

CHAPTER 2: COORDINATE HUMAN RESOURCE FUNCTIONS

Unit of Learning Title: Coordinating Human Resource Functions

Unit of learning code: BUS/BM/CR/01/5/A

Related Unit of Competency in Occupational Standard: Coordinate Human Resource Functions

2.1 Introduction to the Unit of Learning

This unit specifies the competencies required to coordinate human resource functions. It involves undertaking operational planning and job and resource allocation, implementing departmental teamwork strategy, monitoring team performance, appraising, rewarding and penalizing employee performance, preparing performance improvement plan. It also involves maintaining organization change and preparing departmental team report.

2.2 Summary of Learning Outcomes

1. Undertake operational planning
2. Allocate departmental job and resources
3. Implement departmental teamwork strategy
4. Monitor team performance
5. Appraise employee performance
6. Reward/penalize employee performance
7. Prepare performance improvement plan
8. Maintain organization culture
9. Coordinate organization change
- 10. Prepare departmental team report**

2.2.1 LEARNING OUTCOME 1: UNDERTAKE OPERATIONAL PLANNING

Introduction to the Learning Outcome

The learning outcomes include obtaining the operational plan from strategic plan, identifying required resources, preparing operational budget for approval and obtaining funds. The operations of a department are carried out according to the plans and budgets which require approval to obtain any funds.

2.2.2 Performance Standard

1. The operational plan is obtained from strategic plan according to SOP's,
2. The required resources are identified according to operational plan.
3. The operational budget is prepared and approved according to budget procedure,
4. Funds are obtained according to the organization budget.

2.2.3 Information Sheet

Definitions of terms

Vision: A statement of what the organization aspires to become in the future.

Mission: A statement of why the organization exists.

Goal: A specific statement that provided clear guidance to employees as they perform their work.

Planning: It is the process of thinking about the activities that are to be achieved to meet the desired goal.

Department: It is a specialized functional area or division within an organization.

Budget: It is an estimate of revenue, expenses, resource quantities or cash for a specified future period, usually a year.

Funds: A pool of money allocated for a specific purpose.

Strategic plan: It is a document which outlines the mission, vision, and goals for the next three to five years. The strategic plan is supported by annual operational plans.

Operational plan: It is a document which outlines the key activities and targets an organization will undertake during a period of time, usually one year. It is often linked to funding agreements as well as linked to the organization's strategic plan. It is a plan which provides a detailed picture of how a department, section or team will contribute to the attainment of the organization's goals.

Planning Process

Planning process in an organization begins with the establishment of a vision and mission statement. A strategic Plan is then prepared. From this plan an operational plan is prepared. After identifying the required resources, an operational budget is prepared which undergoes an approval process. Human resource is one of the important factors both in the planning and budgeting process, but also as a resource. Figure 1 below shows the planning process.



Figure 14: Annual Operating Plan and Budget – ICANN (drawing to be modified up to annual OP)

Purpose of a Strategic Plan

- i. It outlines the mission, vision, and goals for the next three to five years.
- ii. It sets the goals and objectives and develops action plans to achieve them.
- iii. It outlines the strategy for growth and success of the organization.
- iv. It gives the priorities of the organizations in order to achieve long term goals.

Importance of an Operational Plan

- i. It draws its mandate from the strategic plan by focusing on the mission, vision and objectives of the organization.
- ii. It gives details of the actions the departments or teams must carry out in order to achieve short-term targets and objectives of the organization.
- iii. It brings about effective management of employees.
- iv. It allows proper allocation of resources.
- v. It is adjusted according to organization's needs

Key Components of the Operational Plan

- i. Clear objectives of the organization
- ii. Activities to be undertaken in the organization
- iii. Quality standards to be achieved in operations
- iv. Key targets and key performance indicators
- v. Staffing requirements
- vi. Resource Requirements and Budget
- vii. Implementation timetables
- viii. A process for monitoring progress
- ix. Targets that need to be met in order to achieve short-term goals
- x. Risk management plan

Operational Planning Decisions

- i. Scheduling of human resources
- ii. Availability of materials
- iii. Financial availability to meet both capital and revenue expenditure

Differences between Strategic Planning and Operational Planning

1. Time Focus

The strategic plan outlines long term goals of 3 to 5 years while operational plan outlines short term goals, that is, for the next one year.

