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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."*
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In this issue

The power of employee led performance feedback

A manager who has just given an employee candid negative work performance may feel it's a job well done. After all it is a manager's job to manage the performance of team members and addressing stressful topics like unsatisfactory performance is part of the job. However, the manager's positive perception of the interaction could be wrong.

The employee may leave the same meeting with a very different mindset. The employee is likely to be rationalising or discounting the negative feedback instead. The employee could blame the poor performance on issues beyond the employee's control. "I can't be expected to sell if the manager team sets our product pricing so high." Or, the employee may rationalise that he is not the problem, the boss (or some other third party) is. "Everyone says that her expectations are crazy in this economy. She should have set more achievable sales targets," for example. Having rationalised the negative feedback thus, the employee is unlikely to make any effort to improve his work performance. In fact, the employee continues along the path of mediocrity not experiencing any sense of responsibility for the situation. The manager is likely to experience more stress and may even lose her job for not achieving her team's performance objectives.

So much for the power of performance management as a tool to drive business performance.

The failure of negative performance feedback, as described above is attributable to cognitive dissonance, the mental conflict that occurs when beliefs or assumptions are contradicted by new information. In the above case, the employee has the belief that he is a good performer. Dissonance results when confronted by the manager's new information that he is not meeting performance expectations. The employee will be motivated to eliminate the dissonance, which can be achieved by reducing the importance of the conflicting beliefs, acquiring new beliefs that change the balance, or by removing the conflicting attitude or behaviour. Unfortunately, it is a human trait to take the path of least resistance and it is easier to modify beliefs rather than behaviours. It is easier to conclude that the manager is "a jerk" than to execute an action plan to improve sales.

There is a way to get around the challenges of cognitive dissonance in performance management interactions. The solution is to overcome the perceptual conflicts by reversing the roles in performance discussions. Managers must ask rather than tell in both performance feedback and goal setting. Employees should come to performance discussions ready to explain their performance achievements (or lack thereof) and the ways employees plan to overcome performance shortcomings. In this way, employees own their performance goals and the outcomes achieved. The manager's role shifts from performance driver to coach.

This is not a recipe for getting lowballed performance objectives. Management retains the prerogative to decide if the employee's own objectives and achievements are adequate. Holding an employee rigorously accountable for results is much easier when the employee has set the objectives and evaluated their own performance. ■

References:

(1) Jacobs, CS (2010) The Problem with Your Performance Feedback *Moneywatch* (online) www.bnet.com/article/the-problem-with-your--performancreview-feedback/387724 Accessed 5 March 2010
(2) _______ (2018) Encyclopaedia Britannica (online) https://www.britannica.com/science/cognitive-dissonance Accessed 30 April 2018

Costs linked with employee turnover

Employee turnover, the rate at which employees leave an organisation, has cost implications for an employer, which employers need to track and manage. Not all the costs (or benefits) associated with staff turnover are tangible. Here are the primary employee turnover costs to a business.

- **Recruitment costs**

These include the costs of sourcing job candidates; background checks; other pre-employment testing and the operational costs such as time taken to interview applicants and administration of the selection process.

- **Onboarding**

Costs are associated with running induction courses, training the employee; and extra supervision time for new joiners.

- **Burden on other employees**

While a new employee is being found, other employees must cover the work done by the previous incumbent. These costs may extend past the hire date of a new person while the new person is being trained to perform.

- **Productivity**

If co-workers successfully cover for the employee who has left, productivity rises because the same output is being achieved by one fewer employee. However, such an increase is unsustainable and ultimately the intangible costs of fatigue and disgruntlement may outweigh the productivity benefit.

- **Mistakes**

Errors are likely to increase when employees are covering the duties of their former co-worker and when the new appointee is learning to do the job.

- **'Disengagement'**

High employee turnover is usually an indicator of low employee engagement. If well-liked employees and those recognised by their colleagues as valuable are leaving, staff morale is likely to dip. Higher absenteeism and lower performance levels may manifest.

Despite these costs, not all employee turnover is bad for an organisation. Functional turnover occurs when the performance levels of those leaving is lower in general than those staying and / or joining. ■

References:

1. ____________ (2017) Integrity HR (online Blog) https://integrityhr.com/hrblog/real-costs-employee-turnover-measure/?inf_contact_key=42eebb3e2c8b4872e98f36cbc5a70cabb3bc7220782e2410dbe82b19ef1a87a5 Accessed 10 May 2017
2. Lee, GJ. (2011) HR Metrics Randburg: Knowres Publishing pp211 - 213

Director General's Review of Employment Equity Compliance

In its 17th annual review of the status of employment equity in South Africa, issued in July 2017, the Commission for Employment Equity noted:

The Employment Equity Reports received from employers for the 2014, 2015 and 2016 reporting periods reflected that while Africans continue to occupy the largest portion of the workforce, their representation is mainly concentrated at the bottom occupational levels. Whites and Indians continue to dominate at the middle-to-upper occupational levels. Foreign Nationals occupy a large part of the workforce at all levels. The workforce profile at the upper echelons in organisations is mainly white and male. This suggests that South African workplaces remain racialized and gendered (sic). The shift towards gender equality in continues to grind at a slow pace.

