results of the outplacement firms they use.

|                                                                                    |                                                                                                                                                                                      |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> <li>• Enhance Company Image</li> <li>• Mitigate Risks</li> <li>• Boost Current Employee Morale</li> <li>• Reduce Unemployment Expenses</li> </ul> |
| <b>Outplacement Services</b>                                                       | One-on-one career coaching                                                                                                                                                           |
|                                                                                    | Résumé writing and review                                                                                                                                                            |
|                                                                                    | Job interview preparation and practice                                                                                                                                               |
|                                                                                    | Career interests and skills assessments                                                                                                                                              |
|                                                                                    | Job searching tools                                                                                                                                                                  |
|                                                                                    | Pay negotiation training                                                                                                                                                             |
|                                                                                    | Networking advice                                                                                                                                                                    |
|                                                                                    | Digital presence and social media optimization                                                                                                                                       |
|                                                                                    | Entrepreneurial services                                                                                                                                                             |

### 8.1. Outplacement Services

Outplacement is a service provided by specialized firms that assist employees in their job search efforts after being laid off or losing their job. Employers typically contract these services as part of a layoff strategy to aid in a smooth transition for their employees to new employment opportunities.

Although individuals can personally invest in outplacement services, they are often included as a benefit within severance packages offered by employers. The core

offerings of outplacement include career counseling and advisory services, either on an individual or group basis. Recognizing that many laid-off employees may be out of touch with modern job-search strategies, outplacement firms offer training to enhance job-search skills.

These firms assist in crafting resumes and cover letters, provide guidance on job applications, and can supply job leads. Continuing support such as follow-up counseling is also a part of their service. Certain outplacement agreements may include the use of office space for job searching and comprehensive group training sessions focused on career transition and job-search techniques.

Outplacement is not about directly placing individuals in new jobs or training them for a different industry; rather, it equips them with the necessary tools to conduct an effective job search. This includes preparing for interviews, which is particularly valuable for those who have not engaged in job hunting for an extended period, and leveraging social media in their job search—a skill set that may be unfamiliar to some.

With the rise of technology, outplacement services are increasingly offered through digital platforms, allowing employees to access support online without the need to travel for face-to-face coaching. These modern outplacement services extend to phone support, instant messaging, and text communication, providing a versatile and convenient approach for transitioning employees.

Outplacement services provide a comprehensive suite of specialized services to assist laid-off employees in transitioning to new roles or careers as follows:

#### 8.1.1. One-on-one career coaching

This service offers personalized guidance to help individuals understand their professional aspirations and how to realize them in the current job market. For example, a career coach might help an individual identify potential career paths and develop a strategic plan to achieve their goals.

#### 8.1.2. Résumé writing and review services

These services ensure that a laid-off employee's résumé is polished and professional, making a strong first impression on potential employers. For instance, a résumé expert might help an individual highlight their key skills and experiences effectively on their résumé.

#### 8.1.3. Job interview preparation and practice

This service equips individuals with the skills to present themselves effectively during

interviews, handle challenging questions, and leave a lasting positive impression. For example, an interview coach might conduct mock interviews and provide feedback to help an individual improve their performance.

#### 8.1.4. Career interests and skills assessments

These assessments help individuals identify their strengths and areas of interest, aligning their job search with roles that are most suitable and fulfilling for them. For instance, a career counselor might use various assessment tools to help an individual understand their career interests and skills better.

#### 8.1.5. Job searching tools

These tools may include access to exclusive job listings, databases, and platforms that help in identifying potential job opportunities more efficiently. For example, a job search platform might provide an individual with access to job listings that are not available on public job boards.

#### 8.1.6. Pay negotiation training

This training empowers employees with strategies to negotiate salaries and benefits effectively, ensuring they receive fair compensation in their new positions. For instance, a negotiation coach might teach an individual various negotiation techniques and strategies.

#### 8.1.7. Networking advice

This advice provides strategies for building and utilizing professional networks, which can often lead to job opportunities that are not advertised publicly. For example, a networking expert might provide tips on how to build and maintain professional relationships effectively.

#### 8.1.8. Digital presence and social media optimization services

These services help enhance an individual's online profile, making it more appealing to recruiters and employers who increasingly rely on digital platforms to find candidates. For example, a digital marketing expert might help an individual optimize their LinkedIn profile to attract more recruiters.

#### 8.1.9. Entrepreneurial services

These services support individuals who decide to start their own business after a layoff, providing them with resources and guidance on entrepreneurship. For instance, a business coach might provide advice on business planning and strategy.



## 8.2. Benefits to the employer

The success of outplacement draws mixed reviews. Participants claim that too many people are served by too few career coaches. Others claim that the advice they receive is trivial and not very helpful in a serious job search.

Others are unhappy with the resumes and cover letters that outplacement firms develop and claim that they are boilerplate and embarrassing, especially when a candidate is competing with other clients of the same outplacement firm for the same job. Otherwise, outplacement is still beneficial to the employer:

### 8.2.1. Enhance Company Image

Outplacement investment demonstrates care for employee well-being, improving the company's public image and aiding in future talent acquisition and retention.

### 8.2.2. Mitigate Risks

Providing outplacement can alleviate the negative feelings of laid-off workers, decreasing the likelihood of retaliatory actions such as violence or lawsuits.

### 8.2.3. Boost Current Employee Morale

Knowing that the company provides outplacement services can lessen the discomfort surrounding layoffs for current employees, fostering a more motivated and less anxious workforce.

### 8.2.4. Reduce Unemployment Expenses

Outplacement services can expedite the job search for former employees, thereby decreasing their reliance on unemployment benefits and potentially lowering the company's unemployment insurance premiums. In general, employers provide outplacement services to assist employees to transition to a new job. They are also constantly aware of the impact of their actions, how they treat laid off employees, on the minds and hearts of their remaining employees.

Pragmatically, employers offer outplacement to protect their reputations as desirable employers, to head off potential lawsuits and, in the instance where a lawsuit is filed, look like good guys, and to minimize their liability for unemployment compensation payments.

Employers can use outplacement effectively to help employees bridge the gap between unemployment and a new job. The key is to utilize an outplacement firm that provides effective services for former employees.

Employers are advised to measure and track the effectiveness of the outplacement firm they use and to gather the opinions and experience of former employees who utilized the outplacement service.

There is a reason, according to the WSJ, why around 40% of employees, who receive outplacement as part of their severance, never show up to partake of the services.

Some of these employees ask for cash instead of outplacement. But, the percentage of laid off employees who don't use the outplacement services, or quit quickly, is not really a wonder when you consider that outplacement firms, on average, don't even track the percentage of clients who find work before their outplacement programs end.

### 8.3. Adjust to Retrenches' Needs

A study suggested that outplacement needs to adjust how it assists retrenches (people receiving the outplacement), as it could offer assistance to further ameliorate the defined effects of retrenchment such as grief and loss of self efficacy. There is a concern that those who experience outplacement are continually exposed to the patterns and norms of their previous organization if mass retrenchments are enacted and result in whole departments or organizations utilizing the same outplacement provider. This may maintain their former organizational identity. Where an organization retrenches a number of people at one time and uses the same outplacement firm, the retrenchee may feel as though the 'organization' has just moved offices. The retrenchees can still be referred to by their previous organizational name and interact on a daily basis with their colleagues and friends as if nothing has changed. In reality, these retrenchees become kindred spirits, previously working together, then retrenched together and now job searching together. Outplacement providers should be aware of this phenomenon and assist these retrenchees to shift their corporate identity.

Further, outplacement professionals need to offer more than a standard model. The people providing the advice need to be able to adapt as required which could be difficult within the fixed price model that is offered for organizations to be able to purchase such a service. As outplacement providers are paid an all inclusive up front fee there would appear to be a business need to get retrenchees into the system as quickly as possible and then to move retrenches through the system as expediently as possible. Additionally, quick employment of retrenchees makes the outplacement provider appear successful on the current success criteria. In order for the outplacement provider to provide such a service at profit, it needs to be able to process retrenchees as effectively as possible and that is with the conclusion of the retrenchee gaining employment or no longer considering themselves unemployed,

such as starting a business. What the retrenchee is looking for appears to be support, individual assistance and time to transition into the next stage of their life with or without employment.

Outplacement providers are in a precarious position, given that the retrenching organization pays for the service. Outplacement providers could be confused about who the customer truly is. If the ultimate customer is the person receiving the outplacement, then the program needs to consider the retrenchees' needs. However, as there are two customers with competing and, in some instances, needs, outplacement providers appear to be driven by the payer rather than the receiver of the program.

## **9. Employee Retention**

Employee retention, a critical aspect of HR staffing and planning, has evolved from a routine administrative task into a significant challenge for many organizations. This has led to dedicated efforts to understand why employees choose to stay or leave, sometimes even necessitating a specific HR role focused on retention strategies.

Contrary to some common misconceptions, retaining employees involves more than just financial incentives. While competitive pay is important, other factors often play a larger role once compensation meets employee expectations. Additionally, the recruitment process is integral to retention; hiring individuals who are a good fit for the role and the company culture can significantly improve retention rates. Training and development, rather than being a way to prepare employees for other companies, can actually enhance job satisfaction and loyalty, especially if it leads to internal advancement opportunities.

Retention should be a priority, especially during times of organizational change, such as mergers or acquisitions, when employees may feel uncertain about their future in the company. Creating an environment where valued employees want to stay is key, even though they have the freedom to leave.

The recent phenomenon termed the Great Resignation, accelerated by the COVID-19 pandemic, has shifted the employment landscape into a worker's market. The mass departure from workplaces across various sectors has been attributed to reasons like insufficient salaries, limited career growth, poor work-life balance, and dissatisfaction with management. Social media platforms like TikTok reflect this shift, with terms like "quiet quitting" and "act your wage" emerging as workers express their need for greater recognition and value in their jobs.

## 9.1. Why Employee Retention Matters

Employee retention plays a pivotal role in the success and stability of a business. Understanding its benefits is key.

### 9.1.1. Sustaining Business Productivity:

Retained employees are vital for continuous productivity. Experienced staff understand the company's vision and culture, possessing the necessary skills for efficient performance. This contrasts with the time and effort required to bring new hires up to speed.

### 9.1.2. Cost-Effective Recruitment

The costs associated with recruiting, screening, interviewing, and training new employees can be substantial. By retaining staff over longer periods, businesses can significantly reduce these recruitment expenses.

### 9.1.3. Boosting Morale and Loyalty:

High turnover rates can impact team morale and loyalty. A workplace that motivates employees to stay enhances their positive perception of the company, fostering a desire to remain part of the team.

### 9.1.4. Minimizing Replacement Expenses

Replacing an employee involves several costs, from advertising and interviewing to onboarding and training. Long-term retention helps avoid these additional financial burdens.

### 9.1.5. Enhancing Customer Service

Employees with more experience are often better equipped to deliver superior customer service. Their familiarity with the company's products and policies enables them to address customer queries and issues effectively and confidently.

## 9.2. Why Employees Stay and Leave

The actual reasons that people stay or leave vary according to job groupings, industry and organizational issues, geographical global aspects, and other factors. For instance, a survey of executives by Robert Half International found that the most common factors that caused satisfactory employees to quit their jobs were unhappiness with management, limited career advancements and recognition, insufficient pay and benefits, and job boredom. This survey illustrates that many of the factors involved in retention drivers are organizational and management factors within the employer's

control.

### 9.2.1. Organizational and Management Factors

A number of organizational/management factors influence individuals in their decisions to stay with or leave their employers. Organizations that have clearly established goals and hold managers and employees accountable for accomplishing results are viewed as better places to work, especially by individuals wishing to progress both financially and career-wise. Further, effective management provides the resources necessary for employees to perform their jobs well. These factors reflect workplace commitment by employees, which leads to more positive organizational views in the industry and communities.

Other organizational components that affect employee retention are related to the management of the organization. Some organizations see external events as threatening, whereas others see changes as challenges requiring responses. The latter approach can be a source of competitive advantage, especially if an organization is in a growing, dynamic industry. Another organizational factor that can affect employee job performance and potential turnover intentions is “organizational politics.” This can include managerial favoritism, having to be involved in undesirable activities, taking credit for what others do, and other actions that occur in many departments and organizational settings.

A final factor affecting how employees view their organizations is the quality of organizational leadership. Often, leaders have an identified strategic plan that guides how the firm responds to changes. If a firm is not effectively managed, then employees may be disappointed by the ineffective responses and inefficiencies they deal with in their jobs. A survey of 700 workers identified that “bad bosses” who do not give employees recognition for accomplishments or who fail to keep promises can lead to almost 40% of the workers being dissatisfied and more likely to look for other jobs.

### 9.2.2. Work Relationships

Work relationships that affect employee retention include supervisory/management support and coworker relations. A supervisor or manager builds positive relationships and aids retention by being fair and nondiscriminatory, allowing work flexibility and work-family balancing, giving feedback that recognizes employee efforts and performance, and supporting career planning and development.

Additionally, many individuals build close relationships with coworkers. Such work-related friendships do not appear on employee records, but these relationships can be an important signal that a workplace is positive. Overall, what this means is that it is

not just where people work, but also with whom they work, that affects employee retention. If individuals are not linked with or do not relate well to their coworkers, there is greater likelihood for turnover to occur.

### 9.2.3. Job and Work-Life

Many individuals have seen a decline in job security during the past decade. All the downsizings, layoffs, mergers and acquisitions, and organizational restructurings have affected employee loyalty and retention. As coworkers experience layoffs and job reductions, the anxiety levels of the remaining employees rise. Consequently, employees start thinking about leaving before they too get cut. Organizations in which job continuity and security are high tend to have higher retention rates.

Some jobs are considered “good” and others are thought to be “bad,” but not all people agree on which jobs are which. As mentioned previously, the design of jobs and peoples’ preferences can vary significantly. Job design factors that can impact retention include the following:

- A knowledge, skills, and abilities mismatch, either through overqualification or underqualification, can lead to turnover.
- Job accomplishments and workload demands that are dissatisfying or stressful may impact performance and lead to turnover.
- Both timing of work schedules and geographic locations may contribute to burnout of some individuals but not others.
- The ability of employees to balance work and life requirements affects their job performance and retention.

Numerous examples could be given on how each of these items affect retention, but one example comes from a survey of chief financial officers on the impact of these issues in their firms. In this survey, work-life flexibility efforts were seen as creating significant retention, recruitment, and productivity results. This study illustrates that how organizations address jobs can drive retention efforts, including global retention as discussed in the HR Perspective.

### 9.2.4. Rewards: Compensation, Benefits, and Performance

The tangible rewards that people receive for working come in the form of pay, incentives, and benefits. Employees often cite better pay or benefits as the reason for leaving one employer for another. Employers do best if they offer competitive pay and benefits, which means they must be close to what other employers are providing and

what individuals believe to be consistent with their capabilities, experience, and performance. If compensation is not close, often defined as within 10% to 15% of the “market” rate, turnover is likely to be higher.

However, the reality of compensation is a bit more complex than it seems at first glance. For instance, one study of public-sector employees identified that broad reward programs, not just pay and benefits, aided with workforce retention in difficult economic situations. A number of employers have used a wide range of special benefits and perks to attract and retain employees. For example, Student Media Group in Delaware added work-related plasma television screens, videogame players, and free soda and snacks as part of a special rewards package to create more positive views to aid in retaining employees.

Another part of rewards generally is that individuals need to be satisfied with both the actual levels of pay and the processes used to determine pay. That is why the performance management systems and performance appraisal processes in organizations must be designed so they are linked to compensation increases. To strengthen links between organizational and individual performance, an increasing number of fast-growing private-sector firms are using variable pay and incentives programs. Some programs offer cash bonuses or lump-sum payments to reward extra performance, which also aids with retention efforts.

Another rewards aspect that affects retention is employee recognition, which can be both tangible and intangible. Tangible recognition comes in many forms, such as “employee of the month” plaques and perfect-attendance certificates. Intangible and psychological recognition includes feedback from managers and supervisors that acknowledges extra effort and performance, even if monetary rewards are not given. For instance, one firm, Fairmont Hotels and Resorts, is using a “Serviceplus Colleague Recognition Program” to engage its 30,000 employees. Different types of recognitions include “Star of the Month” and “Memory Maker” for significant service. For such recognition, a small amount of money (under \$50) and other types of rewards are given. An employee survey has shown significant increases in positive employee views of both their jobs and the Fairmont firm.

#### 9.2.5. Career Training and Development

Many employees in all types of jobs consistently indicate that organizational efforts to aid their career training and development can significantly affect employee retention. Opportunities for personal growth lead the list of reasons why individuals took their current jobs and why they stay there. In one survey, nearly one-third of workers identified the lack of career advancement opportunities to be the most important

reason for potentially changing employers.

Training and development efforts can be designed to indicate that employers are committed to keeping employees' knowledge, skills, and abilities current. Also, training and development can help underused employees attain new capabilities. Such a program at Southwest Airlines has been very successful. Recruiters were reassigned to different departments, which resulted in their generating sales and revenues in flight operations and other areas.

Organizations address training and development in a number of ways. Tuition aid programs, typically offered as a benefit by many employers, allow employees to pursue additional educational and training opportunities. These programs often contribute to higher employee retention rates because the employees' new knowledge and capabilities can aid the employer. Also, through formal career planning efforts, employees discuss with their managers career opportunities within the organization and career development activities that will help them to grow.

Career development and planning efforts may include formal mentoring programs. For instance, information technology (IT) organizations are using career development programs so that IT individuals can expand their skills outside of technical areas. Programs in some firms cover communication and negotiation tactics, which gives the employees additional capabilities that are needed in managerial and other jobs.<sup>51</sup> Companies can help reduce attrition by showing employees that they are serious about career advancement opportunities.

#### 9.2.6. Employer Policies and Practices

A final set of factors found to affect retention is based on the employer relations policies that exist. Such areas as the reasonableness of HR policies, the fairness of disciplinary actions, and the means used to decide work assignments and opportunities all affect employee retention. If individuals feel that policies are unreasonably restrictive or are applied inconsistently, they may be more likely to look at jobs offered by other employers.

To ensure that appropriate actions are taken to enhance retention, management decisions require data and analyses rather than subjective impressions, anecdotes of selected individual situations, or panic reactions to the loss of key people.

The analysis of turnover data is an attempt to get at the cause of retention problems. Analysis should recognize that turnover is a symptom of other factors that may be causing problems. When the causes are treated, the symptoms can go away.



Some of the first areas to consider when analyzing data for retention include the work, pay/benefits, supervision, and management systems. Common methods of obtaining useful perspectives are employee surveys, exit interviews, and first-year turnover evaluations.

### 9.3. How to Retain Employees

Effective employee retention practices are crucial for any organization looking to maintain a stable, productive, and motivated workforce. These strategies encompass a range of practices and approaches aimed at not only keeping employees within the company but also ensuring their job satisfaction and engagement.

