JUNE 2017 ISSUE 12

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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

Retaining star employees

While attracting and appointing star employees is one of the key ways HR can support a business, retaining those star employees once hired, is also of vital importance. There is a cost associated with high staff turnover. It is dysfunctional when it is predominantly good performers who are leaving.

Some of the costs of dysfunctional staff turnover are recruiting, hiring, assimilation and training costs; disruption of social and communication structures; productivity loss; and a negative image of the company as employer (Lee, 2011).

The concept of human capital is that people possess skills, experience and knowledge, which enhance productivity. There is significant economic impact when a company loses its star employees, especially given the knowledge that is lost with their departure (Ramlall, 2004)

In this context, employers must include a 'retention pillar' in their talent management strategies. Star employees must know their valuable status in a company and must feel they get special treatment in a company's human resources practices. There are many practices and programmes that a company can implement to retain star employees. Here are five practices that can underpin a retention strategy:

1. Hire right. Getting the right people employed significantly reduces people related costs and enhances business performance. When there is a good match between employees and the company, retention is less likely to be an issue.

2. Purpose. People want to feel they are succeeding and that their talents and capabilities are being used in a way that makes a difference to the business. When people sense their actions are fulfilling this desire, they begin to develop a sense of belonging and a feeling that *the* company is *their* company. People are often happiest when they are in the process of achieving a goal, when they are making a valuable contribution and accomplishing desirable goals (Entrepreneur). Creating a work environment which links employees' efforts with business objectives is a recipe for fostering loyal star employees.

3. Training and development. Stars want to grow whether it is within their job specialisation or advance up the corporate ladder. A Company must support its people development agenda with clear career pathing and mentoring (Butler van Eeden, 2012).

4. Remuneration. While Bussin (2012) concedes that remuneration may not be the most significant factor in promoting staff retention, he cites global research which concluded that about 25% of the "stay" decision relates to remuneration. Pay is a powerful influencer in employee decisions to remain committed to a company. Many structuring options are available such as pitching a guaranteed package at the upper quartile of the market,

package flexibility, and long- and short-term incentives.

5. Leadership. People join companies and leave bosses. Employees must believe that senior management is competent and that the organisation will be successful. Senior managers must be able to inspire this confidence. Therefore, spend on leadership development will be an important contributor to employee retention (Bussin, 2012). ■

Be ready to motivate performance all the time

An opportunity is missed if a manager thinks that performance management is mainly about twice-yearly appraisals, performance dashboards or monthly 'check-ins' with direct reports. While these processes and reports are an important part of a performance management strategy, managers should be thinking about and applying performance management every day.

Management experts Ken Blanchard and Spencer Johnson (2015) point out that managers should make it their mission to catch people doing things well and immediately recognise them for it. This is their 'one minute praising' recipe for letting employees know that they have done something well:

1. Praise people as soon as possible.
2. Let people know what they did right – be specific.
3. Tell people how good you feel about what they did right, and how it helps.
4. Pause for a moment to allow people time to feel good about what they have done.
5. Encourage them to do more of the same.
6. Make it clear that you have confidence in them and support their success.

As their label for this process implies, this only takes a few moments of a manager's time.

In applying this, managers should not overdo it. Managers must look for and praise examples of people doing more than expected. Complimenting work activities should be aimed at all team members (no favourites) and if appropriate at the whole team. Words of praise must be genuine. The return, in the form of motivated performance, far exceeds the *cost* of saying to someone "well done". ■

Beware of employees who oversell their work abilities

Many job applicants add false qualifications to their CVs and companies routinely subject claimed qualifications to verification. Another problem recruiting employers must deal with is embellishment of accomplishments and overselling of competencies.

Sometimes there is a fine line between past work achievements and dishonest portrayal of experience. Applicants for employment are selling themselves in a competitive job market and their CVs are a snapshot of what they offer. The distinction between what an applicant thinks he or she can do and what he or she can do is often not clear cut in the mind of an applicant.

A case involving an employee who oversold his abilities was heard in the Labour Court (2010).

On the strength of his CV and statements in a selection interview, the employee was hired in the position of Customer Relationship Manager at a logistics company. The employee said he was a logistics expert. He said that in his previous employment, he was responsible for, inter alia, the compilation of sales plans detailing targeted corporate clients, making presentations of the product range to clients and performing a needs analysis, monitoring of recommended plans, sourcing and securing new business, production of weekly reports and the drafting of financial business plans. The employee said that he would need to acquire knowledge of the employer's product which he was to sell.
Within the first month, the employer discovered that the employee had 'oversold' his capabilities

and he was not the sales expert he purported to be. His performance was far below that required. The employer proposed an amicable parting of ways by settlement agreement. This was rejected by the employee. A week later the employee was dismissed for misconduct relating to his misrepresentation of his abilities.