In this context, the Department of Labour is currently more active in compliance enforcement. Inspections by Department officials are conducted either unannounced or with around a week's notice. There is no place to hide. During April, a one-person business we know, tucked away in a multi-tenant building was inspected. In addition to these 'walk-in' inspections, the Department is increasingly using its powers in terms of Section 43 of the Employment Equity Act to conduct Director General's reviews of employer's employment equity practices.

An employer being reviewed receives a written request to provide a file of employment equity documents. The timelines for submission are always short. The Department requires an employer to confirm and substantiate with documentary evidence the following:

- Details of the assigned senior manager;
- Details of the employment equity consultative committee;
- Proof of consultative meetings including agendas; signed minutes, and attendance registers for a twelve-month period.
- Employment equity analysis (EEA 12);
- Employment equity plan (EEA 13); and
- Income differential by job level with analysis details.

The Department examines the information in detail and requires explanations to be provided if they feel an employer has been superficial or non-compliant. If an employer fails to comply with a Director General's recommendation, then the Department may get a Labour Court order and impose a fine. ■

Different kinds of misconduct at work

Misconduct at work which warrants dismissal for a first occurrence may take many forms. Most companies have created disciplinary codes which guide managers and employees on proportionate disciplinary measures for a wide range of work rule infringements. This note gives information about different types of misconduct which have previously been found to be serious enough to warrant dismissal. The list is not exhaustive.

- Alcohol related misconduct

An employer may not permit a person who is under the influence of alcohol to work. An intoxicated employee is a danger to himself and to others. Intoxication may be proved by breathalyser test; blood tests and observation by witnesses of signs of intoxication. Breathalysers and blood tests are objective tests which produce reliable evidence if properly administered. Employers faced with instances of intoxication at work should take note that: (1) A 'zero tolerance' policy does not automatically justify dismissal for a first instance of the misconduct. Each case must be considered on its merits. (2) If it is established that an employee is alcohol dependent, then the employer must address the issue as a form of medical incapacity.

- **Assault**

The legal requirements for assault are the intentional and unlawful application of physical force, however slight, to the body of the complainant, or the threat to apply such force. There is no place in a work environment for someone who resorts to physical violence to resolve conflict.

- **Bribery**

Bribery is the giving or receiving or attempting to give or receive to/from another person any item of value to induce the other party to act in an improper manner, in the performance of that individual's duties. In a case of bribery, both the giver and receiver of the bribe have committed misconduct.

- **Dereliction of duty (Gross)**

Dereliction of duty is a "deliberate, conscious or wilful neglect of duty" (Collins Dictionary). It takes the form of a failure by an employee to comply with a duty to perform a task or job function within the scope of the employee's responsibilities. Gross means serious.

- **Dishonesty**

The gravity of gross dishonesty makes a continued employment relationship intolerable. This misconduct in the form of theft, unauthorised removal of company property and fraud, for example, destroys the trust between employer and employee.

Not every act of dishonesty justifies dismissal. The Labour Appeal Court has said that telling a "white lie" in panic to avoid getting into trouble has been held not to constitute dishonesty meriting dismissal. (Labour Appeal Court, 2010)

- **Insubordination**

Insubordination occurs when an employee refuses to accept the authority of his employer. An employee's failure to obey an instruction is insubordinate when the facts show that the employee intended to defy the company's authority.

- **Intimidation**

Using threats or conduct with the aim of influencing a person or group to act in a certain way which is harmful to the company constitutes intimidation.

- **Negligence (gross)**

An employee is negligent when he fails to take the amount of care in performance of her duties which the employer can reasonably expect in the circumstances. The employer faces an actual or potential loss because of the negligence.

- **Racism**

Racism is prejudice or discrimination or animosity against people who belong to other races and is often displayed in the form of slurs or comments made which impair the dignity and reasonable sensitivities of those against whom they are directed. If racism by an employee is proved, dismissal is appropriate. South African Courts up to the Constitutional Court have made it clear in their judgements that there is no place in employment relationships for racist conduct.

- **Sexual Harassment**

Sexual harassment is unwanted conduct of a sexual nature and may include physical contact, verbal harassment, non-verbal and quid pro quo harassment. It constitutes unfair discrimination.

- **Unauthorised absence from work**

Unauthorised absence from work for a substantial period, usually three days or more, (the period is not statutorily prescribed) justifies dismissal. The disciplinary hearing chairperson must be satisfied that the company has made a genuine effort to locate and establish reasons for an employee's absence from work.

If the form of an employee's misconduct is serious and the chairperson concludes that the employee can no longer be trusted or that it is impossible to continue the employment relationship, then dismissal will be a fair disciplinary measure. ■

Reference:

1. Grogan, J. (2015) *Dismissal* (2nd Ed) Cape Town: Juta pp. 213 - 262

The contents of Human Resources Notes do not constitute legal advice. For specific professional assistance tailored to your needs consult an expert.

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