#### 9.3.1. Offer Competitive Salaries and Wages

Providing competitive pay is crucial for valuing employee work. Salaries should not only reflect the cost of living and inflation but also increase with growing experience and responsibilities. Consider the living wage in your area and competitive salaries offered by other companies. Underpaying can lead to losing top talent, while overpaying lower performers may be costlier in the long term. Remember, hiring and training new employees can be more expensive than raising existing salaries.

#### 9.3.2. Remote Work Options

The trend of remote work is growing, with predictions of a significant rise in the number of remote workers post-COVID-19. Remote work offers benefits like schedule flexibility and reduced commuting, enhancing employee happiness and productivity. While remote work may not suit every business model, offering flexible work-from-home options can be a key factor in retaining top talent.

#### 9.3.3. Flexible Scheduling and Shorter Workdays

Flexible work schedules have been shown to improve productivity and employee satisfaction. Creativity and efficiency can flourish when employees work during their most productive hours. Reducing work hours can also increase productivity, as excessive working hours often lead to burnout. A balanced approach to work hours can keep employees motivated and prevent exhaustion.

#### 9.3.4. Promoting Work-Life Balance

Ensuring a healthy work-life balance is essential. This includes respecting employees' time off and discouraging work-related communications outside business hours. Work-life balance can be achieved through various means, including flexible hours and remote work, but also through promoting a culture that values personal time and well-

being.

#### 9.3.5. Recognition and Rewards

Employees feel more valued and are likelier to stay when their work is recognized and rewarded. However, many employees report a lack of recognition in their workplace. Recognition should be both social and financial. Acknowledge efforts as well as results, and offer tangible rewards like bonuses or paid time off.

#### 9.3.6. Creating an Engaging Culture

People come together not because of a company or a product, but because of a common value or goal, which is the real social bond. A positive work culture is a major factor in employee retention. This includes making the workplace diverse, equity, and inclusive (DEI), and respectful to all individuals. Implementing other retention strategies, such as flexible working and recognition, contributes to building a culture that employees want to be part of.

#### 9.3.7. Employee Engagement

Actively engaging employees is crucial. This involves listening to their feedback and implementing their suggestions where feasible. Avoid forced engagement activities. Instead, tailor engagement strategies to suit your workforce's preferences and job roles.

#### 9.3.8. Teamwork Emphasis

Foster a strong team environment. Collaboration can lead to better overall performance and a more positive work atmosphere. Encourage interdepartmental teamwork to leverage diverse skill sets and perspectives, which can enhance problem-solving and innovation.

#### 9.3.9. Reducing Burnout

Address factors that contribute to burnout, such as unfair treatment, excessive workload, and unclear communication from management. Focusing on employee well-being and offering support can help mitigate burnout and improve overall job satisfaction.

#### 9.3.10. Wellness Programs

Implement comprehensive wellness programs that address both physical and mental health. Ensure a clean and safe workplace and offer quality health insurance options. Consider initiatives like collective mental health time off to allow employees to

recharge and prevent burnout.

#### 9.3.11. Additional Job Perks

Offer a variety of perks, such as discounts and special offers, to enhance the overall employee experience. Partner with local businesses or use services that provide employee discounts to offer these perks at a reasonable cost.

#### 9.3.12. Personal Development

Invest in ongoing training and development to enhance skills and provide career advancement opportunities. Upskilling not only benefits the employee but also strengthens the company's talent pool.

#### 9.3.13. Hiring for Cultural Fit

Focus on hiring individuals who align with your company's culture and values to ensure long-term retention. A good cultural fit can lead to a more harmonious and productive work environment.

#### 9.3.14. Good Managers

Managers should act as coaches, guiding and supporting employees rather than micromanaging them. A good manager-coach can significantly influence an employee's decision to stay with the company.

#### 9.3.15. Effective Offboarding

Recognize when it's time to part ways with an employee and ensure the offboarding process is handled professionally. A positive offboarding experience can impact the remaining employees' perceptions and contribute to overall retention.

#### 9.3.16. Job Embeddedness

Job embeddedness is a concept that refers to the various factors keeping an employee in a job, extending beyond mere job satisfaction or commitment. It's about how employees are intertwined with their workplace and community through connections with people, groups, and the organization itself. A high level of job embeddedness typically leads to reduced turnover, making it a valuable tool for employee retention. Companies can enhance this by fostering strong workplace relationships, offering flexible schedules, and promoting family-friendly policies. While it has the advantage of encouraging long-term employees to innovate and stay motivated, a potential drawback is that employees who feel trapped in undesirable positions might become demotivated or engage in negative behaviors. Therefore, it's crucial for organizations to

balance keeping employees embedded with ensuring their overall job satisfaction and engagement.



## Part Two: Employee Experiences

### 1. Employee Value Proposition

The employee value proposition (EVP) is the deliberate construct of the organization to provide a compelling set of value that will attract the desired future workforce and, at the same time, keep the desired current workforce in the organization. The EVP will offer messages that address the rewards, the opportunity, the culture, the organization, the work, and the people you will be working with. Inside of these categories the EVP might as the full array of elements an organization delivers to employees in return for the contribution those employees make to the organization. It's everything that matters to employees about their work and their organizations, the things they brag about at the neighborhood barbeque.

EVP is the core offering that attracts and retains employees, influencing their day-to-day experiences and overall engagement at work. Positive employee experiences, which encompass the interactions and perceptions of their workplace journey, validate and reinforce the EVP, cultivating a deeper emotional commitment to the organization. This, in turn, fosters higher employee engagement, reflecting a successful alignment between what the company promises and what the employees actually encounter, resulting in a more motivated and loyal workforce.



#### 1.1. Benefits of a Robust EVP

Investing in an organization's employee value proposition (EVP) can yield concrete advantages for the business. But why does it matter to the organization?

##### 1.1.1. Attraction and Retention of High-Performers

An honest and compelling EVP aids the organization in pinpointing its distinctive offerings as an employer by emphasizing the benefits and opportunities accessible to employees within the organization. This, in turn, helps attract and retain individuals who resonate with the organization's offerings and have a high likelihood of success within it. Gartner's research suggests that companies effectively delivering on their EVP can reduce annual employee turnover by as much as 69%.

#### 1.1.2. An Engaged Workforce

A well-defined EVP provides employees with a clear comprehension of the organization's mission, vision, and values, thereby boosting engagement and commitment to their work. For example, research demonstrates that organizations with strong employee value propositions increase new hire commitment by nearly 30%.

**Cost Savings:** By attracting and retaining the right talent, the organization can economize on recruitment and retention costs.

#### 1.1.3. Business Performance and Organizational Growth

With a more engaged, productive, and contented workforce, business performance will improve, ultimately resulting in enhanced profitability and growth. In fact, highly engaged teams can augment profitability by 23% and enhance customer loyalty by 10%.

Moreover, when the organization is upfront and candid from the outset about its expectations from employees and what they can expect in return, it cultivates mutual trust and respect within the employee-employer relationship.

### 1.2. Key Components of EVP

The employee value proposition encompasses various elements of what an organization offers to its employees, including:

#### 1.2.1. Compensation

This encompasses employee satisfaction with their salary, as well as additional rewards such as bonuses and aspects related to the evaluation system. Compensation preferences vary among individuals, with some prioritizing salary while others place higher importance on alternative forms of recognition and rewards.

#### 1.2.2. Work-Life Balance

Factors such as paid time off, holidays, flexible work arrangements, retirement plans,

and opportunities for remote work significantly influence work-life balance, which has a substantial impact on employee well-being.

#### 1.2.3. Stability

Workplace stability entails providing physical and psychological safety that empowers employees to work confidently, securely, and effectively. For deskless workers, stability can also involve predictable work schedules and guaranteed work hours.

#### 1.2.4. Location

Location encompasses more than just the physical office location; it encompasses a positive work environment, a strong organizational culture, and a degree of autonomy. Given the increasing popularity of hybrid and remote work models, organizations must reconsider the significance and role of the location component in EVP.

#### 1.2.5. Respect

The final element in the employee value proposition model is respect. Respect involves nurturing positive relationships, offering support, fostering team spirit, shaping company culture, and upholding the organization's core values and beliefs. McKinsey's research indicates that indifferent and uninspiring leaders play a significant role in employee departures, with 35% citing it as one of their top three reasons for leaving.

### 1.3. Development of EVP

Here are some guidelines for crafting a compelling employee value proposition (EVP) for an organization that aligns with its overall mission and aids in attracting, retaining, and engaging the right talent.

#### 1.3.1. Identify Your Company's Unique Qualities

The initial step in developing an EVP for your organization involves brainstorming the distinctive features and advantages that differentiate you from other employers vying for talent. Start by addressing the following questions:

- What sets your organization apart?
- What can you offer employees that other organizations cannot?
- Why would someone choose to work for you over other employers?

#### 1.3.2. Understand Employee Needs

Recognizing the needs and desires of your employees is crucial since your EVP should

aim to fulfill employee expectations and aspirations. As discussed in the employee value proposition model, employee needs and desires vary based on demographics and individual circumstances, especially in areas like work-life balance and stability.

Gather feedback, conduct research, surveys, and focus groups to identify employee needs. Consider the diverse backgrounds, experiences, and perspectives of your employees and how they influence their expectations and priorities. This approach allows you to create an inclusive EVP appealing to a diverse workforce.

#### 1.3.3. Align EVP with Company Mission, Values, and Goals

Your EVP must encompass and align with the organization's mission, values, and objectives to be cohesive and effective. Showcase how the company's values manifest in its culture, policies, and practices, supporting employee development and growth.

Highlighting the company's mission and purpose in your EVP fosters a shared sense of purpose among employees. Moreover, emphasizing mission and values in your employer branding attracts candidates who resonate with those principles and fit your culture.

#### 1.3.4. Ensure Authenticity

Your company's EVP must be authentic, transparent, and consistent with the organizational culture, values, and practices. This builds trust and credibility with employees. For instance, if you promote work flexibility or a healthy work-life balance, ensure that these promises are upheld and reinforced in your communications and actions. Involving employees in the development process can help create an authentic and compelling EVP that resonates with them.

#### 1.3.5. Make EVP Tangible and Inclusive

Connect your EVP to tangible elements like flexible working hours, learning and development opportunities, parental leave, or bonuses. Highlight how specific policies, programs, and initiatives contribute to the overall EVP. Share stories and examples of how these efforts have benefited employees. By linking your EVP to real-life experiences, you make it more concrete, relatable, and compelling to employees.

#### 1.3.6. Address All Stages of the Employee Lifecycle

The employee lifecycle comprises seven stages: attraction, recruitment, onboarding, retention, development, offboarding, and happy departures. An effective EVP addresses what your organization offers at each stage. For example, during attraction, you may emphasize your hybrid work model. During onboarding, provide online



training to establish a strong foundation. To retain employees, consider offering salary increases for each year of service, rewards for exceeding targets, and relevant technology.

Identifying gaps between your current EVP and employee expectations is key. Develop an action plan to bridge these gaps, which may involve changes in compensation, professional development opportunities, and culture.

### 1.3.7. Integrate Employer Branding, EVP, and Employee Experience

Integrating employer branding, EVP, and employee experience allows you to deliver on your commitments to employees through offerings and delivery methods. This integration enhances employee engagement, positively impacting performance, productivity, and reducing turnover. To achieve this:

- Consider consolidating these practices into one dedicated team.
- Define your identity as an employer and your ideal employee.
- Understand employee expectations.
- Audit your current proposition to identify areas for improvement.
- Adjust and monitor accordingly.

### 1.3.8. Communicate Your EVP Effectively

Once you've developed your EVP, the next step is to effectively communicate it to stakeholders, employees, and candidates. Develop a communication strategy that showcases your EVP through employee testimonials on your website, job descriptions, and social media for candidates. For employees, use team updates, 1-on-1 meetings, company newsletters, and presentations.

### 1.3.9. Measure Success

The final step in developing a successful EVP is to establish specific metrics to track its impact and identify areas for improvement. Useful metrics include employee retention rates, employee engagement levels, and reduced cost per hire.

## 2. Employer Branding

The Employee Value Proposition is an internal message that outlines the rewards and benefits employees can expect in exchange for their dedication to the company, serving as a pledge from the organization to its workforce. In contrast, the employer brand is an outward-facing concept that encompasses how the public, particularly prospective

employees, perceive the company. It is the narrative conveyed globally about the company's purpose, principles, ethos, and the employee experience it offers.

One of the greatest challenges facing companies right now is their ability to exploit synergies and efficiencies in their talent acquisition and retention programs. When considered with the fact we are about to enter an era of unparalleled talent scarcity around the world, employer branding is set to become one of the most critical roles inside global companies.

### 2.1. Definition of Employer Branding

It is the process of positioning an organization as an "employer of choice" in the workforce market. An employer brand creates an image that makes people want to work for and stay working for the organization. An organizational value proposition of employees is the foundation of employer branding.

### 2.2. Branding Techniques

Employer branding uses the same marketing, communications, and performance technology used to market products and services to create an image of what it is like to work at the company. Firms typically use the following techniques, collectively or in a selective manner:

2.2.1. The corporate Web site

2.2.2. Media ads (e.g., print, television, radio)

2.2.3. Collateral materials (e.g., brochures)

2.2.4. Marketing campaigns

2.2.5. Representation of the company at job fairs, campuses, etc.

2.2.6. Community events, sponsorships, and CSR, etc.

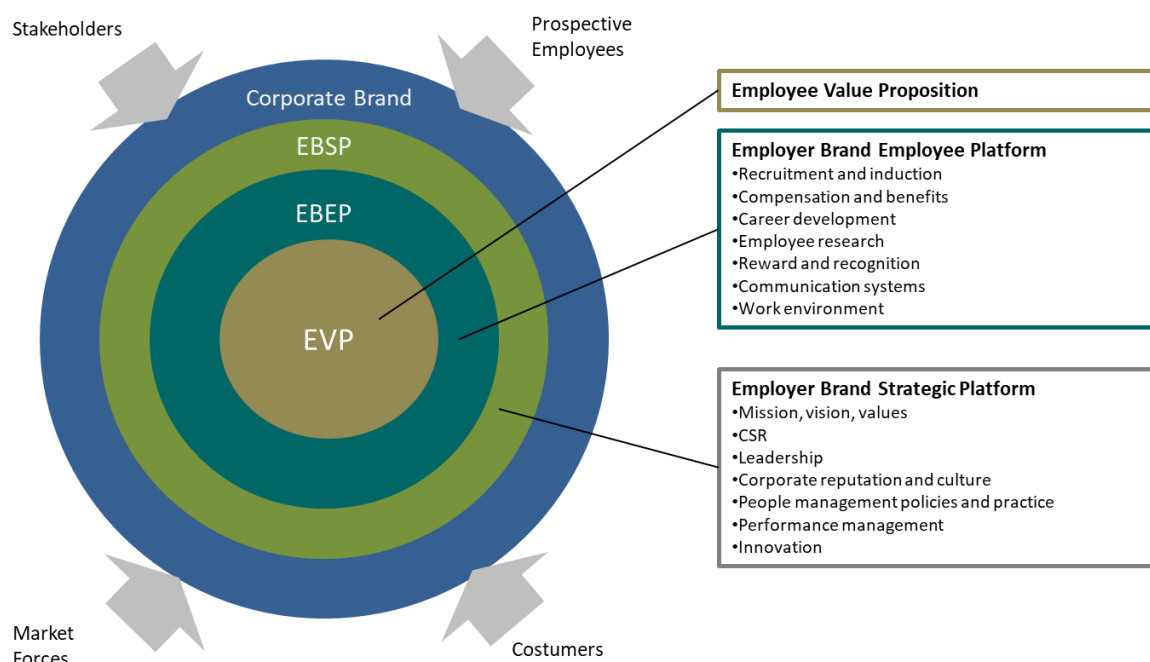
2.2.7. Continuous recruiting to keep visible in the labor market.

### 2.3. Employer Brand Framework

An Employee Value Proposition (EVP) answers the question, why would a talented person want to work for the organization? The EVP must be aligned with the organizational strategic plan, vision, mission, and values and create an image that attracts and retains people. Further, it must provide an accurate picture of employment for employees and candidates. Any inconsistencies in the work environment can erode the credibility of a branding strategy.

An EVP should promote the tangible and intangible benefits that people derive from working there. Many people are attracted to work for international NGOs or other nonprofits because they want to make a difference.

### Employer Brand Excellence Framework



Source: Minchington (2011)

To create a global Employee Value Proposition can build on the principles of corporate brand to further differentiate the company in an increasingly competitive talent marketplace. This included identifying:

- 2.3.1. Any different approaches needed to attract and retain different talent segments and what those differences should be.
- 2.3.2. Priority areas for change in order to maintain and improve engagement of key talent.
- 2.3.3. The messages to use to attract different talent groups in different countries.

An employer brand framework defines the employment experience from a stakeholder perspective. The Framework considers the role of stakeholders including employees, prospective candidates, customers, investors, and society in employer branding.

Adapting the employer brand strategy to external environments should begin with a focus on the employee experience. Not all employees are the same and while

companies like to use a “one-size-fits-all” engagement strategy, the reality is that most employees want to have their own needs met before they consider those of their team members or the organization as a whole. The employer brand strategy has to be build from the ground up.

#### 2.4. Manage the Employer Brand for the Long Term

If there is one variable that causes more employer brand strategies to fail or to not even get started, it is the lack of relevant measures to determine the return on investment of the employer brand strategy over the long term. Most metrics used are short-term measures such as recruitment advertising costs or job-board spends. Metrics need to be more strategic and should include measures such as quality of hire, retention rate, and employee engagement which will provide deeper insights into the level of value creation from your employer brand strategy.

At the onset of your employer brand strategy, metrics based on desired outcomes should be established. There is no one-size-fits-all measurement tool for your employer brand program. The key is developing a set of metrics that is based on your own unique challenges and business objectives. Senior managers should develop a dashboard of metrics that is relevant to their organization’s strategy rather than implementing a “me-too” ROI measurement tool.

The key differentiator of companies that successfully adopt the employer brand concept in the future will be those that appoint dedicated employer brand resources and staffing, develop a clear strategy to work toward, achieving a Tier 1 status, and whose outcomes consider the objectives of candidates, employees, customers, investors, and society.

