



## 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)

### In this issue

- Employee engagement is not a simple solution
- Absenteeism: ill-health incapacity or misconduct?
- Strike contingency plan – essential in a unionised environment
- The one 'must ask question' before dismissing an employee.

### Employee engagement is not a simple solution

A recent article described high employee engagement as the holy grail of today's workplace. Companies pursue it because they believe that improving employee engagement will have a positive ROI for the business above and beyond simply having happier employees. Expected outcomes of employee engagement are retention, productivity, profitability, and customer loyalty & satisfaction. A study reported in the article of two Fortune 100 companies suggests that there is not a straight forward causal link between employee engagement and superior business performance.<sup>1</sup> Others have also advised caution in assuming causal links.

In considering the value of employee engagement, a company must define the concept. The following definition is a good starting point:

"The extent to which employees are motivated to contribute to organisational success, and are willing to apply discretionary effort to accomplishing tasks important to the achievement of organisational goals."<sup>2</sup>

This definition homes in on an employee's willingness to apply discretionary effort to achieve organisational goals. Without a link to superior work performance, employee engagement does not necessarily translate into better company performance. At 'acceptable performance' a company is getting what it paid for. When employees exert discretionary effort, a company is moving into the realm of employee based competitive advantage.

However, there are reasons to be cautious about jumping into the quest for employee engagement without understanding how the initiatives will ultimately improve company performance.

In the study by Fuller and Shikaloff<sup>3</sup>, they found that in some cases high engagement correlated with high average hours worked (a proxy measure for productivity) and in other cases it did not. Even where there is a high correlation it does not necessarily prove a direct causal relationship between the two.

Another writer, Marshall Goldsmith<sup>5</sup>, observed that a common mistake being made by management is to believe that companies can singlehandedly increase employee engagement through programmes such as quality leadership, fair compensation, recognition programs, training, and effectively communicated corporate values. However, these managers ignore half of the equation by disregarding that employees can take responsibility for their own engagement.

To illustrate his point, Goldsmith gives an example of two flight attendants working on a flight. One is positive motivated upbeat and enthusiastic – while the other is negative, bitter, angry and cynical. However, they both have the same pay, with the same uniform, with the same customers, on the same plane, with the same employee engagement program. What's the difference? The 'engaged' attendant's engagement is internally based.

In deciding on which human resources initiatives to prioritise, a clear line of sight from initiative to superior employee work performance to a positive business outcome should trump other options. ■

### Absenteeism: ill-health incapacity or misconduct?

Wrongly categorising an employee's absence from work can be a costly mistake by an employer. In this note I clarify the circumstances in which each process is appropriate.

An ill-health incapacity procedure is typically called for when a medical condition impairs an employee's ability to regularly and reliably attend work or perform his/her duties. The employee is generally not to blame for the inability and would not choose to be afflicted by the condition.

On the other hand, a disciplinary process to deal with misconduct is usually applicable when an employee's absence is a behaviour related issue in circumstances where the employee is at fault.

Types of absenteeism misconduct include:

- Unauthorised absence from work
- Failure to notify management as soon as is practically possible of an inability to come to work
- Falsification of a medical certificate
- Sick leave abuse (which may be indicated by persistent / frequent periods of absence which forms a pattern e.g. associated with weekends and public holidays or visits to many different doctors who made unrelated diagnoses)

No matter which process it follows, a Company needs to be able to prove that it based its decision on facts, that the employee was given the full opportunity to state his / her case and question the Company's evidence, that the employee was permitted representation, that a pre-dismissal enquiry was held and that dismissal was an appropriate measure of last resort. ■

### Strike contingency plan – essential in a unionised environment

Strikes are still a common weapon used by employees and their unions in South African employment relations.

Recently the Sunday Times<sup>5</sup> reported that the National Union of Mineworkers agreed to pay R1.25 million to settle a dispute with Good Hope Construction after the company sued the union for damages following a particularly violent strike by more than 200 NUM members.

The right to strike (peacefully) is a constitutionally entrenched right in South Africa. It is the ultimate weapon unions and their members can use when the negotiation of terms and conditions of employment fail. Striking is a resort to power to force the employer negotiating party to give in to the union's demands.