2. Plan Focus

The goal of a strategic plan is to outline the organization's long-term vision and how all departments should work together to achieve it, while an operational plan is focused on department.

3. Plan Generation

The executives of an organization are responsible for preparing the strategic plan while the operational plan is drawn from the strategic plan with departments working together to meet strategic goals. Every department is responsible for creating their own operational plan.

4. Funding of Plan Budget

The budget for your strategic plan comes from your strategic budget while the budget for the operational plan comes from the department's annual budget. The annual department budget needs to be aligned to the strategic plan for it to be approved.

5. Reporting

Strategic plan reporting is usually done both annually and quarterly where the executive evaluates the organizations performance against set targets and goals, while the operational plan is evaluated on an annual basis.

Developing an Operational Plan

In an operational plan, human, financial, and physical resources will be allocated to achieve the short-term goals that support the larger strategic objectives of the organization. The plan will answer questions like:

- Who should be working on what?
- How will we allocate resources on a given task?
- What risks do we face at present and how can they be mitigated?

Steps Taken to Develop Operational Plan

1) Start with the Strategic Plan

An operational plan is a tool for carrying out the strategic plan. It is important to ensure that everyone involved understands the plan.

2) Focus on the Most Important Goals

First the strategic plans are broken down into one-year goals and objectives. Operational plan is created, then determine the key initiatives and KPIs that will help to achieve those goals. Some key initiatives may be:

- New organizational structure
- Faster delivery times
- Improving employee professional development

An organization may select at least three KPIs to drive success in the long-term goals and then identify metrics that will help to measure the progress. KPIs are used by organizations to achieve success.

3) Develop the KPIs Involving the People

The KPIs chosen will guide the work of all employees in the organization for the next year. For small firms, the management could hold an annual planning session where every person is involved in crafting the KPIs for the coming year. Larger organizations restrict participation in planning to their leadership teams only.

4) Communication is Important

At the beginning of the year, KPIs are discussed for the entire organization and every employee must understand the specific metrics, and how they will help the organization achieve its goals, and define each individual's role in working toward success.

It is important to communicate organizational progress on your KPIs and discuss any issues that may have emerged. This can be done through meetings, dashboards, or other means where each employee can be able to track their personal progress and performance.

Case Study

Muzah Ltd is a retail business selling standard footballs. The recent competition in the sports uniform and accessories has forced the management to have one of its focuses on Marketing. The firm is re-thinking their marketing strategy by undertaking a sales promotion campaign for the month of June 2020 for a period of six months. The objective is to increase sales by 20% of current year's sales. The amount set aside for the promotion is Kshs 300,000. The marketing manager will be in charge of the promotion. Assume the promotion is in progress.

- Using Table 1. Provided, fill in the details of the case study above

Table 12: Operational Plan

Strategic intent	Objective	Strategy	Performance index	Budget	Responsibility	Timeliness	Progress
1. Marketing of product	To increase sales by 20% of the current year's sales	Sales Promotion	-Sales promotion carried out -Increase in sales	Kshs 300,000	Marketing manager	December 2020	In progress

(ii) What are three sales promotion strategies that may be used by Muzah Traders?

(iii) Complete number 2 for a second strategic intent which could also apply for the Muzah Traders.

Budgeting

Budgeting involves the systematic collection of information and data so that the funds required to support an organization's objectives can be projected. Organizations have different processes for developing a budget. Before the budgeting process, an organization should have a strategic planning to identify annual goals and objectives. That enables departments to focus their allotted budgets in supporting those objectives.



**Figure 15: Budget Activity; Forecasts, Planning, and Allocations
Department Managers and Budgets**

Departmental managers participate in the budgeting process by providing information to the accounting department. They provide departmental estimates of expenses and revenue to the accounting department. Department managers also make personal recommendations or requests. A sales manager may request additional funds for staff training resources, while an accounting manager may request a payroll budget increase to hire additional staff.