### 3. Employee Engagement

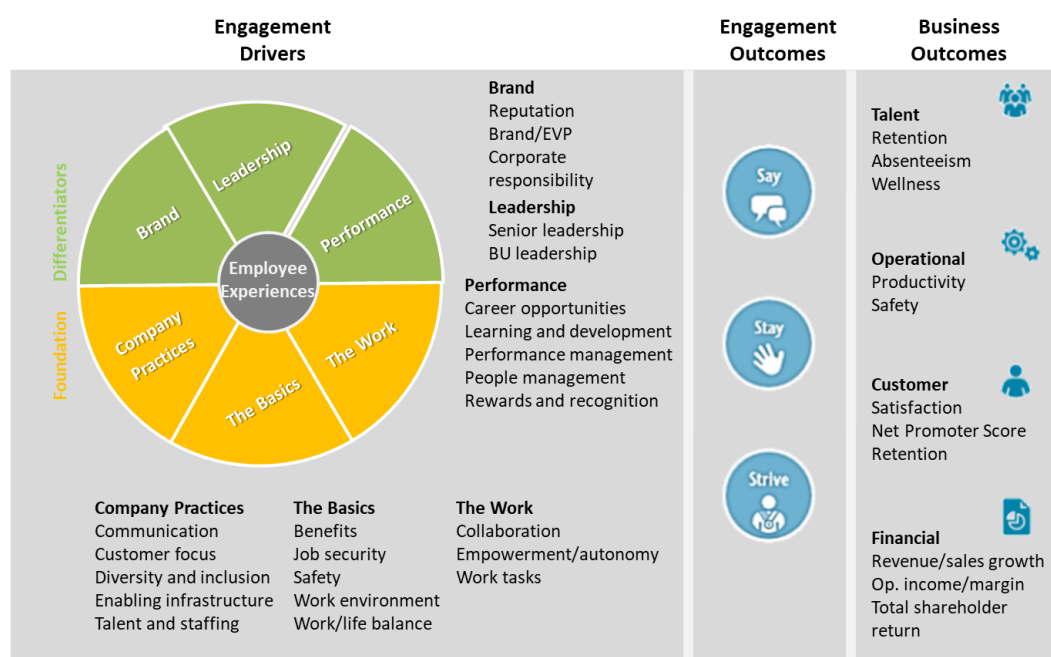
Employee engagement and employee experiences are deeply interconnected in the workplace. Positive employee experiences, encompassing all aspects of their interaction with the organization, lead to higher engagement. This means that when employees have rewarding and satisfying experiences at work, they are more likely to be emotionally committed and enthusiastic about their roles, enhancing their productivity and loyalty. Conversely, highly engaged employees tend to perceive their work experiences more positively, actively contributing to a more vibrant and dynamic workplace. This creates a beneficial cycle: good experiences foster engagement, and heightened engagement enriches overall experiences. Thus, for an organization to boost employee engagement, it is crucial to focus on cultivating enriching and positive employee experiences.

Research by Gallup has shown that, regardless of unionization status, world-class

organizations share two critical attributes: They recognize that talented managers are essential for success, and they leverage the fact that engagement is a predictor of performance. Employee engagement, a term that has gained widespread popularity, is rooted more in practice than in theory and empirical research. Its construct often overlaps with others, such as organizational commitment, job involvement, or organizational citizenship behaviors (OCB). However, engagement is not merely an attitude; it is the extent to which individuals are attentive to and absorbed in their roles. In HR practice, engagement is seen as indicative of the levels of commitment and discretionary effort exhibited by employees.

Organizational citizenship behaviors (OCBs) are discretionary workplace behaviors that go beyond one's basic job requirements, often described as 'going above and beyond the call of duty'. Engaged employees are fully involved in and enthusiastic about their work. They are attracted to their work ('I want to do this'), committed ('I am dedicated to the success of what I am doing'), and fascinated ('I love what I am doing'). Engaged employees care about the future of the company and are willing to invest discretionary effort – exceeding the call of duty – to ensure the organization's success.

According to Aon Hewitt, employee engagement can be measured through three dimensions, which the firm defines as 'the psychological state and behavioral outcomes that lead to better performance'. These dimensions are 'Say', referring to employees speaking positively about the organization; 'Stay', indicating their desire for long-term association with the company; and 'Strive', involving exertion of extra effort and commitment.



Source: Aon Hewitt

Engaged employees demonstrate the following behaviors:

*Say*—they speak positively about the organization to coworkers, potential employees, and customers;

*Stay*—they feel a strong sense of belonging and have a desire to be part of the organization; and

*Strive*—they are motivated and exert effort toward success in their job and for the company.

To optimize both business performance and employee engagement, it's crucial to refine your engagement drivers. These are six operational levers that shape your organizational culture, which Aon Hewitt categorizes into **foundational** elements and **differentiators**.

The foundational drivers are centered around the essential infrastructure of the company. These elements are critical for fostering engagement:

### 3.1. The Basics

Meeting basic employee needs is a prerequisite for engagement. This includes ensuring job security, offering competitive compensation, maintaining a safe work environment, and supporting a healthy work-life balance.

#### 3.1.1. Benefits

Offering a comprehensive benefits package that extends beyond just salary – including health insurance, retirement savings plans, and other perks – shows employees that the organization values their well-being and future. This can lead to greater job satisfaction and a stronger commitment to the company.

#### 3.1.2. Job Security

When employees feel secure in their jobs, they're more likely to be engaged. Job security reduces anxiety about the future, allowing employees to focus on their current roles and contribute more effectively without the distraction of job-related stress.

#### 3.1.3. Safety

A safe workplace is a fundamental expectation. Ensuring that health and safety standards are not only met but exceeded demonstrates a commitment to the workforce's physical and mental health, which is critical for employees to feel respected and cared for.

#### 3.1.4. Work Environment

A positive work environment that fosters respect, collaboration, and recognition can greatly enhance employee engagement. When the work environment supports growth, learning, and positive interpersonal relationships, employees are more likely to take pride in their work and feel connected to the organization.

#### 3.1.5. Work/Life Balance

Maintaining a healthy work/life balance is crucial for employee engagement. Providing flexibility, such as remote work options or flexible hours, and respecting personal time helps employees manage their work and personal responsibilities, leading to reduced burnout and higher job satisfaction.

Work-life programs encompass a broad range of practices and policies designed to help employees balance their work responsibilities with personal life and well-being. Welfare activities, as a component of these programs, specifically focus on enhancing the well-being of employees, contributing to a more harmonious balance between their professional and personal lives. These activities can include health and wellness programs, social and recreational events, and support services, all aimed at improving the overall quality of life for employees, thereby fostering a more productive, engaged, and satisfied workforce.

By implementing welfare / wellness activities, organizations can significantly enhance employee engagement. These activities demonstrate to employees that the company cares about their overall well-being, not just their productivity or work output. When employees feel valued and cared for in this way, their sense of belonging to the company strengthens, leading to increased loyalty and a deeper commitment to their work. Additionally, welfare activities often provide opportunities for employees to interact and bond outside of their regular work tasks, fostering a more cohesive and supportive workplace culture. This not only improves morale but also encourages collaboration and a sense of community among employees, all of which are key drivers of engagement.

### 3.2. The Work

The nature of the work itself also plays a significant role. Promote a work environment that values collaboration and independence, and provide mentally engaging and stimulating tasks to enhance engagement levels.

#### 3.2.1. Collaboration

In the realm of employee engagement, collaboration stands as a key driver. The act of

working together towards shared goals not only yields collective benefits but also strengthens individual commitment. Studies have shown that feeling valued by peers is a significant indicator of an employee's level of engagement. Leaders face the ongoing task of fostering a culture where collaboration is prioritized and aligned with organizational objectives, rather than overshadowed by personal agendas.

#### 3.2.2. Empowerment/Autonomy

Providing employees with autonomy is integral to enhancing engagement. When employees are entrusted with the authority to make decisions, they feel empowered, which is intrinsically linked to higher performance levels. Granting autonomy is not just about delegating tasks; it's about giving employees the latitude to shape how they meet their objectives, thereby boosting their potential to contribute effectively and innovatively.

#### 3.2.3. Work Task

The significance and purpose of work are paramount motivators, surpassing even monetary reward. Engaged employees often find their work meaningful; they understand their responsibilities, have the necessary tools and resources, and see how their efforts contribute to the broader mission of the company. This sense of purpose is vital because it connects an individual's daily tasks to the larger picture, showing how their role benefits the organization and its stakeholders.

### 3.3. Company Practices

Company practices, encompassing communication strategies, staffing, availability of tools, and inclusivity initiatives, are pivotal in reinforcing employee support. Regularly assess and refine these practices, keeping your employees' best interests in mind.

#### 3.3.1. Communication

Effective communication is the cornerstone of employee engagement. Open, transparent, and consistent communication helps employees feel informed and connected to the organization's goals and their role in achieving them. It fosters a culture of trust and aligns individual efforts with company objectives.

#### 3.3.2. Customer Focus

Putting customers at the heart of business operations can significantly enhance employee engagement. When employees understand the impact of their work on customer satisfaction, they often take more pride in their work and strive for excellence, leading to a more engaged workforce.



### 3.3.3. Diversity and Inclusion

A workplace that values diversity and practices inclusion tends to have higher levels of employee engagement. When all employees feel respected and acknowledged for their unique contributions, it can lead to increased innovation, collaboration, and a sense of belonging within the team.

### 3.3.4. Enabling Infrastructure

Providing the right tools, technology, and work environment is essential for employees to perform their roles effectively. An infrastructure that supports efficient and comfortable ways of working can increase job satisfaction and engagement.

### 3.3.5. Talent and Staffing

Ensuring that the right people are in the right roles and that there is sufficient staff to meet business needs is vital for engagement. Overworked or improperly placed employees can lead to burnout and disengagement, whereas well-staffed and competently deployed teams can drive commitment and high performance.

The differentiating engagement drivers are what distinguish your organization from others and inspire a sense of pride in your employees. These are the attributes that encourage employees to remain with the company, motivate them to excel in their roles, and prompt them to speak positively about their workplace:

## 3.4. Brand

A strong brand resonates beyond the consumer market. A company's commitment to corporate social responsibility can significantly influence employee loyalty, fostering a sense of pride that contributes to positive word-of-mouth.

### 3.4.1. Reputation

A company's reputation serves as a powerful driver for employee engagement. When an organization is known for its integrity, quality, and customer satisfaction, employees often take pride in their affiliation with the company, which can lead to increased commitment and enthusiasm for their work.

### 3.4.2. Brand/EVP Alignment

The alignment between a company's brand and its Employee Value Proposition (EVP) is crucial. A clear and positive brand image, combined with a compelling EVP that offers meaningful benefits and a great workplace culture, can attract top talent and foster a highly engaged workforce.

### 3.4.3. Corporate Responsibility

Corporate social responsibility (CSR) initiatives can significantly impact employee engagement. When employees see their company making a positive impact on society and the environment, it can enhance their sense of purpose and pride in their work, thereby deepening their engagement with the company.

## 3.5. Leadership

The impact of leadership on trust cannot be overstated. Leaders who actively engage with their teams, listen to their input, and prioritize the employee experience play a crucial role in nurturing trust and loyalty within the organization.

### 3.5.1. Senior Leadership:

Senior leadership is crucial in steering the company's vision and values, which significantly impacts employee engagement. When senior leaders are visible, accessible, and transparent, it builds trust and alignment throughout the organization. Their ability to articulate a clear strategic direction and demonstrate a commitment to the well-being of their employees can inspire a more dedicated and engaged workforce.

### 3.5.2. Business Unit (BU) Leadership:

Leadership within individual business units also plays a key role in driving engagement. BU leaders are closer to the day-to-day operations and have a direct impact on the employee experience. By fostering a positive team environment, recognizing individual contributions, and providing opportunities for growth and development, BU leaders can influence their teams' engagement levels, resulting in improved performance and job satisfaction at the departmental level.

## 3.6. Performance

Organizations with robust performance and development systems significantly elevate employee engagement. By systematically recognizing and rewarding high performance, and linking it to clear pathways for career growth and development, employees become more invested in their roles. Engagement is bolstered as employees see their efforts contributing to personal advancement and the success of the company, fostering a powerful sense of achievement and motivation.

### 3.6.1. Career Opportunities

A performance management system that highlights clear career pathways can significantly boost employee engagement. When employees can see how their

performance impacts their career progression within the company, they are more likely to be motivated and strive for excellence.

### 3.6.2. Learning and Development

Engagement is further driven by opportunities for learning and development embedded within the performance management system. Employees who are provided with the resources to improve their skills and competencies tend to feel more valued and better equipped to meet their performance goals.

### 3.6.3. Performance Management

The core of the performance management system itself—setting clear expectations, providing regular feedback, and aligning individual goals with company objectives—keeps employees focused and engaged. Knowing that their work is being measured and matters to the organization encourages them to maintain or improve their performance.

### 3.6.4. People Management

Effective people management, as part of the performance management system, involves understanding and addressing individual employee needs, which can foster a more engaged and productive workforce. Good management practices include mentorship, coaching, and support that align with performance expectations.

### 3.6.5. Rewards and Recognition

A performance management system that includes a fair and transparent rewards and recognition program can significantly enhance employee engagement. Recognizing and rewarding employees for their achievements reinforces positive behavior and motivates them to continue contributing to the organization's success.

## 4. Employee Participation

Employee participation encompasses the practice of empowering employees by involving them in the decision-making processes at work. This engagement is a form of empowerment that fosters a sense of ownership and collaboration among staff as they contribute their ideas and efforts to meet the company's objectives and make impactful decisions. While the terms 'employee participation' and 'employee involvement' can have nuanced meanings, they will be treated as equivalent for the purpose of this explanation, both indicating approaches that integrate employees in decision-making across the organization.

With the changing landscape of market requirements, intensified by the rigorous quality

controls during events like the Covid-19 pandemic, companies are compelled to develop more innovative and flexible methods of operation. This shift is part of an effort to protect and promote the collective interests of the business, its leaders, and the workforce, all of whom benefit from effective employee participation.

The relationship between employee participation and employee engagement is significant. When employees are given a voice in the organization and can influence outcomes, their engagement levels typically rise. They feel more connected to their work and the company's mission, which can lead to increased motivation, higher job satisfaction, and a greater sense of value in their roles. Engaged employees are more likely to be productive, contribute to a positive work environment, and drive the company towards success.

Enhancing employee participation in the workplace can be achieved through a variety of structured practices, each tailored to encourage active involvement and contribution from the workforce. These practices not only boost employee morale and job satisfaction but also contribute to the organization's overall efficiency and innovation.



*Employee participation is the process of employees being actively involved in the decision-making of an organization or business.*

#### 4.1. Project Team

Forming project teams involves grouping employees from various departments to work on specific projects. This collaborative approach encourages diverse perspectives and skillsets, leading to innovative outcomes.

*Example: In a software development firm, a project team could consist of developers, designers, and marketers working together to create a new software product. This*

*team would be responsible for everything from initial design to marketing strategy, allowing each member to contribute their expertise.*

#### 4.2. Quality Circle

A quality circle is a group of employees who meet regularly to solve problems related to their work area. These circles empower employees to identify issues, analyze root causes, and suggest improvements.

*Example: In an automotive manufacturing company, a quality circle might focus on reducing defects in car assembly. Workers from different stages of the assembly line could collaborate to identify quality issues and develop solutions to enhance the final product.*

#### 4.3. Suggestion Schemes

Suggestion schemes enable employees to contribute ideas for improvements, which can range from operational efficiencies to new product ideas or workplace enhancements.

*Example: A retail chain might implement a digital suggestion platform where store employees can propose ideas for improving customer service or streamlining inventory management, directly impacting store operations and customer satisfaction.*

#### 4.4. Consultation Exercises

These exercises involve management seeking input from employees on decisions that affect them. This process ensures that employee perspectives are considered in organizational decision-making.

*Example: A company contemplating a shift in work hours could conduct employee surveys and focus groups to gather feedback, ensuring the new schedule aligns with employee needs and preferences.*

#### 4.5. Delegation

Effective delegation involves assigning responsibility and authority to employees, allowing them to take ownership of tasks and develop new skills.

*Example: In a marketing department, a manager might delegate the responsibility of managing a social media campaign to a junior staff member, providing an opportunity for the employee to demonstrate initiative and creativity.*

#### 4.6. Attitude Survey

Attitude surveys are used to assess employee satisfaction and engagement. The feedback gathered can guide management in making informed decisions to improve the workplace.

*Example: An IT company could conduct annual attitude surveys to gauge employee satisfaction with their work environment, training programs, and career development opportunities, using the results to make targeted improvements.*

## 5. Employee Voice

Employee voice is the means through which employees express their opinions and influence work-related matters. For employers, encouraging effective employee voice contributes to building trust, fostering innovation, improving productivity, and driving organizational improvement. For employees, the ability to express themselves leads to increased job satisfaction, a greater sense of value, and better development opportunities. This practice is also crucial in creating inclusive work environments.

Implementing a Voice of the Employee (VoE) program provides a platform for employees to share their views with the organization, which, in turn, can act on this feedback to improve the workplace while keeping business objectives in focus.

Developing a VoE program is a significant but beneficial undertaking. It helps understand the work environment from employees' perspectives, enhancing communication and enabling both parties to learn from each other. Empowering employees to freely express their opinions and suggestions can lead to better performance and team productivity.

### 5.1. Types of Employee Voice

The Chartered Institute of Personnel and Development (CIPD) advocates for the implementation of substantial policies and practices in all organizations, facilitating employees to express their opinions and raise concerns. There are two primary types of employee voice recognized:

#### 5.1.1. Individual Voice

This involves direct communication between the organization and its employees. It allows individuals to share their opinions and offer suggestions directly to the management or relevant authorities within the organization.

#### 5.1.2. Collective Voice

This is expressed through organized groups such as trade unions and their representatives, or through non-union channels like staff forums. It represents the collective interests and concerns of the workforce.

## 5.2. The Main Purposes of Employee Voice

### 5.2.1. Understanding Your Employees

Developing a VoE program is a significant but beneficial undertaking. It helps understand the work environment from employees' perspectives, enhancing communication and enabling both parties to learn from each other. Empowering employees to freely express their opinions and suggestions can lead to better performance and team productivity.

### 5.2.2. Enhancing Employee Engagement

Implementing an employee voice program can significantly boost employee engagement. When employees perceive their feedback as valued and instrumental in workplace improvements, their engagement levels rise. This increased engagement not only enhances business performance through higher sales and revenue but also positively impacts company culture. Moreover, engaged employees are notably less prone to workplace accidents.

### 5.2.3. Improving Employee Retention:

High levels of employee satisfaction, often achieved through effective voice mechanisms, directly correlate with increased retention. Employee satisfaction is heavily influenced by their ability to voice opinions and concerns and be heard. Research consistently shows that businesses fostering open and healthy communication between managers and employees typically experience lower turnover rates.

### 5.2.4. Making Processes More Effective

Employee feedback allows for the identification of inefficiencies and the redesign of processes for effectiveness. For instance, feedback from a post-onboarding survey could lead to significant improvements in the orientation process.