A company can minimise any negative impact of strikes on its clients, employees and operational performance and win back some power from the strikers by having in place a comprehensive strike contingency plan which guides management's response when employees down tools.

Here are six of the major elements of a strike contingency plan:

- **Strike management team.** The company needs to identify the strike management team and document their roles. This team will lead and co-ordinate management of any strike.
- **Initial response plan.** Many strikes start without proper notice. A strike is industrial relations warfare and wars are won by seizing the initiative. The IRP is key in taking back control.
- **Record keeping.** Documentary records are essential for application of the 'no work no pay' principle, disciplinary action and litigation. During a strike, a 'strike diary' should be collated in real time.
- **Communication plans.** A plan of how you will communicate with strike participants, unions,

non-striking employees, clients, neighbours, attorneys, police and media.

- Security. Law and order is often abandoned by aggressive strikers. You need a plan which provides a proportionate response to whatever behaviour the strikers adopt.
- Business continuity. The ultimate win during a strike is to maintain service delivery to your clients without any disruption. How will you achieve this?

A comprehensive strike contingency plan is the basis of an effective management response to strikes. ■

### The one ‘must ask question’ before dismissing an employee

An employer may dismiss an employee for one of three reasons [1] misconduct (employee’s intentional violation of workplace rules); [2] incapacity (employee’s ill-health, injury, incompatibility or failure to meet performance standards); or [3] operational requirements (employee is surplus to the employer’s needs).

Any dismissal must be done in a fair way and for a fair reason. Law makers codified the requirements of fair dismissal in schedule 8 of the Labour Relations Act. There are also decades worth of case law which guide employers in the many nuances of fairness when they dismiss employees.

One question that I ask myself as a quick fairness check during any dismissal decision making process is: **Will the dismissal come as a surprise to the employee?**

If the answer is “no” then it is likely that the employer is on the right track procedurally and substantively. If the answer is “yes” then the process and reasons must be thoroughly analysed before going ahead.

To avoid employees being surprised when they face dismissal, employers must focus on quality communication with their employees to make sure that employees always know where they stand.

Three examples of quality employer communications which eliminate the likelihood of an employee one day being caught unawares are:

- An employer incorporates the company’s conduct rules in an induction programme and spends extra time on those rules which may be unique to that employer.
- A manager holds monthly 1:1 discussions with her subordinates at which work performance is discussed.
- A company communicates early about a market change which may lead to job cuts. (The company does not leave the communication to the grapevine or public media.)

By ensuring that there are no nasty dismissal surprises, an employer reduces the risks associated with unfair dismissal disputes. ■

### References:

1. Fuller, R & Shikaloff (2017) *Being Engaged at Work Is Not the Same as Being Productive*. HBR.org <https://hbr.org/2017/02/being-engaged-at-work-is-not-the-same-as-being-productive>, accessed 21 February 2017
2. Kenexa, 2008. *Engaging the employee: A Kenexa Research Institute Work Trends report*. Kenexa USA
3. Fuller & Shikaloff *op cit*
4. Goldsmith, M. (2016) *The Biggest Mistake Made in Employee Engagement!* <http://www.linkedin.com/pulse/biggest-mistake-made-employee-engagement-marshall-goldsmith> viewed 29 Mar 16
5. Nombembe, P (2017) *NUM pays R1.25m after reign of terror*. Sunday Times February 26 2017. p10.



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| 1. Outsourced HR partner | Regular on site presence to identify, prioritise and proactively deal with employee issues affecting business performance.            |
| 2. Fair dismissal        | Execute all aspects of the disciplinary process including investigation, charge formulation, initiation, chairing.                    |
| 3. Compliance            | Implement a framework of policies, procedures and practices which are compliant with employment laws and support business operations. |
| 4. Training              | Develop and facilitate training in industrial relations, supervisory and management skills, negotiation, employment equity            |
| 5. HR strategy           | Identify people challenges and opportunities and implement initiatives to lever business performance.                                 |

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### Peter Fisher, HR Consultant

BSocSc | BSocSc Hons

HR Professional, Qualified, Experienced, Practical

+25 years' experience as HR Consultant, HR Director and HR Manager

Industrial relations expert

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Contact Peter: 082 453 7034 | [Peter.Fisher@tennant.co.za](mailto:Peter.Fisher@tennant.co.za)