Human Resource Planning

Human Resource is unique in that it cannot be stored as inventory for later use. Labor is necessary to utilize most other resources. Operational planning should provide a description of labor needs by task, and a description of how those needs will be filled. Depending on the complexity of the plan, specific skill demands may need to be addressed with a discussion of how those skilled tasks will be accomplished.

Evaluate the workforce in terms of drive and motivation, organizational and analytical skills, innovation, problem solving ability, leadership skills, experience, and technical proficiency be considered. In addition, people skills, financial management skills, commitment to the business, and attitudes toward risk need to be considered.

The roles and number of workers are separated into such categories as production and maintenance, marketing, administration and finance. Figure 3 portrays diversity of the workforce in organizations. The planning considers the vision, objectives and goals of the organization to obtain the human resources required.

Labor

Labor includes people's physical and mental talents and efforts that are used to help produce goods and services.



Figure 16: Workforce Diversity

Human Resource Budget

There are many types of budgets for a business. One of the major budgets is the Human Resource Budget which we shall cover in this unit of learning. The Human Resources Budget considers all human resource activities for the organization as a whole. The budget uses financial information, performance results and historical data from every department. The HR budget may include information on the following:

- i. Number of employees
- ii. Employee turnover rates
- iii. Salary data
- iv. Recruitment
- v. New benefits programs
- vi. Training and development

- vii. Payroll costs
- viii. Overtime payments
- ix. Incentive compensation
- x. Strategic planning (data/consultants)
- xi. HR databases
- xii. Other changes in policy, business strategy, laws or regulations that may impact on costs
- xiii. A well-planned budget ensures that HR receives the necessary funding to support employee programs, attract and retain a skilled workforce of the organization

Importance of HR Budgeting

- i. It prevents over hiring of employees.
- ii. It helps organizations understand their staffing needs.
- iii. It prevents understaffing of employees.
- iv. It aids in attracting top talent for the organization.
- v. It helps create a plan for rewarding talent, which may in turn reduce labour turnover.

How to Prepare a Human Resource Budget

There is no specific format of a Human Resource Budget. The budget will depend on the organization's strategic direction. In general, the budget would have the following steps:

1. **Review past financial performance:** Data for past budgets and the strategic plan. Set establish goals and identify capital expenditures based on historical performance.
2. **Determine the budgeting approach:** Determine whether the budget will be based on previous budget (incremental budgets) or start from no budget (zero-based budget). Perform an analysis of HR performance achieved and budgets This analysis should include revenue, both departmental and organizational expenses, staffing (recruiting, hiring, turn-over), and employee compensation.

3. **Analyze the finance impacts of operations:** Obtain all performance data to aid in analysis of all financial and non-financial information available. This will allow setting realistic targets, flexibility and monitoring.

Budget Approval

Budgeting in an organization is a team effort involving people from all organizational levels. Managers, supervisors and employees from every department provide information that budget owners use to draft budget proposals. The board of directors is responsible for approving or denying budget recommendations. The figure 4 below shows the budget cycle.



Figure 17: Budget Cycle

Procedure for Budget Approval

1. Budget Preparation

Departmental or division managers are responsible for preparing budgets. The managers receive guidelines for preparation from top management.

2. Budgets Initial Review

The budgets are consolidated and reviewed by the finance staff by comparing with previous budgets, checking on if budget is reasonable and can be achieved.

3. Review by Top Management

Top management reviews the consolidated budget and ensures that it is in line with the goals they set for the coming year. The profit and expenditure projections checked and analysis done

4. Meeting of Top Management with Departmental Managers

Top management may meet with departmental managers, and finance staff to discuss the rationale behind amounts given. Top management has to weigh the consequences of major budget cuts, ensure effective functioning of department as well as maximization of profits.

5. Moving the Budget After Adjustments

A department manager will have to adjust the final budget to be in line with the top management decisions made and reasons given. The manager will still try to reach his departmental goals by putting maximum effort in the coming year.