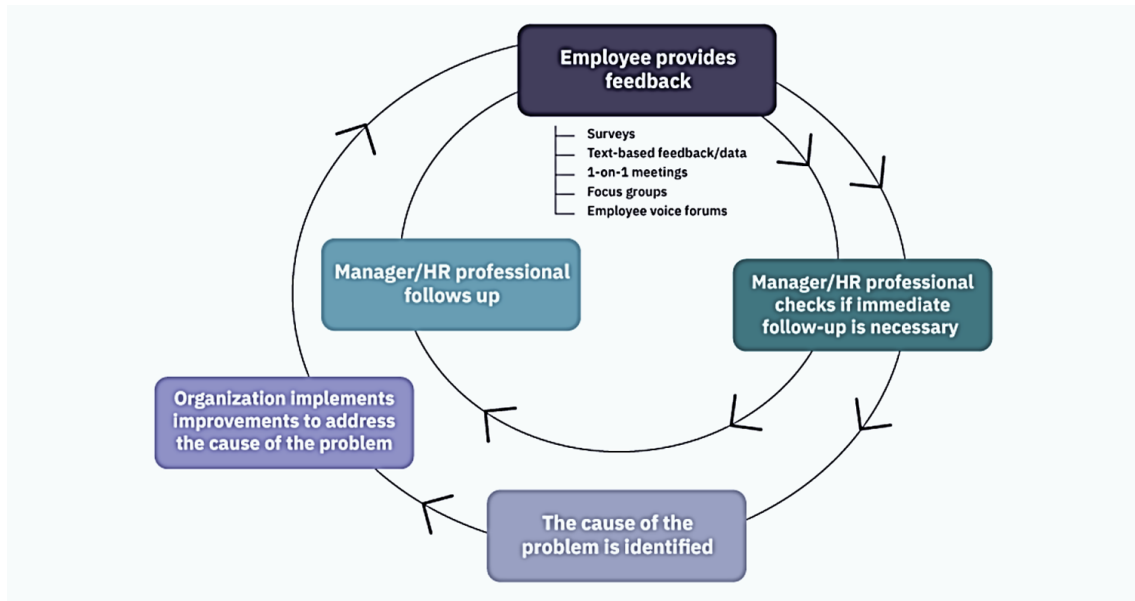
### 5.2.5. Improving Customer Experience

Employees interacting with customers can provide valuable insights. Utilizing this feedback can lead to a better understanding of customer needs and improve service delivery.

## 5.3. The Practices of Employee Voice

As you embark on establishing your Voice of the Employee (VoE) program, it's essential to adhere to the following best practices to maximize its effectiveness and ensure

meaningful outcomes:



Source: Siocon (2023)

#### 5.3.1. Employees Provide Feedback

In this initial stage, employees are encouraged to share their feedback, opinions, and concerns about various workplace aspects. The action plan could be through various channels like survey, text-based feedback / data, one-on-one meeting, focus group, and employee voice forum.

To collect employee feedback effectively, organizations can utilize various channels, each serving a unique purpose in gathering insights. Here's how each operates with examples:

**Survey:** Surveys are structured questionnaires distributed to employees to gather quantifiable data. They can be conducted online using platforms like SurveyMonkey or Google Forms.

*Example: An annual employee satisfaction survey where employees rate various aspects of their job and workplace on a scale of 1 to 5.*

**Text-Based Feedback/Data:** This involves collecting written feedback from employees through channels like emails, social media, internal communication platforms (like Slack), or anonymous feedback tools.

*Example: Gathering comments and suggestions posted by employees on the company's internal Slack channels or through a dedicated email address for feedback.*



**One-on-One Meeting:** Personal meetings between an employee and their manager or HR representative provide a direct, private platform for feedback. These meetings can be scheduled regularly or as needed.

*Example: Monthly one-on-one meetings where employees discuss their challenges, suggestions, and experiences directly with their manager.*

**Focus Group:** Focus groups involve a small, diverse group of employees discussing specific topics in a guided session, often led by a moderator from HR or an external consultant.

*Example: Organizing a focus group to delve into specific issues like work-life balance or the effectiveness of current training programs.*

**Employee Voice Forum:** These forums are structured meetings or platforms where groups of employees can voice their opinions, concerns, and suggestions, often in front of senior management or HR.

*Example: A quarterly employee voice forum where staff representatives from different departments present collective feedback and suggestions to the management team.*

#### 5.3.2. Manager/HR Check for Immediate Follow-Up

Upon receiving feedback, the manager or HR department reviews it to determine if immediate action is necessary. This step is crucial for addressing urgent or significant concerns that could affect employee well-being or productivity.

*Example: If an employee raises a concern about workplace safety, HR immediately assesses the situation to determine if immediate intervention is needed.*

#### 5.3.3. Manager/HR Follow-Up

Following the initial review, the manager or HR representative follows up on the feedback. This might involve meeting with the concerned employee(s), discussing the issues in-depth, and exploring potential solutions.

*Example: After identifying a common concern about inadequate training in the survey responses, the HR manager schedules focus group discussions with employees to understand their specific training needs.*

#### 5.3.4. Identification of the Problem's Cause

The next step is identifying the root cause of the issues highlighted in the feedback. This might involve further investigation, analysis of patterns in feedback, or consultation with experts.

*Example: The company discovers that the lack of clear career progression paths is causing dissatisfaction among employees.*

#### 5.3.5. Implementing Improvements

Finally, the organization develops and implements strategies to address the root causes of the problems identified. This might involve policy changes, new program implementations, or modifications to existing practices.

*Example: In response to feedback about career progression, the company introduces a clear career development program, offering mentoring, training opportunities, and a transparent promotion process.*

## 6. Employee Resource Groups (ERGs)

Employee Resource Groups (ERGs) are voluntary groups led by employees sharing common characteristics or interests, aiming to create a diverse and inclusive workplace. They offer support, personal and career development, and serve as a platform for honest dialogue. Membership often extends to allies who support these objectives. By creating spaces for employees to connect, educate, and speak up for themselves and others, ERGs can help an organization achieve its DEI vision and plans. ERGs can have different names depending on the organization, such as business resource groups, affinity groups, inclusion resource groups or network groups.

ERGs are becoming an integral part of diversity and inclusion initiatives in the modern workplace. ERGs, which originated in the 1970s with black workers at Xerox discussing race-related workplace issues, are now vital for addressing a variety of topics like gender, identity, and politics.

ERGs contribute significantly to the overall employee experience by fostering inclusive and supportive work environments. These groups provide platforms for employees to connect over shared characteristics or interests, creating a sense of community and belonging. Through ERGs, employees can engage in meaningful conversations, access resources, and receive support relevant to their personal and professional lives. This inclusive culture not only makes employees feel valued and understood but also helps in integrating diverse perspectives into the organizational fabric.

ERGs are instrumental in driving employee engagement. They empower employees by giving them a voice and a sense of agency in the workplace. When employees actively participate in ERGs, they often feel more invested in the organization. This is because ERGs offer opportunities for personal growth, leadership development, and networking, which can enhance an employee's career trajectory and job satisfaction. Additionally, by

being part of decision-making processes and organizational improvements through ERGs, employees feel more connected to the company's mission and objectives.

Furthermore, ERGs can be effective in identifying and addressing specific workplace issues that affect employee morale and engagement. By providing a safe space for open dialogue, ERGs enable employees to share feedback and concerns, which can then be acted upon by the organization, leading to tangible improvements in the workplace.

In recent years, some ERGs have become more organized, with their own governance and operating models, missions, and strategies. Some also play a role in supporting the company's broader DEI strategy. But in McKinsey research, they found that even while many companies believe their DEI aspirations are transformative, the majority do not have a DEI infrastructure—including ERGs—that is equally innovative and set up to advance the company's overall DEI strategy

## 6.1. The Significance of ERGs

ERGs are key to fostering a work environment where employees feel safe and valued for their unique perspectives, encouraging innovation. These groups build trust, nurture belonging, and stimulate insightful discussions, leading to innovative solutions. Employee Resource Groups (ERGs) offer a range of benefits that contribute significantly to the workplace, including:

### 6.1.1. Enhancing Inclusion

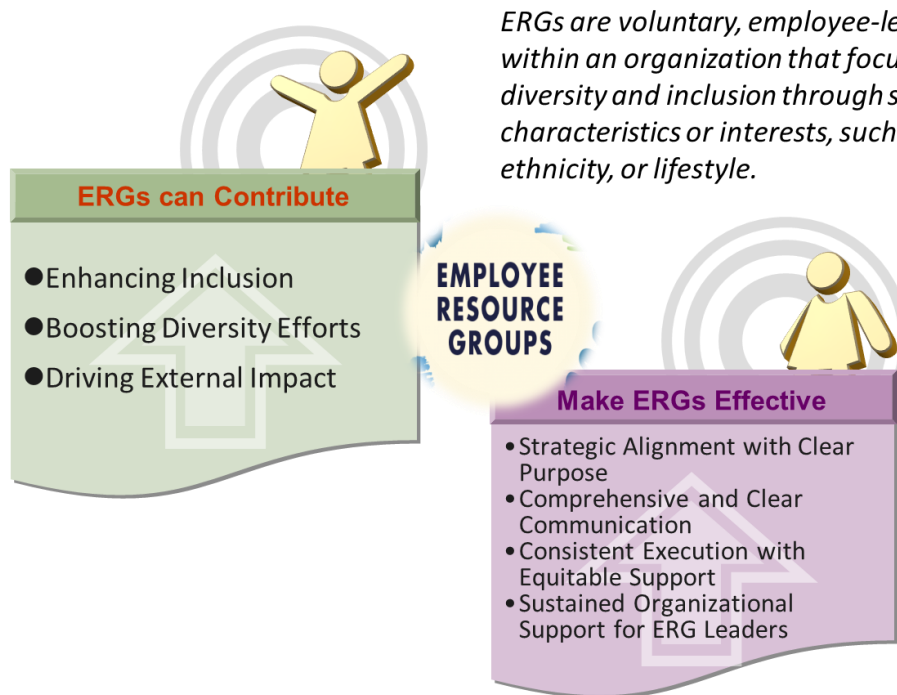
ERGs play a vital role in creating a more welcoming and fair environment for all employees. They help in fostering a sense of belonging and community, particularly for individuals who might feel isolated as an "only" in their organization. Membership in an ERG encourages employees to be authentic and find deeper meaning in their work. These groups also promote acceptance, camaraderie, and fairness within the workplace, helping members build connections and ally ship. Additionally, ERGs increase the visibility of underrepresented groups within larger company groups.

### 6.1.2. Boosting Diversity Efforts

ERGs are instrumental in enhancing the organization's diversity. They actively participate in recruiting by being part of diverse panels and events, showcasing to potential employees the inclusive culture of the organization. ERGs also support career advancement by fostering sponsorship opportunities both within and outside the group. Moreover, they collaborate with HR and leadership to communicate and address the specific needs of underrepresented groups, aiding in their retention.

### 6.1.3. Driving External Impact

ERGs extend their influence beyond internal operations by embedding diversity into the organization's core strategy and operations, thereby creating social impact. They engage in local community activities, improving brand visibility through volunteer work and charitable contributions. ERGs' insights enable companies to understand and serve their customers better, especially those from underrepresented groups. They also play a crucial role in identifying and reforming business processes that may be unfair, ensuring more equitable operations.



Source: McKinsey & Company (2022)

## 6.2. Enhance the Effectiveness of ERGs

McKinsey's research, along with our experience working with numerous organizations, has shed light on what distinguishes effective Employee Resource Groups (ERGs) from the less effective ones. We've identified common pitfalls and strategies used by leading companies to make their ERGs more impactful.

### 6.3.1. Strategic Alignment with Clear Purpose

Effective ERGs align their activities with the organization's Diversity, Equity, and Inclusion (DEI) strategies. For instance, while an LGBTQ+ ERG may focus on Pride events and bias training, it's crucial that these efforts complement the broader DEI initiatives, like mentorship programs, to avoid redundancy and conflict. Best practices include setting clear goals and missions that tie with the company's DEI strategy, creating strategic plans, and establishing metrics to assess impact.

### 6.3.2. Comprehensive and Clear Communication

It's essential to bridge the gap between employee expectations and the ERG's actual role. For instance, if members expect career advancement opportunities, it's crucial that the ERG's purpose and offerings are communicated clearly to avoid misalignments and frustrations. Effective ERGs should regularly communicate their goals, activities, and how these align with the overall DEI strategy, using company-wide platforms like town halls.

### 6.3.3. Consistent Execution with Equitable Support

Successful ERGs should have equal access to resources and leadership support, regardless of their size or focus area. For example, while a veterans' ERG might receive strong executive backing and funding, a Hispanic ERG should also have equitable support to ensure balanced execution of their initiatives. Companies should adopt a centralized approach to funding and supporting ERGs, ensuring fair resource allocation and execution.

### 6.3.4. Sustained Organizational Support for ERG Leaders

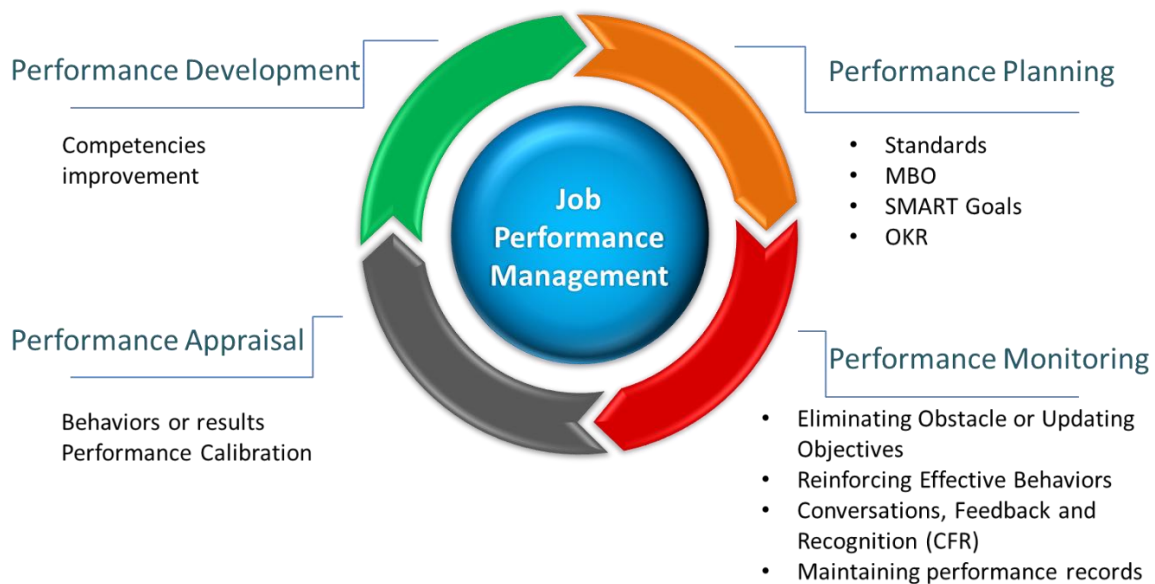
ERG leadership roles often require considerable effort, which can be taxing without proper recognition or support. For example, an ERG leader like Janet, tasked with additional recruitment responsibilities, should receive acknowledgment and support for her contributions. Recognizing and rewarding ERG leadership, integrating ERG responsibilities into formal job roles, and offering development opportunities are key to lessening the burden on ERG leaders.

## Part Three: Employment Performance Management

### 1. Job Performance Management

Job performance is defined as the set of behaviors that are relevant to the goals of the organization or the organizational unit in which a person work. Job performance is what the organization hires one to do, and do well. Job performance is not the consequence or result of action, it is the action itself. However, if the action does not produce a result that is useful to shareholder, the action does not count. The criterion domain of job performance:

Job Performance management, often called “Performance Management” in an individual level, is the process of identifying, executing, evaluating, and developing the performance of the human resources in an organization.



Job performance management and employee engagement are intricately linked in the workplace. Effective performance management, which includes setting clear goals, providing regular feedback, and assessing performance, plays a critical role in fostering employee engagement. When employees understand their objectives and how their work contributes to the organization's goals, they are more motivated and committed. Regular and constructive feedback not only helps in their professional development but also boosts their sense of achievement and belonging. Moreover, a transparent and fair performance management system enhances trust and job satisfaction among employees, leading to higher levels of engagement. In essence, a robust performance management

system is essential for nurturing a motivated, committed, and engaged workforce.

The performance management process from two perspectives: a). the upstream component encompasses planning, objective setting, and measurement, which lends itself to standardization of performance management practices; b).The downstream component includes the performance appraisal itself. This component often reflects localization of performance management practices. An effective Performance Management process establishes the groundwork for excellence by:

#### 1.1. Performance planning

Performance planning is a discussion for developing a common understands of the objectives or performance standard that need to be achieved.

#### 1.2. Performance monitoring

Performance monitoring is a day-to-day management behavior to assure the objectives could be accomplished.

#### 1.3. Performance appraisal

Performance appraisal is the process that measures the degree to which employee accomplishes work requirements.

#### 1.4. Performance development

Performance development is an ongoing cyclical process aims to develop, maintain and improve your skills, knowledge and job performance through performance planning, monitoring, and appraisal.

### 2. Performance Planning

Performance planning is a formal structured process for identifying and communicating the organizational and individual goals expected of the employee. The performance plan consists of performance expected of an employee and an Individual Development Plan.

Performance plans are decided collaboratively between the supervisor and employee working together. They together determine the performance expectations and development objectives to be accomplished during the review period. They discuss goals, objectives and expectations for the review period. The process helps to improve the communication and discuss the career development plan of the employee. Here are some important issues regarding performance planning:

### 2.1. Performance Standard

Objectives or goals (the terms are interchangeable) define what organizations, functions, departments, teams and job holders are expected to perform and accomplish. Some cultural factors that may influence performance management standards:

- Some cultures value performance of the group over the individual as follows.
- In some cases, an open and honest exchange of issues can occur. In other cultural contexts, a more formal, reserved relationship is the norm.
- The appropriateness of forms and the meaning of rating scales vary significantly from culture to culture and location to location.
- In some cultures, only positive feedback is provided so employees can save face.
- The act of ranking employees within a group can be difficult in collective cultures.
- Compensation practices vary widely across borders, cultures, and legal systems. The perceived value of the rewards can also vary from culture to culture.
- This practice may not be accepted in collective cultures and those with high ascribed value dimensions.
- Appraisals can be highly culturally specific. Even the meaning of the term "performance" can vary among individual and collective cultures. Also, the process of gaining input from colleagues can be easy and expected in some cultures but very guarded in others.

### 2.2. Management by objectives (MBO)

MBO can be defined as a process whereby the employees and the superiors come together to identify common goals, the employees set their goals to be achieved, the standards to be taken as the criteria for measurement of their performance and contribution and deciding the course of action to be followed.

No objectives will have significant incentive power if they are forced choice unrelated to a person's needs. Job holder should set his or her own goal, checking them out with the superior, and should use the performance planning session as a counseling device. Thus, the superior would become one who helped subordinates achieve their own objectives instead of a dehumanized inspector of products.

