



Human Resources Notes

"The aim of Human Resources Notes is to provide concise information on topical human resource management issues to guide effective people management practices."

Peter Fisher, Executive HR Consultant (THCS)

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The case for outsourcing human resources

This is a case for outsourcing those aspects of the human resources function where external specialists can provide superior professional and cost effective expertise to support business success.

For an entrepreneurial organisation, which has grown through its start-up phase without HR input, the time may be right for an external HR expert to set up and run the organisation's HR function. For a large established employer with an in-house HR function external experts can take on assignments aimed at enhancing HR's support to the business.

Business leaders will want to know what business benefit an HR expert provides to warrant paying for the service. There are three primary contributions HR can make to successful business performance. (1) Reduce total employment costs. (2) Reduce people related risks. (3) Increase employee productivity. Most business leaders will agree that managing employees is one of their more challenging and enduring focus areas. The role of an HR expert has a lot to do with taking away business leaders' people headaches. But, it does not end there. The HR expert

can proactively implement workplace practices to ensure that the business leader does not develop people headaches in the first place.

In delivering these outcomes, the business and concern of the true human resources professional today is anything and everything to do with managing people (employees) in organisations.¹ In a 21st century working environment this, to a large extent, involves fostering a work environment that harnesses intelligence, creativity and interpersonal skills. The HR expert helps set up a work environment where people are invested and enthusiastic about their work. Studies show that happy employees are less likely to quit or call in sick. Happy employees act as brand ambassadors outside the office, spreading positive impressions of their organisation and attracting star performers to the team.²

HR experts have an extensive menu of programmes, operating procedures and practices which they can apply through the entire employment lifecycle. They can make sure that a business is hiring the best talent, developing, compensating and performance managing that talent and terminating employees fairly. They can give HR input into the strategic planning process of the firm. And, in the highly regulated South African labour market, HR experts can ensure that businesses comply with employment laws as required.

An astute HR consultant does not foist a full menu of HR solutions on every client. Rather, the consultant takes time to understand the client and recommends action suitable in the context of the client's business.

Outsourcing to an HR consultant ensures that a business has the right level of HR expertise, in the right amount and at the right time. It is a cost effective and flexible solution.

An HR consultant in the role of trusted partner to a business can help a business build the bridge between employees' work performance and business success. ■

'Return to work interviews' reduce absenteeism

The South African economy loses between R12- to R16-billion a year as a result of absent workers, according to Occupational Care South Africa (OCSA) and Statistics South Africa.³ If your absenteeism rate is running at above 2%, you have an opportunity to cut your organisation's cost of absenteeism.

One measure to reduce absenteeism is a policy that every employee who returns from sick leave must be interviewed by his or her supervisor on the day of return. The purpose of these interviews is to ask about the employee's wellbeing and to find out whether any support or other action is required by the company.

Generally, the format of a return to work interview is:

- To ask about the employee's wellbeing
- Take receipt of medical certificates
- Update the employee on events during the employee's absence
- Inform the employee how he / she was missed
- Ensure the employee is aware that it is Company policy to follow-up on every instance of absence.

A return to work interview demonstrates the company's concern for the employee. It also curbs sick leave abuse as employees know that when they get back they must face their supervisor and talk about the reasons for being absent.

Effective management of absenteeism requires ongoing daily attention. There is a maxim that states that absenteeism will increase to the level tolerated by management. All employees must therefore be aware that management measures and acts on absenteeism.

No matter the extent of an absenteeism problem, managers must keep in mind their obligation to deal fairly with employees. Principles that managers must apply in managing absenteeism are:

- Illness is a human condition which will affect most people during their working lives.
- It will be unfair to punish a genuinely sick person.
- Only a minority of employees abuse sick leave.

In the light of these principles managers must deal with employees who are absent with respect and dignity. ■

Untangling insubordination and insolence, two different types of misconduct

The Labour Appeal Court (LAC) clarified the distinction between insubordination and insolence.⁴

Insubordination in the workplace, said the LAC, has been described by our courts as a wilful and serious refusal by an employee to obey a lawful and reasonable instruction or where the conduct of an employee poses a deliberate (wilful) and serious challenge to the employer's authority. Whereas in some cases defiance of an instruction may indicate a challenge to the authority of the employer, this is not so in every case. Insubordination may also be found to be present where disrespectful conduct poses a deliberate (wilful) and serious challenge to, or defiance of the employer's authority, even where there is no indication of the giving of an instruction or defiance of an instruction. It is, therefore, not essential for an instruction to be given or disobeyed to challenge to the employer's authority.