Funding of Budgets

Budgets expenditures are already planned for in the cash budget. Internally generated cash includes; sales of goods or services, sale of fixed assets, interest and dividend from investments and other income receivable. External Funding is in form of debt capital, loans from bank, overdrafts. For a limited company, it can issue shares to public.

2.2.4 Learning Activities

1. Visit three institutions in your locality (church, school, supermarket)
 - a) Find out if they have/ or prepare the following:
 - i. Strategic Plan
 - ii. Operational Plan
 - iii. Budgets
 - b) Get a Sample or cover page picture or any relevant one, if allowed. (Use mobile phone camera or photocopy the relevant page.
 - c) Do a class presentation of findings for 10 minutes in the next session.

2. Visit the website of one of the large organizations in either in Telecommunications, Banking, and Manufacturing and select one of your choice (Do this exercise in the computer lab with internet or cyber.)
 - i. Identify the ongoing operational plans of the organization.
 - ii. The projected activities for the future period

- iii. The long-term source of funding utilized
3. Kulax Enterprises is on the road to recovery from the covid-19 pandemic. The firm had closed down its activities and it is now intending to reopen and operate at a reduced budget. (Role play a committee set up)
- You have been selected to be a member of the HR review committee together with your colleagues.
- The top management has recommended that the budget is revised downwards from the previous level to 60%. The following is a list of items earmarked for reduction or to remain the same;

Table13: Revised HR Budget Items to Be Adjusted for Approval

S. No	Items of expenditure	Previous Budget Amount	Proposed Budget Amount (Fill in) *	Reason for <u>reduction or not</u> (Give a reason why)
		Kshs 000	Kshs 000	
1	Advertising and recruitment	2,200		
2	Selection and placement	900		
3	Training and development	3,600		
4	Travelling expenses	5,900		
5	Salaries and benefits	13,800		
6	Overtime allowance	1,700		
7	Mobile phone allowance	2,400		
	TOTAL	30,500	18,300	

*Any amount filled with reason and total must be = (Kshs) 18,300

4. Find out the types of resources that are required in the planning of operations of a school/college/university located in your locality. Write a short report on the Resources.

Self-Assessment

1. Mutune has business with three sections and 20 employees and he feels that there is no need to have an operation plan since the strategic plan is sufficient. What would you tell him about the importance of operational plan for his business?
2. A new supervisor has joined your department and he will be involved in the development of the operational plan. How will you guide him in the process of developing the plan?
3. Which are the sources of funding for the budget?
4. What are the steps taken for budget approval?
5. Which of the following is the correct order for undertaking operational plans?
 - a) Strategic plan, budget, budget approval operational plan funding
 - b) Funding, operational plan, strategic plan operational budget
 - c) Strategic plan, operational plan, budget, approval of budget, funding
 - d) Budget, operational plan, strategic plan, funding, budget approval
6. Which of the following is not a component of an operational plan?
 - a) Resource requirement
 - b) Vision
 - c) Monitoring
 - d) Objectives
7. The HR department of Texfirm requires the following additional resources for the Financial Year 2021 included in the operational plan. Complete the Table 3 below.

Table 14: Resource Categories

S. No	Resource Requirement	Indicate resource type: Human Resource /Capital/Service Provider
1	Data Analyst	
2	Furniture	
3	Outside catering services	
4	HR supervisor	
5	Laptops	
6	Office Assistant	
7	Internet; WiFi and data bundles	

2.2.5 Tools, Equipment, Supplies and Materials

- Developed questionnaires

- Tablets
- Computers
- Cameras
- Mobile Phones
- Projectors
- Format templates company operating procedures
- Industry/workplace codes of practice
- Internet
- Organization policies
- Legal regulations and requirements
- Writing materials

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Strategic Planning Vs. Operational Planning: The 5 Main Differences

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<https://images.cabri-sbo.org> Making budgets More accessible Image

Answers for Self-Assessment

1. **Mutune has business with three sections and 20 employees and he feels that there is no need to have an operation plan since the strategic plan is sufficient. What would you tell him about the importance of operational plan for his business?**

- i. It draws its mandate from the strategic plan by focusing on the mission, vision and objectives of the organization.
- ii. It gives details of the actions the departments or teams must carry out in order to achieve short-term targets and objectives of the organization.
- iii. It is bringing about effective management of employees.
- iv. It allows proper allocation of resources.
- v. It is adjusted according to organization's needs.