### 2.3. Goal Setting

Goal setting theory is widely recognized as one of the best motivational theories in self-



help, personal development, and personal growth. Specific and difficult goals led to better task performance than vague or easy goals.

| Objectives                                                                                                                   |                                                                                                                                                    | Standards               |                          | Weight                                               |
|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------|------------------------------------------------------|
| Balanced perspective                                                                                                         | Qualitative<br>Quantitative                                                                                                                        | Achievement             | Difficulty               | Percentage %                                         |
| <ul style="list-style-type: none"> <li>• Results</li> <li>• Behaviors</li> <li>• Competencies</li> <li>• Mind-set</li> </ul> | <ul style="list-style-type: none"> <li>• Specific</li> <li>• Measurable</li> <li>• Achievable</li> <li>• Relevant</li> <li>• Time-bound</li> </ul> | What have to accomplish | How difficult to achieve | How important to the strategy or stakeholders' value |

Employee goals can be clarified through performance and development planning, with attention to the level of performance needed and the specific desired results. Goal setting is most effective when it is combined with feedback, so progress can be monitored. Direct feedback and coaching is an often underutilized approach that enhances communication and bottom-line results. SMART goals include five elements in each objective:

#### 2.3.1. Specific

Specific goals outline exactly what we hope to accomplish. A specific goal is a focused goal. It will state exactly what the organization intends to accomplish. While the description needs to be specific and focused, it also needs to be easily understood by those involved in its achievement. It should be written so that it can be easily and clearly communicated.

#### 2.3.2. Measurable

A goal is measurable if it is quantifiable. Measurable goals can be evaluated to determine whether we have been accomplished. Measurement is accomplished by first obtaining or establishing base-line data. It will also have a target toward which progress can be measured, as well as benchmarks to measure progress along the way.

#### 2.3.3. Attainable

Attainable goals figure out ways we can make them come true. There should be a realistic chance that a goal can be accomplished. This does not mean or imply that goals should be easy. On the contrary, a goal should be challenging. It should be set by or in concert with the person responsible for its achievement. The organization's leadership, and where appropriate its stakeholders, should agree that the goal is

important and that appropriate time and resources will be focused on its accomplishment. An attainable goal should also allow for flexibility. A goal that can no longer be achieved should be altered or abandoned.

#### 2.3.4. Relevant

Individual goals should be appropriate to and consistent with the strategic and operational goals of the organization. Each goal adopted by the organization should be one that moves the organization toward the achievement of its strategic goals.

Relevant goals will not conflict with other organizational goals. It is important that all short-term goals be relevant (e.g., consistent) with the longer-term and broader goals of the organization.

#### 2.3.5. Time-bound

Finally a goal must be bound by time. Timely goals outline actions we can apply immediately. That is, it must have a starting and ending point. It should also have some intermediate points at which progress can be assessed. Limiting the time in which a goal must be accomplished helps to focus effort toward its achievement.

### 2.4. Objectives and Key Results (OKRs)

In line with MBO (management by objectives), OKRs (Objectives and Key Results) is a goal system used by Intel, Google, and others. It is a simple tool to create alignment and engagement around measurable goals. The big difference from traditional performance planning method is that OKRs are frequently set, tracked, and re-evaluated – usually quarterly. OKR has two components, the Objective and the Key Results:

#### 2.4.1. Objectives

Objectives are memorable qualitative descriptions of what you want to achieve. Objectives should be short, inspirational and engaging. An Objective should motivate and challenge the team.

#### 2.4.2. Key Results

Key Results are a set of metrics that measure your progress towards the Objective. For each Objective, you should have a set of 2 to 5 Key Results. More than that and no one will remember them.

A critical element of why OKRs work so well is their transparency up, down and across the entire organization. This transparency enables every person in the workforce to see how what they do ladders up to the most important goals of the

organization. This visibility and alignment are critical for recruiting, engaging and retaining the top talent needed in every high-growth organization.

The OKR system is inherently action oriented. Employees are expected to set aggressive goals and achieve most of them. Then pause to ponder over the insights gained, celebrate achievements and carry on the process. For this, the employees and managers can meet together during one-on-ones according to the cadence.

Teams and departments can hold regular meetings to review progress and chart the future course of action towards shared objectives.

### **3. Performance Monitoring**

Once the performance-planning phase has been completed, it is time to get the job done—to execute the plan. Performance monitoring is the second phase of an effective performance management process for enhancing objective achievement and organizational citizenship behaviors (OCB) - all the positive and constructive employee actions and behaviors that aren't part of their formal job description. For the individual, the critical responsibility in this phase is getting the job done—achieving the objectives. For the appraiser-people manager, there are several major responsibilities to create a conditions that motivate, and confronting and correcting any performance problems:

#### **3.1. Eliminating Obstacle or Updating Objectives**

The guru of quality management, W. Edwards Deming, said the system factor account for 94 percent of variance in performance result, which are beyond the control of performer. Circumstances beyond a performer's control can have the effect of either facilitating or constraining the level of performance. As a people manager, he or she should help the subordinates eliminate any obstacle to achieve performance objective, while the manager should collaborate with subordinates to update the objectives if necessary.

In many organizations, HR may initiate the Mid-Year Performance Review (or check-ins) process. After it has been initiated, employees need to self-assess their performance expectations prior to manager review.

Mid-year reviews should be a mix of structured and unstructured conversation between managers and employees, with the structure coming from a list of clearly defined expectations established at the start of the year.

Consider whether new goals have arisen and/or priorities have changed during the year. Review whether the employee's progress on set goals and projects, including managerial goals, has been effective overall. Adjust goals if organizational or

departmental needs have changed. Revise established goals and identify new goals for the balance of the year as needed.

Confirm any new or revised performance goals for the balance of the year. Document any additional support or guidance to be offered to the employee to foster success.

### 3.2. Reinforcing Effective Behaviors

#### 3.2.1. Positive Reinforcement

This reinforcement implies giving a positive response when an individual shows positive and required behavior. For example, immediately praising an employee for coming early for job. This will increase probability of outstanding behavior occurring again. Reward is a positive reinforce, but not necessarily. If and only if the employees' behavior improves, reward can said to be a positive reinforce. Positive reinforcement stimulates occurrence of a behavior. It must be noted that more spontaneous is the giving of reward, the greater reinforcement value it has.

#### 3.2.2. Negative Reinforcement

This reinforcement strengthens a behavior because a negative condition is stopped or avoided as a consequence of the behavior. This implies rewarding an employee by removing negative / undesirable consequences. Both positive and negative reinforcement can be used for increasing desirable or required behavior.

#### 3.2.3. Punishment

Punishment weakens a behavior because a negative condition is introduced or experienced as a consequence of the behavior. It implies removing positive consequences so as to lower the probability of repeating undesirable behavior in future. In other words, punishment means applying undesirable consequence for showing undesirable behavior. For instance, suspending an employee for breaking the organizational rules. Punishment can be equalized by positive reinforcement from alternative source.

#### 3.2.4. Extinction

Extinction removes something in order to decrease a behavior. It implies absence of reinforcements. In other words, extinction implies lowering the probability of undesired behavior by removing reward for that kind of behavior. For instance - if an employee no longer receives praise and admiration for his good work, he may feel that his behavior is generating no fruitful consequence. Extinction may unintentionally lower desirable behavior.

| Stimulus  | Desirability of stimulus | Contingencies of reinforcement | Strength of response |
|-----------|--------------------------|--------------------------------|----------------------|
| Presented | Pleasant                 | Positive reinforcement         | Increases            |
|           | Unpleasant               | Punishment                     | Decreases            |
| Withdrawn | Pleasant                 | Extinction                     | Decreases            |
|           | Unpleasant               | Negative reinforcement         | Increases            |

### 3.3. Conversations, Feedback and Recognition (CFR)

Increasingly, though, leading organizations are phasing out the once-a-year review in favor of ongoing, informal “Check-ins” with employees. The goal: to create a culture of ongoing dialogues focused on building a continuous, dynamic and mutually rewarding approach to development.

Like OKR, CFR (Conversations, Feedback and Recognition) champions transparency, accountability, empowerment, and teamwork, at all levels of the organization. It is a complete delivery system to measure what matters. When companies Annual Reviews are accompanied by regular Check-ins and real-time feedback they are in a better position to make progress throughout the year. It also brings in better alignment and transparency to the entire process.

#### 3.3.1. Conversations

The employee and his superiors are supposed to regularly meet (one-on-ones) and discuss the MBO or OKR as per the predefined schedule. The employee must set the agenda and proceedings of the meeting. And the supervisor should provide coaching, guidance, and support necessary for employee development and achievement of the Objectives. The conversation must focus on future improvements and development instead of negative criticism.

The one-on-ones may be arranged Weekly, Monthly or Quarterly depending on the circumstances. However, these meetings should discuss things in detail apart from the day to day work. As workplace conversations become integral, managers are evolving from taskmasters to teachers, coaches, and mentors.

#### 3.3.2. Feedback

Effective feedback fosters performance improvement, however, it has to be specific and an integral part of the process. In developing organizations, HR has the responsibility for

delivering feedback according to the schedule. Whereas in mature organizations feedback is multidirectional, ad hoc, and real-time open discussion between people anywhere within the organization. There are some organizations using 360 degree feedback as an additional tool for continuous performance management.

When it comes to effective problem-solving in the cross-functional team environment, constructive feedback enhances connections and team bonding. It also results in eradicating silos in the organization and foster teamwork within departments.

However, one has to be cautious while providing negative feedback to the employees. It is relatively easy to provide favorable feedback. There is ample material available online on "How-to" effectively deliver feedback. There are many software tools available these days with an option to provide anonymous feedback as well.

### 3.3.3. Recognition

Celebrating makes people feel like winners and creates an atmosphere of recognition and positive energy. Recognition should be frequent and public. Create a high-performance culture with real-time praise and feedback for successful teams and Individuals. Recognition these days is horizontal and based on performance. Using the inbuilt system anyone can cheer anyone else's goal regardless of the Function, Department or title.

### 3.4. Maintaining performance records

Generating and managing fair, accurate, and non-biased documentation of employee behavior and performance is one of the most important skills all supervisors need to develop.

Also, good documentation of an employee's pattern of poor performance and discipline can establish that the employee's firing wasn't related to discrimination based on race, sex, age, religion, disability, or national origin. An employer may have a much more difficult time proving that without such documentation.

The absence of such documentation of employees' behavior and performance may prompt an agency to dig deeper, push to interview witnesses, or take other measures designed to elicit information that it expects should have been documented or find out the reasons for the absence of documentation.

Documenting employee behavior and performance also is critical because memories aren't perfect. Remembering a specific performance issue involving one of a hundred employees months or even years ago isn't easy. Moreover, because the unfortunate reality is that we live in an increasingly litigious society, an employee may deny that

the performance issue ever happened and leaves the employer in a “he said, she said” situation when trying to justify a personnel decision.

#### 4. Performance Appraisal

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

- The supervisors measure the pay of employees and compare it with targets and plans.
- The supervisor analyses the factors behind work performances of employees.
- The employers are in position to guide the employees for a better performance.

##### 4.1. Objectives of Performance Appraisal

Performance appraisals can serve multiple purposes in an organization:

**Improvement:** The process should help both the employee and the organization to get better results, to get better results, improving quality, efficiency, effectiveness, alignment, and the like.

**Coaching and Guidance:** In the traditional management view, appraisal provides a managerial tool and framework for coaching, counseling, and motivating employees.

**Feedback and Communication:** Appraisal is intended to enhance communication between the employee, supervisor, and others in the organization, including feedback on employee performance.

**Compensation:** By tying appraisal to compensation (salary increases, bonuses), purportedly people will work harder.

**Staffing Decision and Professional Development:** Appraisal attempts to provide information to enable the organization to fairly and effectively select employees for promotion, layoffs, or reductions in force (RIF). It is also used to identify staffing and training needs and assist employees in their career development.

**Termination and Legal Documentation:** Effectively written appraisals should provide objective and impartial documentation that is necessary or useful in disciplinary and discharge decisions. Some organizations applied performance-based layoff strategy to ensure that successful employees with excellent performance records remain with the company, regardless of their personal affiliations with managers or owners. This approach relies on employee testing or evaluations (similar as forced distribution) to

determine the efficacy of each worker, with only those scoring in the lowest percentiles, or below a predetermined standard, losing their jobs.

#### 4.2. Process of Performance Appraisals

A performance appraisal is a formal interaction between an employee and her manager. This is when the performance of the employee is assessed and discussed in thorough detail, with the manager communicating the weaknesses and strengths observed in the employee and also identifying opportunities for the employee to develop professionally. Here is the process involved in performance appraisal

##### 4.2.1. Conducting Job analysis.

This is logically our first step because if we don't know what a job consists of, how can we possibly evaluate an employee's performance? We should realize that the job must be based on the organizational mission and objectives, the department, and the job itself.

##### 4.2.2. Establishing Performance Standards

In this we use as the base to compare the actual performance of the employees. In this step it requires to set the criteria to judge the performance of the employees as successful or unsuccessful and the degrees of their contribution to the organizational goals and objectives. The standards set should be clear, easily understandable and in measurable terms. If employee doesn't come up to expectation, then it should be taken extra care for it.

##### 4.2.3. Communicating the standards

It is the responsibility of the management to communicate the standards to all the employees of the organization. The employees should be informed and the standards should be clearly explained. This will help them to understand their roles and to know what exactly is expected from them.

##### 4.2.4. Measuring the actual Performance

The most difficult part of the performance appraisal process is measuring the actual performance of the employees that is the work done by the employees during the specified period of time. It is a nonstop process which involves monitoring the performance all over the year. This stage requires the watchful selection of the suitable techniques of measurement, taking care that individual bias does not affect the outcome of the process and providing assistance rather than interfering in an employee's work.



#### 4.2.5. Comparing the Actual with the Desired Performance

In this the actual performance is compared with the desired or the standard performance. The comparison tells the deviations in the performance of the employees from the standards set. The result can show the actual performance being more than the desired performance or, the actual performance being less than the desired performance depicting a negative deviation in the organizational performance. It includes recalling, evaluating and analysis of data related to the employees' performance.

#### 4.2.6. Discussing Results

The result of the appraisal is communicated and discussed with the employees on one-to-one basis. The focus of this discussion is on communication and listening. The results, the problems and the possible solutions are discussed with the aim of problem solving and reaching consensus. The feedback should be given with a positive attitude as this can have an effect on the employees' future performance. The purpose of the meeting should be to solve the problems faced and motivate the employees to perform better. Performance feedback can be very different across cultures. Managers must learn how feedback that should be given in that culture.

#### 4.2.7. Decision Making

The last step of the process is to take decisions which can be taken either to improve the performance of the employees, take the required corrective actions, or the related HR decisions like rewards, promotions, demotions, transfers etc.

### 4.3. Methods of Performance Appraisal

There are many types of performance appraisal methods. Some of them are :

- 1) Job results
- 2) essay method
- 3) Ranking
- 4) Forced Distribution
- 5) Graphic Rating Scale
- 6) Behavioral Checklist
- 7) Behavioral Anchored Rating Scales (BARS)
- 8) Management by Objectives (MBO)

#### 4.3.1. Job Results

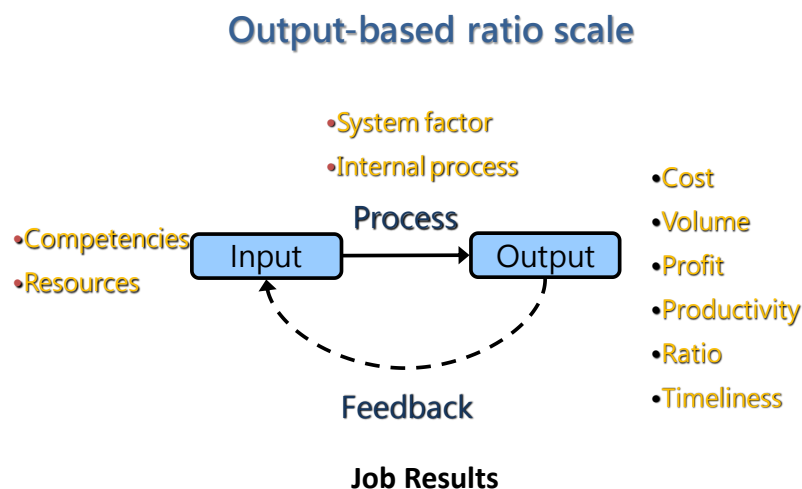
Though not an appraisal method per se, job results are in themselves a source of data

that can be used to appraise performance. Typically, an employee's results are compared against some objective standard of performance. This standard can be absolute or relative to the performance of others.

Results indexes are often used for appraisal purposes if an employee's job has measurable results. Examples of job results indexes are dollar volume of sales, amount of scrap, and quantity and quality of work produced. When such quantitative results are not available, evaluators tend to use appraisal forms based on employee behaviors and/or personal characteristics.

In some cases, appraisals may focus on results rather than behaviors. This is especially true where job content is highly variable, as in many managerial positions, thus making it difficult to specify appropriate behaviors for evaluative purposes. Results indexes such as turnover, absenteeism, grievances, profitability, and production rates can be used to evaluate the performance of organization units.

When we use the output-based scale, the following terms are used: (a) Inputs: all the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include competencies and resources.



### *Process*

The activities or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, process describe "what we do". However, the external factors may affect the internal process and its ability to pursue a given output. The external factors includes a wide variety of needs and influences that can affect the organization, but which the organization cannot directly control. Influences can be political, economic, ecological, societal and technological in nature.

### *Outputs*

The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver", such as cost, volume, profit, productivity, ratio, or timeliness. The outputs collectively contribute to one or more outcomes and impacts. Outputs are considered as short-term results because they occur immediately after the activity has ended. On the contrary, outcomes are results that occur after a certain period has elapsed. Output enables organization to find outcomes, but without outcomes, there is no need for outputs.

### *Feedback*

Feedback is having the outputs of work communicated to the employee, work group, or company. For an individual employee, performance measures create a link between their own behavior and the organization's goals. For the organization or its work unit's performance measurement is the link between decisions and organizational goals. Fundamentally, feedback and management-employee communication can serve as a guide in job performance. Specifically, feedback should help the ratees answer the following questions: What would you do to correct or refine the product or project? What would you do differently? What problems did you encounter that you did not find a solution for? What limitations did your materials or programs present?

#### 4.3.2. Essay Method

The essay method involves an evaluator's written report appraising an employee's performance, usually in terms of job behaviors and/or results. The subject of an essay appraisal is often justification of pay, promotion, or termination decisions, but essays can be used for developmental purposes as well.

Since essay appraisals are to a large extent unstructured and open-ended, lack of standardization is a major problem. The open-ended, unstructured nature of the essay appraisal makes it highly susceptible to evaluator bias, which may in some cases be discriminatory. By not having to report on all job-related behaviors or results, an evaluator may simply comment on those that reflect favorably or unfavorably on an employee. This does not usually represent a true picture of the employee or the job, and content validity of the method suffers.

#### 4.3.3. Critical incident technique:

In the critical incident method of performance appraisal, managers document specific examples of effective and ineffective employee behaviors. These incidents highlight either exceptional or subpar performance. Managers keep a record of these incidents for each employee, noting them as they occur. For example, a positive incident might be, "July 20 – The sales clerk efficiently and courteously handled a customer complaint,

showing enthusiasm in resolving the issue." Conversely, a negative incident could be, "July 20 – The sales assistant excessively extended his break during peak hours, ignored the store manager's calls, and showed a lack of interest in work."