At the CCMA, the employee claimed he was only given two weeks to prove himself and the employer had failed to afford him counselling and training to equip him for the sales portfolio. The CCMA concluded that the dismissal was substantively unfair. The commissioner said that the employer should have given the employee more time and support. The employer took the case on review to the Labour Court, which overturned the CCMA award. The Labour Court's findings were that:

If an applicant for a position misrepresents his experience and/or qualifications and is appointed to a position based on such a misrepresentation, then there is no duty on the employer to provide such an employee with counselling, training or assistance. An employee who misrepresents his/her qualifications or experience is dishonest and is not entitled to be appointed to a position in the first place. An employment relationship is based on mutual trust and deceit is incompatible with, as well as destructive of, trust. Moreover, if an employer would, in such circumstances, be required to provide counselling, assistance and/or training to the deceitful employee, it would mean that the employee would in fact be rewarded for his/her dishonesty or deceit while the employer would be penalised.

Despite winning in the end, this case was a costly experience for the employer. It underscores the need for rigorous selection interviews, background checks and other applicant assessment processes.

Unnecessary complexity in industrial relations procedures

Many organisations still operate within the strictures of overly long, prescriptive and legalistic self-imposed industrial relations procedures. This is commonplace in procedures relating to discipline and incapacity. These make addressing misconduct and incapacity issues onerous and daunting for managers without a concomitant reduction in the risk that employees will go to the CCMA when dismissed.

An employer's discipline and incapacity procedures that we recently reviewed provide a case study in excessive complexity.

Firstly, the length of the procedures indicated superfluous content. At over 5'000 words, the employer's procedures had more than double the number of words than *The Code of Good Practice Dismissal* (Labour Relations Act 66 of 1995, Schedule 8). The wordy procedures were supplemented by a disciplinary code and more than 30 pages of forms for use at different stages and circumstances in discipline and incapacity procedures.

Written procedures cannot anticipate and regulate every circumstance which a manager may encounter in dealing with misconduct and incapacity. Neither is it a necessary objective of such procedures. The introduction to the Code of Good Practice Dismissal states that: "Each case is unique, and departures from the norms established by this Code may be justified in proper circumstances". The law protects employees from arbitrary action but there is no need for a criminal court-like trial every time an employee breaks a company rule.

We have encountered a different case where routine disciplinary action by management suddenly dwindled. This change correlated with the implementation of onerous disciplinary procedures which managers found too daunting to apply in their already busy schedules. They simply started ignoring errant employees.

There are several well-established principles of procedural and substantive fairness such as the requirements to notify an employee of the allegations in a form and language that the employee can understand and the need for consistency, which an employer should embody in

its procedures. However, it is unnecessary to plump up the procedures with screeds of content.

Secondly, over prescription of procedural technicalities in discipline and incapacity procedures can shift the focus from establishing the facts relevant for a good management decision to complying with procedural minutiae. This is an unnecessary burden on managers.

This is not a case being made to dispense with procedural formality in misconduct and incapacity cases. Our law still sets procedural fairness as an independent requirement of a fair dismissal (Grogan, 2015). The point is rather, employers should avoid self-imposed procedural technicalities worthy of a criminal court.

Thirdly, overuse of legalistic terminology and jargon in procedures inappropriately takes work misconduct and incapacity cases to the level of criminal courtroom practice rather than business decision making. Use of words like "offence", "accused", "cross-examine" and "sentence" should lie beyond the scope of employment relations. In a landmark Labour Court judgment, Van Niekerk AJ, (2006) spoke out in no uncertain terms against a 'criminal justice' model of employment relations. For example, he said: "there is clearly no place for formal disciplinary procedures that incorporate all of the accoutrements of a criminal trial, including the leading of witnesses, technical and complex 'charge sheets', requests for particulars, the application of the rules of evidence, legal arguments, and the like" (Giles Files, 2010).

Employers can lower the burden of complex misconduct and incapacity procedures by reviewing and simplifying the content of their procedures. Providing training for managers who must address misconduct and incapacity and appointing an outside expert to chair misconduct and incapacity cases will also enable managers to focus their energy on running a business. Managers should not have to devote scarce hours to navigating their way through criminal court-like industrial relations procedures. ■

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Course details

Date: 19 July 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:** R2'200 excluding VAT per person

Who should attend

Supervisors, line managers, human resources and employment relations specialists, and anyone responsible for managing poor work performance

Facilitator

Peter Fisher, Executive HR Consultant
BSocSc Hons, +25 years' experience as HR Consultant, HR Manager and HR Director
Advises employers and facilitates training on all aspects of workplace employment relations; regular chair of disciplinary enquiries; and he has represented employers in the CCMA and other labour tribunals

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