Insolence, on the other hand, is conduct which is offensive, disrespectful, impudent, cheeky, rude (disrespectful in speech or behaviour), insulting or contemptuous.

The LAC noted that there is a fine line between insubordination and insolence. The LAC emphasised that whether an incident of misconduct is either insolence or misconduct, dismissal will only be justified if the employee's acts are serious and wilful.

The incident which led to an employee's dismissal and the fairness of which was ultimately scrutinised by the LAC was an altercation between a company manager and a Managing Director. The employer had unlawfully deducted more than R6'000 from the

manager's pay and on a site visit by the MD, the manager challenged the MD. The MD declined to discuss it as he said it was being investigated separately. The manager "screamed and shouted" at the MD within earshot of members of staff, repeatedly accusing the MD of, turning his back on her, being "unprofessional", and "not an MD". The employee's version was that she raised her naturally loud voice and was extremely provoked by the unlawful deduction from her pay. She did not call the MD unprofessional or not an MD.

On analysing the evidence of the manager, the MD and other witnesses, the LAC found that the manager spoke to the MD in a brash and argumentative manner. Her version was preferred to that of the company. The LAC found that although the manager's conduct can be described as insolent, impudent, disrespectful, and rude, it certainly does not constitute insubordination which in law requires a persistent, wilful and serious challenge to, or defiance of the employer's authority.

In this light, the LAC found the company's dismissal of the manager to be unfair.

The one 'must ask question' when designing an incentive scheme

Eons ago, when I was still at high school, junior boys were tasked with picking up litter after lunch break. The instruction was simple. Fill up a waste paper bin with litter and you were free to go. The more cunning boys would slip out of sight and fill their bins from already full rubbish bins. The purpose of the exercise was defeated by boys wanting to score a few minutes of free time and avoid the drudgery of bending to pick up litter.

Behaviour which thwarts the goals of well-intentioned incentives is nothing new. In colonial times, citizens in India and Vietnam bred cobras and rats respectively to earn monetary incentives offered for the capture of these creatures. This unintended behaviour nullified the governments' eradication programmes. In 2011, the American banking giant Wells Fargo was embroiled in a reputation hurting scandal when employees violated customers' trust by opening thousands of fees generating sham bank accounts. This unethical behaviour was driven by

incentive structures that tied a substantial part of employees' compensation and their continuing employment, to steep sales targets.⁵

These examples of inappropriate behaviours by incentive recipients make it clear that implementation of any incentive scheme must be preceded by an in-depth analysis of the question:

- What unintended behaviours will this incentive encourage?

Failure to work through possible consequences may lead to counter-productive outcomes such as managers selfishly blocking employees' advancement to achieve their financial goals; employees favouring individual effort over teamwork; or, even unethical employee behaviour as happened at Wells Fargo. ■

References:

1. Lee, Dr G J. (2011) HR Metrics. Randburg. Knowres Publishing. p.4
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3. Skosana, I. (2014) Work absenteeism costs SA economy R16bn a year. Bhekisa Centre for Health Journalism (Internet) <http://bhekisisa.org/article/2014-08-12-sa-losing-r16bn-a-year-due-to-absenteeism> accessed 5 February 2017
4. Palluci Home Depot (Pty) Ltd v Herskowitz (CA21/13) [2014] ZALAC 81 (12 December 2014)
5. Drevich, G. (2017) The Mystery of Motivation. *Psychology Today* [online] January 2017. Available at <https://www.psychologytoday.com/articles/201701/the-mystery-motivation?collection=1097090> accessed 31 January 2017



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Course details

Date: 28 February 2017 | **Venue:** Tennant Human Capital Solutions, 59 Woodlands Avenue, Hurlingham Office Park, Block A Suite 3, Cnr. Republic & William Nicol Drive, Hurlingham Manor, Sandton

Time: 9:00 – 16:30 | **Cost:** R2000 excluding VAT per person | **Facilitator:** Peter Fisher*

Who should attend

Supervisors, team leaders, first line managers, newly appointed junior managers and candidates for appointment into in supervisory positions.

The supervisor's challenge

"To be a successful first-time manager requires a major transition for which many people are not adequately prepared. Perhaps the most difficult aspect of this transition is that first-time managers are responsible for getting work done through others rather than on their own." (Charan, Drotter, Noel: 2001)

*Peter Fisher, Executive HR Consultant at Tennant Human Capital Solutions, holds a BSocSc Hons degree and has more than 25 years' experience as HR Consultant, HR Manager and HR Director. Peter is passionate about implementing and facilitating development programmes which help employees realise their full potential at work. This in turn, is a building block for excellent business performance.

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