This approach allows for a comprehensive and objective discussion during performance reviews and helps avoid the recency bias. However, it has limitations. Negative incidents often stand out more than positive ones, and managers might focus on criticizing during annual reviews. Continuous close monitoring might be uncomfortable for employees, and documenting these incidents can be burdensome for busy managers. Typically, this method is more often used for evaluating superiors rather than peers or subordinates.

Additionally, checklist methods involve a set of statements about the employee's attributes and behaviors, with the rater marking those they strongly agree with. Weighted checklists assign different values to each question, some being more significant than others. Despite being time-consuming and potentially biased in weighting responses, the checklist method remains popular for evaluating employee performance. It requires managers to compile and analyze numerous aspects of an employee's behavior and contributions, which can be a detailed and extensive process.

| Question                                                | Response (Yes/No) |
|---------------------------------------------------------|-------------------|
| Is the employee really interested in the task assigned? |                   |
| Is he respected by his colleagues (co-workers)?         |                   |
| Does he give respect to his superiors?                  |                   |
| Does he follow instructions properly?                   |                   |
| Does he make mistakes frequently?                       |                   |

#### 4.3.4. Forced-Choice Rating

This method was developed to eliminate bias and the preponderance of high ratings that might occur in some organizations. The primary purpose of the forced choice method is to correct the tendency of a rater to give consistently high or low ratings to all the employees. This method makes use of several sets of pair phrases, One or two of which may be positive and the other one or two negative and the rater is asked to indicate which of the four phrases is the most and least descriptive of a particular worker. Actually, the statement items are grounded in such a way that the rater cannot easily judge which statements apply to the most effective employee. The following box

is a classic illustration of the forced choice items in organizations.

### Forced-Choice rating scale

**Rater Instructions:** for each of the following two items, please indicate which behavior is most typical of the instructor's behavior

1. a. Presentations were of excellent quality.  
b. The meetings held my interest and attention.
2. a. The instructor was able to get cooperation and attention.  
b. The instructor used class well.

#### 4.3.5. Mixed Standard Scales

Mixed standard scales are a relatively recent innovation in rating scales. They contain statements representing good, average, and poor performance based on behavioral examples obtained from knowledgeable persons, usually supervisors. An evaluator's task is to indicate whether an employee either fits the statement, is better than the statement, or worse than the statement.

In a mixed standard scale, each performance dimension has three statements relating to it: one illustrating good performance, one average, and one poor. Thus, this mixed standard scale has nine statements, three for each of the three dimensions used. Statements in mixed standard scales are randomly mixed, tending to reduce rater errors by making it less obvious which statements reflect effective or ineffective performance.

Example of a mixed standard scale

Instructions: If the employee fits the statement, put a "o" in the space opposite the statement. If the employee is better than the statement, put a "+". If the employee is worse than the statement, put a "-".

#### Mixed standard scale

| Behaviors | Superior | Average | Inferior | Rating |
|-----------|----------|---------|----------|--------|
| 1         | +        | +       | +        | 7      |
| 2         | -        | o       | +        | 4      |
| 3         | o        | +       | +        | 6      |
| 4         | -        | -       | o        | 2      |

- Is on good terms with everyone. Can get along with people even in disagreement.
- Employee's work is spotty, sometimes being all right and sometimes not. Could be

more accurate and careful.

- Has a tendency to get into unnecessary conflicts with people.
- Is quick and efficient, able to keep work on schedule. Really gets going on a new task.
- The accuracy of employee's work is satisfactory. It is not often that you find clear evidence of carelessness.
- Gets along with most people. Only very occasionally has conflicts with others on the job, and these are likely to be minor.
- Is efficient enough, usually getting through assignments and work in reasonable time.
- Work is striking in its accuracy. Never any evidence of carelessness in it.
- There is some lack of efficiency on employee's part. Employee may take too much time to complete assignments, and sometimes does not really finish them.

#### 4.3.6. Ranking and Forced Distribution

Ranking methods compare one employee to another, resulting in an ordering of employees in relation to one another. Rankings often result in overall assessments of employees, rather than in specific judgments about a number of job components. Straight ranking requires an evaluator to order a group of employees from best to worst overall or from most effective to least effective in terms of a certain criterion. Alternative ranking makes the same demand, but the ranking process must be done in a specified manner (for example, by first selecting the best employee in a group, then the worst, then the second-best, then the second-worst, etc.).

Comparative evaluation systems such as ranking are rarely popular. No matter how close a group of employees is in the level of their performance, and no matter how well they perform on the job, some will rank high and some will end up at the bottom. Evaluators are often reluctant to make such discriminations. Also, rankings are unable to compare employees across different groups. For example, it is difficult to say whether the second-ranked employee in unit A is as good as or better than the second-ranked employee in unit B. Despite the problems of ranking methods, if an organization has a very limited number of promotions or dollars to allocate, rankings can be very useful in differentiating among employees.

Within this system exist several comparative methods, which are as follows:

### Straight ranking

| Employee | Ranking |
|----------|---------|
| X1       | 1       |
| X2       | 2       |
| X3       | 3       |

### Alternative ranking

| Ranking | Employee |
|---------|----------|
| 1       | X1       |
| 2       | X3       |
| 3       | X2       |

### Paired comparison

| Compared | X1 | X2 | X3 |
|----------|----|----|----|
| X1       | -- | X  | X  |
| X2       | V  | -- | X  |
| X3       | V  | V  | -- |
| Rating   | 2  | 1  | 0  |
| Ranking  | 1  | 2  | 3  |

### Forced distribution

| Ranking | Percentage | Employee   |
|---------|------------|------------|
| 1       | 20% (A)    | X1         |
| 2       | 60% (B)    | X2, X3, X4 |
| 3       |            |            |
| 4       |            |            |
| 5       | 20% (C)    | X5         |

#### *Simple or Straight Ranking*

The first of these methods is known as 'Simple' or 'Straight' ranking. It works by rating individuals on their performance from best to worst. This particular method assumes that the appraising party is able to make judgments on overall performance without any criteria or benchmarks to guide them. This generally causes ratings to be based more so on opinions, as opposed to actual figures of output, sales or labour turnover.

#### *Alternate Method*

The second comparative method is known as the 'Alternate', and is similar to the prior in its failings and design. Appraisal is done by listing the best performer first, then the worst last, once this has been done, the second best and worst performers are selected, and placed according. This process Continues until the entire group of subordinates are ranked.

#### *Paired Comparison Method*

The third method known as the 'Paired Comparison' suffers the same defects as the other two, but allows for slightly more objectivity to be included in comparisons by contrasting two subordinates at a time against all others on a single standard criterion, such as overall performance. Unfortunately, the amount of time taken increases geometrically as the size of the group increases.

#### *Forced Distribution*

Forced distribution is a form of comparative evaluation in which an evaluator rates subordinates according to a specified distribution. Unlike ranking methods, forced distribution is frequently applied to several rather than only one component of job performance.

Use of the forced distribution method is demonstrated by a manager who is told that he or she must rate subordinates according to the following distribution: 10 percent low; 20 percent below average; 40 percent average; 20 percent above average; and 10 percent high. In a group of 20 employees, two would have to be placed in the low category, four in the below-average category, eight in the average, four above average, and two would be placed in the highest category. The proportions of forced distribution can vary. For example, a supervisor could be required to place employees into top, middle, and bottom thirds of a distribution.

Forced distribution is primarily used to eliminate rating errors such as leniency and central tendency, but the method itself can cause rating errors because it forces discriminations between employees even where job performance is quite similar. For example, even if all employees in a unit are doing a good job, the forced distribution approach dictates that a certain number be placed at the bottom of a graded continuum. For this reason, raters and ratees do not readily accept this method, especially in small groups or when group members are all of high ability.

#### 4.3.7. Graphic Rating

Perhaps the most commonly used method of performance evaluation is the graphic rating scale. Of course, it is also one of the oldest methods of evaluation in use. Under this method, a printed form, as shown below, is used to evaluate the performance of an employee. A variety of traits may be used in these types of rating devices, the most common being the quantity and quality of work. The rating scales can also be adapted by including traits that the company considers important for effectiveness on the job. A model of a graphic rating scale is given below:

Graphic rating scales

| Relative-Skewed Anchors | Relative-Symmetrical Anchors |
|-------------------------|------------------------------|
| 1 = Below Average       | 1 = One of the Worst         |
| 2 = Average             | 2 = Below Average            |
| 3 = Above Average       | 3 = Average                  |
| 4 = Well Above Average  | 4 = Above Average            |
| 5 = One of the Best     | 5 = One of the Best          |
| Absolute-Skewed Anchors | Absolute-Symmetrical Anchors |
| 1 = Marginal            | 1 = Poor                     |
| 2 = Satisfactory        | 2 = Marginal                 |
| 3 = Good                | 3 = Satisfactory             |
| 4 = Very Good           | 4 = Good                     |
| 5 = Outstanding         | 5 = Outstanding              |

#### 4.3.8. Behaviorally Anchored Rating Scale, BARS



Behaviorally anchored rating scales: Also known as the behavioral expectations scale, this method represents the latest innovation in performance appraisal. It is a combination of the rating scale and critical incident techniques of employee performance evaluation. The critical incidents serve as anchor statements on a scale and the rating form usually contains six to eight specifically defined performance dimensions. The following chart represents an example of a sales trainee's competence and a behaviorally anchored rating scale. Developing a BARS follows a general format which combines techniques employed in the critical incident method and weighted checklist ratings scales. Emphasis is pinpointed on pooling the thinking of people who will use the scales as both evaluators and evaluatees.

### Behaviorally Anchored Rating Scale, BARS



#### *Step 1: Collect critical incidents*

People with knowledge of the job to be probed, such as job holders and supervisors, describe specific examples of effective and ineffective behavior related to job performance.

#### *Step 2: Identify performance dimensions*

The people assigned the task of developing the instrument cluster the incidents into a small set of key performance dimensions. Generally between five and ten dimensions account for most of the performance. Examples of performance dimensions include technical competence, relationships with customers, handling of paper work and meeting day-to-day deadlines. While developing varying levels of performance for each dimension (anchors), specific examples of behavior should be used, which could later

be scaled in terms of good, average or below average performance.

*Step 3: Reclassification of incidents*

Another group of participants who are knowledgeable about the job is instructed to retranslate or reclassify the critical incidents generated (in Step II) previously. They are given the definition of job dimension and told to assign each critical incident to the dimension that it best describes. At this stage, incidents for which there is not 75 per cent agreement are discarded as being too subjective.

*Step 4: Assigning scale values to the incidents*

Each incident is then rated on a one-to-seven or one-to-nine scale with respect of how well it represents performance on the appropriate dimension. A rating of one represents ineffective performance; the top scale value indicates very effective performance. The second group of participants usually assigns the scale values. Means and standard deviations are then calculated for the scale values assigned to each incident. Typically incidents that have standard deviations of 1.50 or less (on a 7-point scale) are retained.

*Step 5: Producing the final instrument*

About six or seven incidents for each performance dimension – all having met both the retranslating and standard deviation criteria – will be used as behavioral anchors. The final BARS instrument consists of a series of vertical scales (one for each dimension) anchored (or measured) by the final incidents. Each incident is positioned on the scale according to its mean value.

Because the above process typically requires considerable employee participation, its acceptance by both supervisors and their subordinates may be greater. Proponents of BARS also claim that such a system differentiates among behavior, performance and results and consequently is able to provide a basis for setting developmental goals for the employee. Because it is job-specific and identifies observable and measurable behavior, it is a more reliable and valid method for performance appraisal.

Researchers, after surveying several studies on BARS, concluded that “despite the intuitive appeal of BARS, findings from research have not been encouraging”. It has not proved to be superior to other methods in overcoming rater errors or in achieving psychometric soundness. A specific deficiency is that the behaviors used are activity oriented rather than results oriented. This creates a potential problem for supervisors doing the evaluation, who may be forced to deal with employees who are performing the activity but not accomplishing the desired goals. Further, it is time consuming and

expensive to create BARS. They also demand several appraisal forms to accommodate different types of jobs in an organization. In a college, lecturers, office clerks, library staff, technical staff and gardening staff all have different jobs; separate BARS forms would need to be developed for each. In view of the lack of compelling evidence demonstrating the superiority of BARS over traditional techniques such as graphic rating scales. A scholar concluded that: "It may be time to quit hedging about the efficacy of behavioral scaling strategies and conclude that this method has no clear-cut advantages over more traditional and easier methods of performance evaluation".

#### 4.3.9. Behavioral Observation Scales, BOS

A technique for evaluating the performance of an employee which can be used as part of the appraisal process. Like behaviorally anchored rating scales, the "Behavioral Observation Scales (BOS)" technique involves a process of identifying the key tasks for a particular job, but the difference is that employees are evaluated according to how frequently they exhibit the required behavior for effective performance.

### Behavioral Observation Scales, BOS

#### I. Overcoming Resistance to Change

|     |                                                      |                          |
|-----|------------------------------------------------------|--------------------------|
| (1) | Describes the detail of the change to subordinates   | Never 1 2 3 4 5 6 Always |
| (2) | Explains why the change is necessary                 | Never 1 2 3 4 5 6 Always |
| (3) | Discusses how the change will affect the employee    | Never 1 2 3 4 5 6 Always |
| (4) | Listen to the employee concerns                      | Never 1 2 3 4 5 6 Always |
| (5) | Asks the employee for help in making the change work | Never 1 2 3 4 5 6 Always |

The scores for each of these observed behaviors can then be totalled to produce an overall performance score. In such instances, the various measures of behavior are normally weighted to reflect the relative importance of the measure to the overall job. The instruments of BOS are ordinal scale questionnaires. The question is typically related to the frequency or intensity of the symptom of behavior.

#### 4.3.10. 360 Degree Feedback

"360" refers to the 360 degrees in a circle. The multiple rating sources would come from subordinates, peers, and managers in the organizational hierarchy, as well as self-assessment, and in some cases external sources such as customers and suppliers or other stakeholders. The purpose of the 360 degree performance feedback is to assist each individual to understand his or her strengths and weaknesses, and to contribute

insights into aspects of his or her work needing professional development.

This multi-rater feedback differs from what most employees get in an annual performance review in several ways:

*Well-rounded look.* Most performance reviews involve the employee getting feedback directly from their manager. While a manager's perspective is invaluable, it's inherently limited. 360-degree feedback involves feedback from many additional sources, providing a well-rounded look at an employee. After all, people may act differently around their boss than around their peers and direct reports.

*Forward-looking.* While there is some debate on the role of 360s and performance reviews, a general rule of thumb is that performance reviews are evaluative and *backward looking* – how have employees performed in relation to their goals. In contrast, 360-degree feedback is traditionally non-evaluative and forward-looking – what are employees' strengths and weaknesses, and what developmental steps can help them become even better.

*Broader view.* Some argue that keeping 360-degree assessments non-evaluative is essential to getting honest feedback. An employee's peers, they'll argue, are much less likely to provide negative or even constructive feedback if they think it will negatively impact someone's bonus or promotion potential.

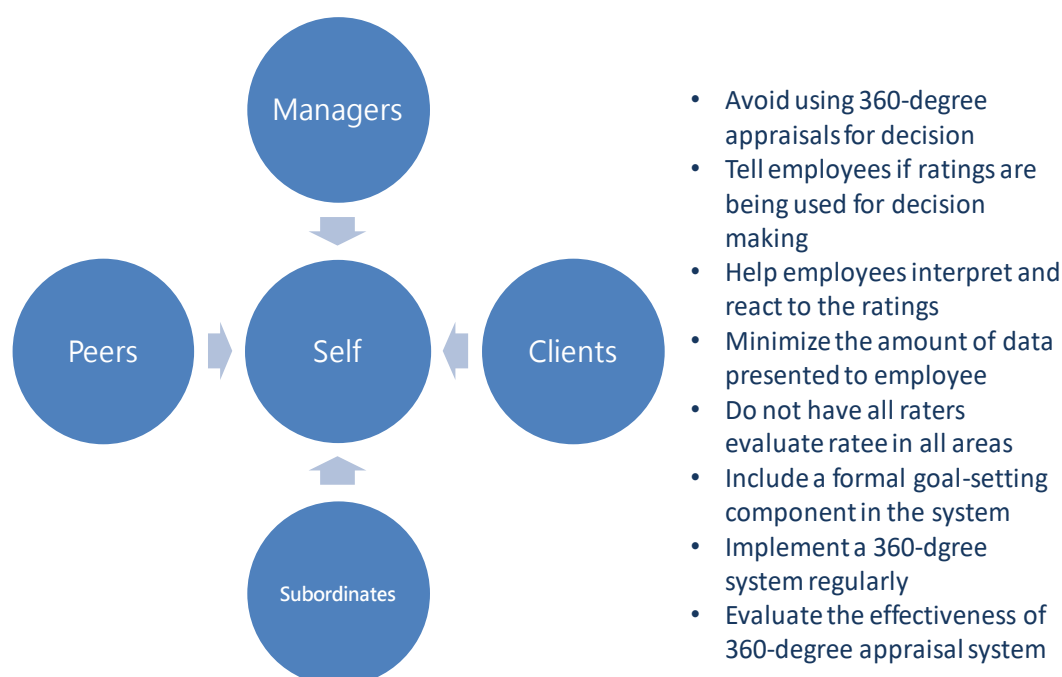
Simply put, 360-degree multi-rater assessments address important competencies and provide opportunities for managers, peers and direct reports to provide important developmental feedback that they may not otherwise share.

When it comes to measuring valuable employee skills and attributes, few things are as important or effective as 360s. They measure things like leadership, teamwork, communication, decision-making and collaboration. Given the continual demands of work, it is easy to get caught up in only looking at how well employees get their jobs done, instead of taking the longer term view to make sure they are developing into the most productive employee they can become. 360s help managers and employees look at competencies that will help make them and their organizations better.

In addition, with more and more Millennials in the workforce, providing regular feedback has never been more important. Millennials want feedback more than any other group. While providing ongoing multi-rater feedback is important, 360s provide a formalized opportunity for a holistic view of strengths, weaknesses and opportunities for development. The results should be put into action plans to give employees the tools they need to develop into better employees.

Traditionally, 360s have been limited to the top leadership at a company. But the tides are shifting. Organizations are beginning to recognize the need to develop all of their employees and they're using 360s as an integral part of their employee development plans. As previously noted, Millennials want feedback – and they don't want to wait until they are senior managers to get it.

Technology is making it easier, faster and more affordable to deliver 360 feedback than ever before. More organizations are choosing to provide this feedback and the associated development opportunities for all of their employees, from the C-level to entry level. It goes along with the fabled conversation between the CEO and the CFO. The CFO asks, "What if we train all our people and they leave the company?" To which the CEO responds, "What if we don't and they stay?"

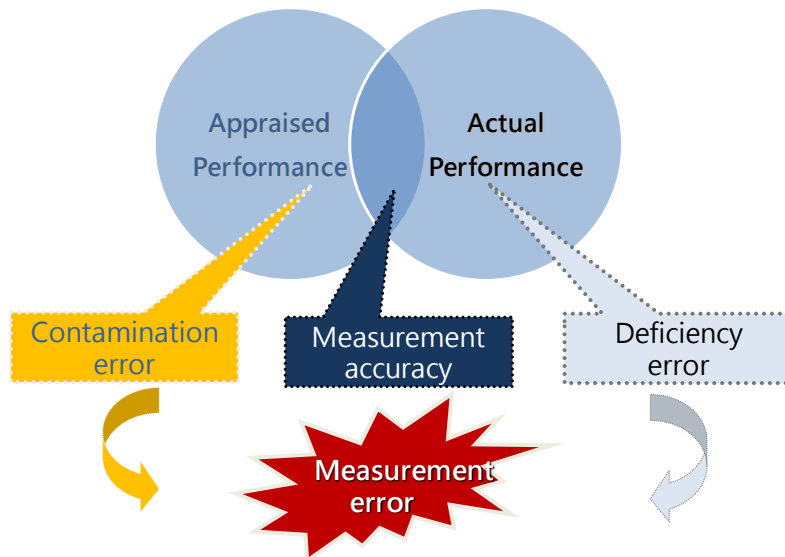


360-degree employee assessments are important to organizations, managers, and employees. Managers benefit from having the opportunity to get feedback from a variety of sources which both helps them improve and allows them to help their employees learn how they can capitalize on their strengths and improve where they are weak. Employees benefit because, for the most part, they are eager to improve and want feedback. And the organization as a whole benefits because 360s foster a culture of feedback and continuous improvement that leads to a stronger, more engaged workforce.

#### 4.4. Measurement Error

Performance appraisal and measure is subject to two main flaws: criterion

contamination and deficiency. The omission of pertinent performance criteria is referred to as criterion deficiency. For example, an appraisal form that rates the performance of police officers solely on the basis of the number of arrests made is deficient because it fails to include other aspects of job performance, such as conviction record, court performance, number of commendations, and so on. Such a deficient form may steer employee behavior away from organizational goals; imagine if police officers focused only on arrests and neglected their other important duties.



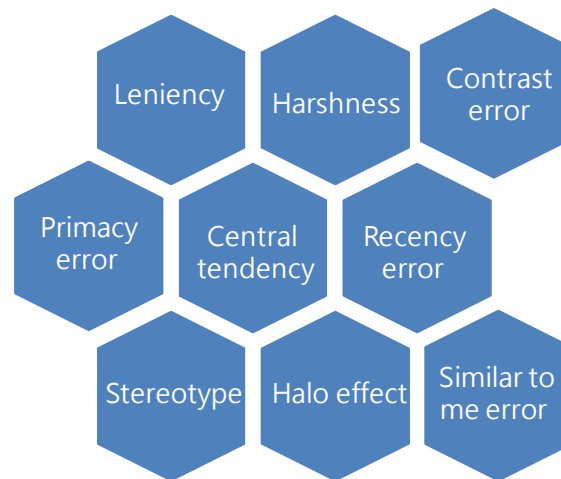
When irrelevant criteria are included on the rating form, criterion contamination occurs, causing employees to be unfairly evaluated on factors that are irrelevant to the job. For example, criterion contamination would occur if an auto mechanic were evaluated on the basis of personal cleanliness, despite the fact that this characteristic has nothing to do with effective job performance.

Performance standards indicate the level of performance an employee is expected to achieve. Such standards should be clearly defined so that employees know exactly what the company expects of them. For instance, the standard "load a truck within one hour" is much clearer than "work quickly." Not only does the use of clear performance standards help direct employee behavior, it also helps supervisors provide more accurate ratings; two supervisors may disagree on what the term "quickly" means, but both attribute the same meaning to "one hour."

To meet the standards, a firm must use an effective rating form. The form provides the basis for the appraisal, indicating the aspects or dimensions of performance that are to be evaluated and the rating scale for judging that performance.

#### 4.5. Rater Errors

Rater errors are errors in judgment that occur in a systematic manner when an individual observes and evaluates another. Personal perceptions and biases may influence how we evaluate an individual's performance. What makes these errors so difficult to correct is that the observer is usually unaware that she or he is making them. When we understand the errors and how they occur, we are able to take steps to minimize them.



##### 4.5.1. Halo effect

A halo effect may occur when an employee is extremely competent in one area and is therefore rated high in all categories. Conversely, the horn effect may occur when one weakness results in an overall low rating.

##### 4.5.2. Recency error

The recency error occurs when an appraiser gives more weight to recent occurrences and discounts the employee's earlier performance during the appraisal period.

##### 4.5.3. Primacy errors

The primacy error occurs when an appraiser gives more weight to the employee's earlier performance and discounts recent occurrences.

When an appraiser's values, beliefs, or prejudices distort ratings (either consciously or unconsciously), the error is due to bias.

##### 4.5.4. Harshness error

Strictness, called the "harshness" error, occurs when a manager gives low ratings.

#### 4.5.5. Leniency error

Leniency errors are the result of appraisers who don't want to give low scores.

#### 4.5.6. Central tendency errors

Central tendency errors occur when an appraiser rates all employees within a narrow range, regardless of differences in actual performance, especially when using graphic scale.

#### 4.5.7. Contrast error

The contrast error occurs when an employee's rating is based on how his or her performance compares to that of another employee instead of on objective performance standards.

#### 4.5.8. Stereotyping

Stereotyping occurs when evaluations are influenced to some degree by a person's membership in a particular social group. Individuals from different cultures consistently misinterpret each other's behavior, possibly biasing the appraisals.

#### 4.5.9. Similar to me error

Similar-to-me error is when the rater's tendency is biased in performance evaluation toward those employees seen as similar to the raters themselves.

### 4.6. Performance Calibration

Performance Calibration is a process in which managers (typically within a department or function) come together to discuss the performance of employees and achieve agreement on performance appraisal ratings. The practice of performance calibration refers to the steps taken to make sure that managers apply a consistent set of standards in making performance ratings. The process ensures:

- *A fair and objective performance appraisal of past performance is made for each employee in relation to others in similar roles and/or job levels, and*
- *Managers apply similar standards to all employees.*

#### 4.6.1. Benefits of Performance Calibration

One of the primary goals of the performance appraisal process is to effectively differentiate high performers from average or poor performers so that high performers can be rewarded and retained. The performance ratings provided by managers on goals, competencies, and other criteria are important data points in HR



and leadership decision making. Performance ratings have consequences. This data not only have an impact on compensation, but are considered in promotion decisions, succession planning and the allocation of developmental resources. Performance calibration can help organizations realize several important benefits.

- *Improves the Accuracy of Performance Rating*

Performance calibration serves to increase the accuracy of performance ratings provided by managers. Poor calibration may lead to legal actions and literally 'chase away' high performers who are not getting the recognition or rewards linked to their performance review. As a result, making sure performance ratings are fair and accurate is critically important. The calibration process helps to ensure that all employees are evaluated on the same criteria.

The collective discussion regarding performance allows managers to have new insight into the performance of employees and reduce potential bias. Peer-to-peer discussion brings about transparency - calling attention to an individual manager's tendency to rate leniently or harshly. Managers become accountable to each other for the performance appraisal ratings made for all employees.

- *Clarifies High Performance Standards*

Performance Calibration clarifies and reinforces the criteria for high performance across the management team. During a performance calibration meeting, managers will discuss the supporting reasons for the performance evaluation ratings provided. This type of discussion builds a common language around defining performance expectations across all managers. As a result, managers will be better prepared to discuss the reasons behind ratings with employees and create development plans for ongoing performance improvement and career development.

Together, the accuracy of ratings and the clarification of performance criteria increases the likelihood that employees will perceive the performance appraisal process to be fair. Since compensation, promotion and succession decisions are based, in part, on performance evaluation ratings, it is important that employees believe that they are being fairly evaluated by their manager. In addition, organizations are more likely to face legal challenges when employees do not believe they are being treated fairly and equitably.

#### 4.6.2. The Process of Performance Calibration

##### *Pre-Meeting Preparation*

- Instruct all supervisors and managers to finalize performance reviews before the

meeting, basing them on set goals, achievements, and feedback of each employee. The calibration session is designed to fine-tune these appraisals rather than to start evaluating from the beginning.

- Distribute predefined rating standards to assist managers with their evaluations. For example, in a 5-point scoring system (where 1 is Unsatisfactory, 3 is Average, and 5 is Outstanding), explicitly define the criteria for each score level.

#### *Meeting Logistics and Planning*

- Schedule the calibration meetings well in advance, aligning with the overall timeline of your performance review cycle. Share key dates for the entire calibration process to ensure it precedes individual reviews and decisions on compensation or promotions.
- Provide a detailed agenda for the calibration meeting, requesting that managers come prepared with their preliminary performance ratings. This preparation will support effective and efficient discussion.

#### *Comparison and Discussion*

- Start the meeting by reaffirming the company's overarching goals and the performance levels required to meet these objectives.
- Utilize the meeting to compare employee ratings across different teams or departments. This comparison aims to identify any discrepancies, biases, or inconsistencies in ratings.
- Facilitate an open discussion about performance evaluations, encouraging managers to share their insights, perspectives, and justifications for the ratings they have assigned.

#### *Finalizing Ratings and Adjustments:*

- Work towards a group consensus, making necessary adjustments to individual ratings to ensure they are consistent with established performance standards and expectations.
- Document any changes made, including the rationale for each adjustment.
- After finalizing the ratings, conclude the meeting. Then, communicate the final scores to the employees and proceed with informed decisions regarding promotions or compensation adjustments, ensuring a fair and transparent process.



#### 4.6.3. The Practices of Performance Calibration Meeting

Calibration meetings are crucial for upholding the integrity and fairness of the performance evaluation process, essential for informed organizational decisions. Here are key practices to ensure effective calibration meetings:

### Best Practices for Ensuring Effective Performance Calibration Meetings

- 01 Set clear meeting objectives
- 02 Establish a clear timeline
- 03 Send pre-meeting checklists to participants
- 04 Establish a performance distribution model
- 05 Share previous calibration data
- 06 Train all reviewers on their role
- 07 Promote open dialogue



Source: Kaikhosroshvili (2023)

#### *Clear Meeting Objectives*

Establish specific, measurable, attainable, relevant, and time-bound goals for your meeting using frameworks like SMART to guide discussions and outcomes.

#### *Defined Timeline*

Schedule performance meetings promptly to maintain the efficiency of review cycles. Delays can hinder employee development and organizational progress. The timeline should cover pre-meeting preparations, the actual meeting, and post-meeting tasks like recording and disseminating results.

*Pre-Meeting Checklists*

Distribute checklists to participants beforehand, including tasks such as understanding rating standards, completing performance ratings, self-auditing, considering promotions or raises, and preparing for discussions.

*Performance Distribution Model*

Implement a model like Percentile Ranking, Absolute Performance, Three-Tiered Ranking, or Bell Curve to categorize performance levels. Each model serves to objectively represent performance across the organization.

*Utilize Previous Calibration Data*

Reference data from past calibrations to improve accuracy and adjust the calibration process as needed.

*Training for Reviewers*

Educate all involved in the review process about their roles, the calibration system, and effective communication with employees, ensuring accurate and fair assessments.

*Encourage Open Dialogue*

Foster an environment where outliers in performance distributions are openly discussed. Managers should provide justifications for high or low scores and the support offered to employees. Encourage a culture of open questions and feedback.

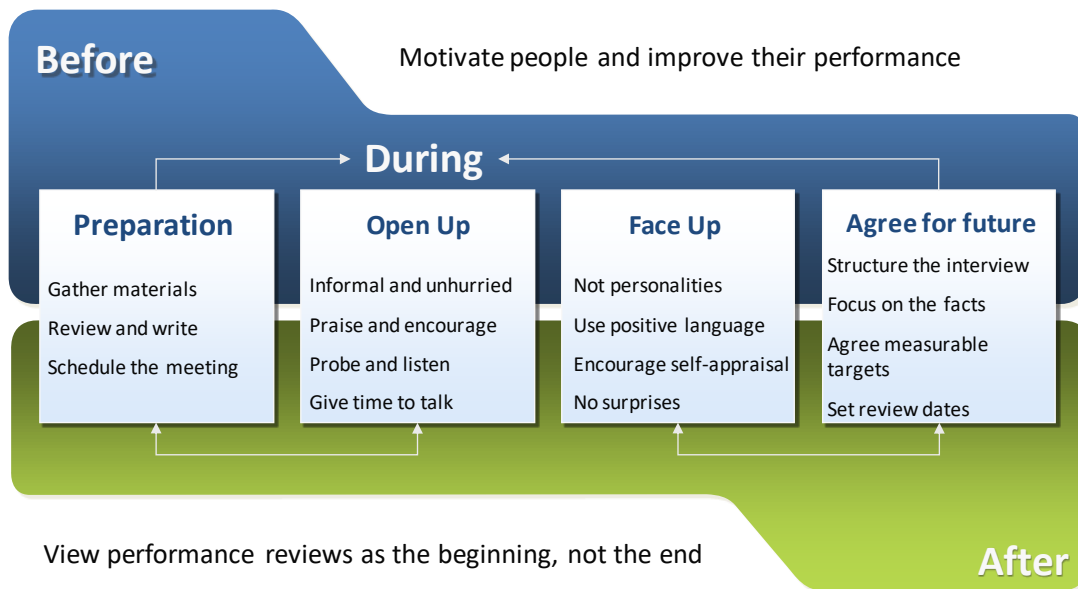
*Ensure Confidentiality*

Maintain the confidentiality of calibration discussions and records to preserve trust and comply with organizational policies. Securely store all related communications and documentation.

**5. Performance Development**

Performance development is a broad term that includes performance management and employee development. It describes both managing/assessing the work that needs to be done and providing opportunities for professional growth and development. Performance development is the ongoing process between supervisor and employee of communicating and clarifying position responsibilities, priorities and performance expectations to guarantee mutual understanding and to enhance effectiveness in achieving the campus and departmental mission and goals. Conducting employee performance reviews demands a lot of time and effort, but when done correctly, they can bring numerous

benefits to both the employee and the business, including:



### 5.1. Prepare the interview

Holding successful mid-year and end-of-year performance appraisal discussions requires preparation. For example, developing a comprehensive written appraisal narrative can be extremely helpful when preparing for the face-to-face appraisal review. Appraising officials can use the following checklist as a tool to help them prepare for employee appraisal reviews.

#### 5.1.1. Gather the Material

Have all the necessary tools close at hand before starting to write the appraisal narrative, including:

- a copy of the employee's performance plan;
- notes of previous meetings with the employee (remember what was discussed with the employee during previous meetings);
- employee self-evaluation documents, which could include a list of completed projects and accomplishments prepared by the employee;
- written or recorded feedback on employee performance from other sources (these can include letters of appreciation, customer feedback, etc.); and
- appraisal program instructions that describe the performance appraisal process and procedures.

#### 5.1.2. Review and Write

Become familiar with the appraisal form and review how to derive the summary rating (e.g., numerical formula, percentages, and numerical weights). Take the time to review the employee's elements and standards, knowing which elements are critical, non-critical, and additional, and how to measure employee performance. Finally, review all the documentation. When writing the narrative, consider these points:

- **Responsibilities and Duties.** Review employee responsibilities:

Have the employee's work responsibilities changed? If so, how?

Has the employee been assigned additional responsibilities which were not included in the performance plan? If so, consider acknowledging these additional responsibilities in the narrative and the performance interview. Also, consider whether to include the new responsibilities in next year's performance plan.

- **Performance.** Include performance data for the entire appraisal period, not just the most recent information. The appraisal narrative should address:

-how well the employee performed the assigned responsibilities and the quality and/or timeliness of the employee's accomplishments;

-whether and how well the employee met performance goals;

-areas of performance that improved over the appraisal period; and

-areas of performance that might need improvement.

- **Review Developmental Needs.**

In addition to the information in the narrative, prepare to talk to the employee about developmental needs. Identify skills and competencies that may enhance or improve the employee's performance. Look into a variety of ways of improving skills, such as classroom or on-line training, professional conferences and workshops, details to other work units or to positions with higher responsibilities, or on-the-job training. Enter the appraisal review with this information on hand, but during the review, be sure to ask the employee for input on development needs. If employees participate in creating their own development plans, those plans likely will be more successful.

### 5.1.3. Schedule the Interview/meeting

The final preparation step is to set aside a time and a place to meet with the employee. When scheduling the appraisal interview, make sure to:

-schedule a time that is convenient for you and the employee. This should be uninterrupted time so that you and the employee can concentrate on the appraisal.

-give the employee a copy of the performance appraisal with its narrative before the meeting so that he or she can have time to prepare for the appraisal interview.

## 5.2. Getting people to open up

### 5.2.1. Establish an informal, unhurried atmosphere

Seating arrangements matter - there should be no barriers and the two chairs must be the same height so that one person is not looking down on the other. Rapport building is very important, particularly with shy people. The ritual cup of coffee and some unthreatening, casual chat are important scene-setting activities.

### 5.2.2. Praise and encourage

People like Sharon sometimes convince themselves that appraisal is going to be an unpleasant experience. It is important to change their perception early on by congratulating them for their good work.

### 5.2.3. Probe and listen

Good appraisers ask open (how, what and why) questions to get the person talking, then probe for more information ('tell me a bit more about...') and finally ask closed questions to confirm agreement and understanding.

### 5.2.4. Give time to talk

Advise the group not to be in too much of a hurry. People, particularly shy ones, need time to think. Silence, a friendly facial expression and, if necessary, encouraging prompts ('take your time') will produce answers which rushing the appraisee will not.

## 5.3. Facing up to the problem

### 5.3.1. Performance, not personalities

Appraisal is not therapy and you are not a psychiatrist! Whatever we think about someone's personality, we are unlikely to be able to change it in one relatively short discussion. What we can change is behavior, which means concentrating on performance.

Watch out for the word 'attitude'. Before you criticize someone's attitude you must be quite clear what, specifically, you don't like and how that shows up in practice, with examples.

### 5.3.2. Use positive language

If a person's performance was universally awful, you would be having a disciplinary

interview with them, rather than appraising them. So find a way to make your criticisms positive.

#### 5.3.3. Encourage self-appraisal

It is much less threatening to ask people what they think about their performance than simply telling them what you think. Of course, they will want your opinion. But if you have heard what they have to say first, you will often find that, when it is your turn, you can put a positive slant on what they have.

#### 5.3.4. No surprises!

At least, no negative ones. If something is going wrong with an individual's performance it must be addressed at the time. Appraisers can certainly review progress on areas of improvement at appraisal time, but saving up bad news.

### 5.4. Agreeing a plan for the future

#### 5.4.1. Structure the interview

To effectively conduct an appraisal discussion, follow this structured approach:

##### Setting the Stage:

Begin by creating a comfortable and unhurried atmosphere. Outline the topics of discussion and confirm agreement with the appraisee. Explain the sequence of the conversation, emphasizing that the appraisal is a two-way dialogue and you're keen to hear their opinions and ideas.

*Initiating the Conversation:* Start with an open-ended question to ease into the discussion, such as, "Before we delve into specifics, how would you describe the past six months overall?"

*Discussing Performance Areas:* Address each performance area individually, drawn from the job description, agreed objectives, or competences. Avoid jumping between topics. Summarize each area before moving to the next, maintaining focus and clarity.

*Identifying Themes and Conclusions:* As the discussion unfolds, themes will emerge. When you notice a theme, clarify your understanding (e.g., "It seems like you thrive in crisis management. Is that correct?") and make notes for a comprehensive summary at the end.

*Training and Development:* Discuss necessary skills and knowledge for development, exploring options beyond formal training. Ask questions like, "What skills do you need to develop further?" followed by "How can we best facilitate this development?" Avoid



limiting the conversation to training courses.

*Action Items for Both Parties:* The appraisal should result in actions for both the manager and the employee. Consider if there are aspects where you, as the manager, can offer coaching, delegate more responsibilities, or assist in improving work relationships.

*Ensuring Appraisee Satisfaction:* Conclude the discussion only after ensuring the appraisee has expressed all their thoughts and concerns. It's crucial that they feel heard and understood.

#### 5.4.2. Focus on the facts

This means two things:

- Resisting the temptation to get sucked into irrelevant discussions
- Nailing down generalizations

#### 5.4.3. Agree measurable targets

This is reasonably easy if they can be easily quantified. One of the benefits of appraisal is that it gives bosses and their team members the opportunity to talk about how they measure the achievement of targets, such as improving communication, which don't come with numbers attached.

#### 5.4.4. Set review dates

Appraisal is not supposed to be merely a once-a-year chore. To get the maximum benefit from it, it should be part of a never-ending process of improvement. This means agreeing targets, reviewing them and learning from how they have gone.

### 5.5. Achieving corrective actions

A Performance Improvement Plan (PIP) is executed and achieves corrective actions through a structured and collaborative process, involving several key steps:

*5.5.1. Identify Performance Issues:* Start by clearly identifying the specific areas where the employee's performance is lacking. This should be based on documented examples and objective data.

*5.5.2. Set Clear Goals and Expectations:* Define what successful performance looks like. The goals set in a PIP should be specific, measurable, achievable, relevant, and time-bound (SMART). These goals should directly address the performance issues identified.

*5.5.3. Develop an Action Plan:* Outline the specific steps or actions the employee needs

to take to improve their performance. This could include additional training, more regular feedback sessions, or changes in their workflow or responsibilities.

*5.5.4. Provide Necessary Resources and Support:* Ensure the employee has access to the resources and support they need to meet their goals. This may involve additional training, mentoring, or changes in workload or work conditions.

*5.5.5. Establish a Timeline:* Set a reasonable but clear timeline for achieving the goals in the PIP. This typically includes regular check-ins and a final review date.

*5.5.6. Regular Monitoring and Feedback:* Schedule regular meetings to review the employee's progress, provide feedback, and make adjustments to the plan as needed. This helps keep the employee on track and demonstrates the employer's commitment to their improvement.

*5.5.7. Document Progress:* Keep detailed records of all meetings, feedback given, and progress made. This documentation is crucial for evaluating the employee's performance at the end of the PIP and for any future reference.

*5.5.8. Final Evaluation:* At the end of the PIP period, assess the employee's performance against the set goals. Based on this assessment, decide on the next steps, which could include a return to standard performance reviews, continuation of the PIP, or more drastic measures if the goals were not met.

*5.5.9. Communicate Openly:* Throughout the PIP process, maintain open and honest communication. The employee should never feel blindsided but rather supported and guided through the improvement process.

*5.5.10. Handling Unimproved Performers:* If an employee's performance does not improve after a Performance Improvement Plan (PIP), it's crucial to proceed with a combination of fairness, compliance, and empathy. Begin with a comprehensive review, assessing the employee's performance against the PIP's goals and ensuring all processes were fair and well-documented. If the performance gaps persist, consult with Human Resources and, if necessary, legal advisors to understand the implications of further actions, which may include exploring alternative roles within the organization or, as a last resort, termination of employment. In cases of termination, conduct the process respectfully, providing clear, documented reasons and considering offering transition support like outplacement services. Finally, use this experience to reflect on and enhance future performance management practices within the organization, ensuring continuous improvement and learning from each case.

## 6. Performance Improvement Plans and Individual Development Plans

Many organizations may define their performance review as a good opportunity to develop employees' competencies and performance. You may hear two acronyms like 'PIP' and 'IDP' during the performance review.

### 6.1. Performance Improvement Plans (PIPs)

A Performance Improvement Plan (PIP) is a formal document used in human resource management to address and rectify an employee's performance issues. It outlines specific areas where the employee's performance is not meeting the company's standards and provides a detailed roadmap for improvement. The PIP typically includes clear, measurable objectives and benchmarks for performance, a timeline for achieving these goals, and the support and resources that will be provided to the employee. The plan also outlines the consequences of failing to improve performance within the specified timeframe. The primary goal of a PIP is to guide the employee towards successful performance, rather than serving as a preliminary step for termination.

Creating an effective Performance Improvement Plan (PIP) that yields results involves including several key components:

#### 6.1.1. Performance Evaluation

Begin with a thorough assessment of the employee's current and past performance. It's essential to identify when and why the performance decline occurred. Clear and open communication at this stage can often reveal straightforward solutions.

#### 6.1.2. Goal Setting

Establish clear, realistic goals. Utilize the SMART framework to create goals that are Specific, Measurable, Achievable, Relevant, and Time-bound. Collaboratively agree on these goals with the employee. For example, an employee facing burnout might aim to attend a monthly coaching session for three months, while one struggling with punctuality could have a goal of consistent on-time attendance. Clearly outline any potential disciplinary actions if the goals are not met.

#### 6.1.3. Timelines

Define a timeline for each goal, similar to the 30-60-90 day format used in new employee onboarding. Include regular milestones and checkpoints to maintain focus throughout the PIP period.

#### 6.1.4. Support and Resources

Detail any additional support, training, or coaching to be provided. Consider the budgetary implications and ensure the employee has access to necessary resources to meet PIP objectives.

#### 6.1.5. Scheduled Meetings

Regular meetings are crucial for a successful PIP. Plan for initial, mid-term, and final one-on-one reviews, along with weekly check-ins for ongoing feedback and guidance, involving both the employee and the leadership.

#### 6.1.6. Plan for Next Steps

Transparency is key for an effective PIP. Clearly outline the post-PIP process, including both positive and negative outcomes. Specify what will occur if goals are met, such as returning to standard performance reviews, and the nature of feedback to be provided. Equally, detail the consequences of not meeting PIP goals, including potential demotion or dismissal, if these are possible outcomes.

Creating an effective PIP involves three key components: collaboration, clarity, and compassion.

#### *Collaboration*

Consider the PIP as a collaborative effort. Since the pandemic, the ability to build relationships has become more important for team performance. Nikki Pak, founder of Winning in Work, suggests getting to know the employee better to understand the root causes of performance issues. Involve the employee in setting realistic performance goals and regularly seek their feedback on the PIP. The aim is to support the employee's improvement, not to pressure them out of the team. Leaders should also collaborate with legal, human resources, and other leaders for a comprehensive approach.

#### *Clarity*

Ensure that the PIP's goals and timelines are transparent. Saterman notes that effective communication, healthy feedback, and clear expectations are vital for employee success.

#### *Compassion*

Approach PIP discussions with understanding and empathy. Employees may be anxious about the PIP's implications. Use positive feedback techniques, reassure them of your belief in their potential for improvement, and choose phrases that convey compassion and support.

## 6.2. Individual Development Plans (IDPs)

An Individual Development Plan (IDP) is a strategic tool for enhancing employee growth and development. It represents a mutual agreement between an employee and their manager, focusing on the employee's professional growth. IDPs are particularly effective for cultivating leadership qualities and developing employees with high potential.

### 6.2.1. The Main Objectives of IDPs

Individual Development Plans (IDPs) play a vital role in fostering employee growth and development. These plans offer several key benefits:

*Facilitating Employee Growth:* IDPs provide a roadmap for employees, delineating clear steps towards achieving their broader career objectives. By breaking down larger goals into achievable tasks, they offer direction and encourage employees to actively engage in their own development journey.

*Aiding Managers in Coaching:* With a thorough understanding of their team members' long-term and short-term career goals, managers are better positioned to offer effective coaching and support. IDPs offer detailed insights into each employee's strengths, aspirations, and specific action plans, enabling managers to guide their direct reports more effectively throughout their career paths.

*Enhancing Employee Loyalty:* Demonstrating a commitment to employees' personal and professional growth can significantly boost their loyalty and trust in the organization.

*Boosting Productivity:* The pursuit of well-defined, tangible goals can keep employees motivated and focused, thereby enhancing overall productivity.

*Supporting Employee Retention:* When employees see a clear pathway for career advancement within the organization, they are more likely to stay and achieve their career objectives internally, thereby improving retention rates.

### 6.2.2. The Process of IDPs

The IDP serves as a tailored blueprint for each professional's future advancement within your department. It signals the leader's dedicated effort to craft a personalized development plan, transforming the individual into a more valuable organizational asset. This plan specifically targets the skills and experiences needed for employees to realize their full professional potential. While training for current roles is often well-managed, developing employees for future challenges is equally crucial. Implementing

the IDP involves several interactive steps:

### *Initiating with Self-Reflection*

Begin the IDP process by having the employee conduct a thorough self-reflection. This reflection should encompass their motivation and strengths, long-term career ambitions, and short-term goals. These elements offer a comprehensive understanding of their career aspirations and the necessary skills and experiences to attain these goals. A candid self-reflection sets the stage for the entire IDP process.

### *Crafting an Actionable IDP*

Armed with insights from the self-reflection, the employee is prepared to develop their IDP. Guide them through the following steps:

- **Clarify the Plan's Objective:** Typically aligned with the short-term goal identified during self-reflection, this is the immediate focus post-IDP creation.
- **Identify Areas for Growth:** Collaborate with the employee to pinpoint skills and behaviors needing enhancement to fulfill their objective.
- **Set Development Goals:** Assist the employee in establishing realistic, quantifiable goals to improve in the identified growth areas, bringing them nearer to their broader goal.

For example, a sales account executive aiming to become a regional sales manager might set objectives around improving product knowledge, leadership skills, and sales forecasting, with specific, measurable goals related to sales targets, leadership feedback scores, and internal communication improvements.

### *Joint Review of the Plan*

This phase can precede or follow the plan's development, contingent upon individual or organizational preferences. Crucially, the employee and their manager should discuss the self-assessment and proposed IDP to ensure alignment on strengths, improvement areas, interests, goals, and how these align with organizational needs. This dialogue allows managers to offer business insights and help employees align their career goals with evolving business priorities.

### *Implementation and Outcome Evaluation*

With the plan in motion, regular meetings between the employee and their manager are vital to monitor progress, offer feedback, and assess performance. These consistent check-ins provide an external viewpoint, address challenges, and facilitate efficient goal

attainment.

### 6.2.3. The Primary Components of Individual Development Plan

An Individual Development Plan (IDP) is an essential tool for employee growth. Here's a breakdown of what to include in an IDP, illustrated with an example for a content marketing specialist aspiring to move into event planning.

#### *Employee Information*

Start your IDP with essential details: the employee's name, job title, manager's name, and the date of IDP creation. For example:

- Employee Name: Jane Doe
- Job Title: Human Resource Specialist
- Manager: John Smith
- IDP Creation Date: January 11, 20XX

#### *Career Goals*

Document the employee's immediate and long-term career objectives. In our case, Jane aims to:

- Join the company's conference planning team.
- Transition into a specialized role in event planning.

#### *Strengths and Development Areas*

Based on self-assessment, list the employee's skills, strengths, and areas for growth. For Jane, these might include:

- Strengths: Organizational skills, time management, communication, interpersonal relationships.
- Development Areas: Event planning knowledge, negotiation and budgeting, company's event software, creative problem-solving.

#### *Action Plan*

Outline how the employee will acquire necessary skills. This can involve a mix of learning methods like training programs, on-the-job training, mentorship, etc. Jane's action plan could involve:

- Assisting in the company's annual employee conference.

- Shadowing the HR Manager for insights.
- Completing an “HR Planning 101” course for certification.

#### *Time Frame*

Set a specific duration for completing the action plan, ranging from weeks to a year. Regular meetings between manager and employee should be scheduled to monitor progress. For Jane, this might be over a quarter or a year.

#### *Outcome*

Leave space to document results after the time frame. This section is for reflecting on performance and assessing the success of the IDP. For Jane, this might include feedback from the event planning team or tracking her mentorship sessions with the Event Manager.

### 6.3. Implementation of PIP and IDP

In best practices, whether to implement a Performance Improvement Plan (PIP) and an Individual Development Plan (IDP) concurrently depends on the specific circumstances of the employee and the organization's goals. Implementing a Performance Improvement Plan (PIP) and an Individual Development Plan (IDP) concurrently is possible but requires careful consideration to ensure effectiveness and to avoid overwhelming the employee.

#### 6.3.1. Different Objectives

It's important to recognize that PIPs and IDPs serve different purposes. A PIP is typically used to address and rectify immediate performance issues, while an IDP focuses on long-term career development and growth.

#### 6.3.2. Balancing Focus

When implementing both plans simultaneously, it's crucial to balance the immediate performance improvement needs with the long-term development goals. The focus should be on creating a manageable workload for the employee, so they do not feel overwhelmed by conflicting objectives.

#### 6.3.3. Clear Communication

Clear and consistent communication is vital. The employee should understand the distinction between the PIP's corrective actions and the IDP's developmental activities. This clarity helps in setting realistic expectations and avoiding confusion.



#### 6.3.4. Integrated Approach

Try to integrate the goals of the PIP and IDP where possible. For instance, if a PIP targets improvement in time management, the IDP can include long-term strategies and skills development in this area.

#### 6.3.5. Support and Resources

Ensure the employee has adequate support and resources to meet the demands of both plans. This might include additional training, mentoring, or adjusting workloads to accommodate development activities.

#### 6.3.6. Regular Monitoring

Continuous monitoring and feedback are essential. Regular check-ins will help track progress, make necessary adjustments, and provide support where needed.

#### 6.3.7. Employee Well-being

Pay attention to the employee's well-being. The combined pressure of a PIP and an IDP can be stressful. It's essential to monitor the employee's stress levels and overall well-being to ensure the dual process is not counterproductive.

In summary, while a PIP and an IDP can be implemented simultaneously, it requires a thoughtful approach that considers the unique demands of each plan, ensuring they complement rather than conflict with each other.

## Reference

- Aguinis, H. (2018). Performance Management (4th ed.). SAGE Publications.
- Baluch, A. (2023). What Is Outplacement? Everything You Need To Know. <https://www.forbes.com/advisor/business/outplacement/>
- Bauer, T.N. (2010). Onboarding New Employees: Maximizing Success. SHRM Foundation's Effective Practice Guidelines Series.
- Byrne, Z. S. (2022). Understanding Employee Engagement: Theory, Research, and Practice. Routledge.
- Catalino, N., Gardner, N., Goldstein, D., & Wong, J. (2022). Effective employee resource groups are key to inclusion at work. Here's how to get them right. Available on [www.mckinsey.com](http://www.mckinsey.com)
- CIPD (2022). Employee voice. <https://www.cipd.org/en/views-and-insights/cipd-viewpoint/employee-voice/>
- Crail, C. (2023). 15 Effective Employee Retention Strategies In 2023. [https://www.forbes.com/advisor/business/employee-retention-strategies/#why\\_employees\\_leave\\_and\\_why\\_they\\_stay\\_section](https://www.forbes.com/advisor/business/employee-retention-strategies/#why_employees_leave_and_why_they_stay_section)
- Daft, R.L. (2020). Organization Theory and Design (13<sup>th</sup> edition). Mason, OH: South-Western, Cengage Learning.
- Daher, E. (2021). OKR - Objectives and Key Results: The ultimate guide from the basics to the implementation (2nd ed.). Author Property.
- Davies, J. (2023). How to boost employee participation? <https://www.happeo.com/blog/employee-participation>
- Dessler, G., & Varkkey, B. (2023). Human Resource Management (17th Edition). Pearson Education.
- EnterpriseAlumni (2023). Corporate Alumni Program: Everything You Need to Know. <https://enterprisealumni.com/blog/corporate-alumni-program>
- Hastwell, C. (2023). What Are Employee Resource Groups (ERGs)? <https://www.greatplacetowork.com/resources/blog/what-are-employee-resource-groups-ergs>
- Kaikhosroshvili, K. (2023). How to Host a Fair and Productive Performance Calibration Meeting. <https://www.zavvy.io/blog/performance-calibration-meeting>.

- Kock, H., Wallo, A., Nilsson, B., Höglund, C. (2012). Outsourcing HR services: the role of human resource intermediaries. *European Journal of Training and Development*, 36(8), 772-790.
- Miles, M. (2022). Write a performance improvement plan (PIP) that really works. <https://www.betterup.com/blog/performance-improvement-plan>
- Murphy, K. R., Cleveland, J. N., & Hanscom, M. E. (2018). *Performance Appraisal and Management*. SAGE Publications.
- Noe, R. (2023). *Employee Training & Development* (9th Edition). Columbus, OH: McGraw-Hill Education.
- Reed, S. M. (2017). *A Guide to the Human Resource Body of Knowledge (HRBoK)*. Hoboken, New Jersey: John Wiley & Son.
- Test, L. (2023). A guide to creating a successful individual development plan. <https://www.cultureamp.com/blog/individual-development-plan-guide>
- Ulrich, D. & Brockbank, W. (2021). *Human Resource Competency Study*. The RBL Group.
- Ulrich, D., Allen, J., Brockbank, W., Younger, J., & Nyman, M. (2009). *HR Transformation: Building Human Resources From the Outside In* (Business Skills and Development). McGraw-Hill.
- Ulrich, D., Young, J., & Brockbank, W. (2008). The twenty-First-Century HR Organization, *Human Resource Management*, 47(4), 829-850.
- Ulrich, D. (1997). Measuring human resources: an overview of practice and prescription for results. *Human Resource Management*, 36(3), 303-320.
- Valentine, S.R., & Meglich, P., Mathis, R.L. & Jackson, J.H. (2019). *Human Resource Management*. (16 Edition). Mason, OH: South-Western Cengage Learning.
- Verlinden, N. (2023). Employee Value Proposition: All You Need to Know. <https://www.aihr.com/blog/employee-value-proposition-evp/>