2. A new supervisor has joined your department and he will be involved in the development of the operational plan. How will you guide him in the process of developing the plan?

1) Start with the strategic plan.

An operational plan is a tool for carrying out the strategic plan. It is important to ensure that everyone involved understands the plan.

2) Focus on the most important goals.

First the strategic plans are broken down into one-year goals and objectives. Operational plan is created, then determine the key initiatives and KPIs that will help to achieve those goals.

3) Develop the KPIs involving the people.

The KPIs chosen will guide the work of all employees in the organization for the next year. For small firms, the management could hold an annual planning session where every person is involved in crafting the KPIs for the coming year

4) Communication is important.

At the beginning of the year, KPIs are discussed for the entire organization and every employee must understand the specific metrics, and how they will help the organization achieve its goals, and define each individual's role in working toward success.

3. Which are the sources of funding for the budget?

Debt capital, loans from bank, overdrafts, and issue shares to public, internally generated cash. (Explained)

4. What are the steps taken for budget approval?

1) Budget Preparation

Departmental or division managers are responsible for preparing budgets. The managers receive guidelines for preparation from top management.

2) Budgets Initial Review

The budgets are consolidated and reviewed by the finance staff by comparing with previous budgets, checking on if budget is reasonable and can be achieved.

3) Review by Top Management

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5) Moving the Budget After Adjustments

A department manager will have to adjust the final budget to be in line with the top management decisions made and reasons given. The manager will still try to reach his departmental goals by putting maximum effort in the coming year.

5. Which of the following is the correct order for undertaking operational plans?

- a) Strategic plan, budget, budget approval operational plan funding
- b) Funding, operational plan, strategic plan operational budget
- c) Strategic plan, operational plan, budget, approval of budget, funding**
- d) Budget, operational plan, strategic plan, funding, budget approval

6. Which of the following is not a component of an operational plan?

- a) Resource requirement
- b) Vision**

- c) Monitoring
- d) Objectives

7. The HR department of Texfirm requires the following additional resources for the Financial Year 2021 included in the operational plan. Complete the table below.

Resource Solution;

S. No	Resource Requirement	Indicate resource type: Human resource /Capital/Service provider
1	Data Analyst	Human Resource
2	Furniture	Capital
3	Outside catering services	Service Provider
4	HR supervisor	Human Resource
5	Laptops	Capital
6	Office Assistant	Human Resource
7	Internet; WiFi	Service Provider

2.2.2 LEARNING OUTCOME 2: ALLOCATE DEPARTMENTAL JOBS AND RESOURCES

Introduction to the Learning Outcome

The learning outcomes include identifying duties to be performed, selecting employees, assigning roles and allocating resources. Resource allocation is a plan for using available resources, for example human resources in order to achieve goals for an organization. Supervisors are responsible for establishing a work allocation for individuals that is fair and reasonable and identifies variances in work flow.

Performance Standard

1. Duties to be performed are identified according to departmental needs
2. Employees are selected based on their expertise and job description.
3. Roles are assigned according to job requirements
4. Resources are allocated based on the job requirements.

Information Sheet

Meaning of Terms

Resources

It is a stock or supply of money, materials, staff, and other assets that can be drawn on by a person or organization in order to function effectively.

Allocation

An allocation is an amount of something especially money that is given to a particular person or used for a particular purpose. Allocation is defined as the act of being portioned out for a certain reason. An example of allocation is when one refers to how the school fund-raising money is to be used for new computers.

Resource Allocation

This is the distribution of resources, usually financial, among competing groups of people or programs.

Department

It is a division of a business dealing with a particular area of activity.

Job

This is the work that someone does to earn money. It consists of duties, responsibilities, and tasks (performance elements) that are defined and specific, and can be accomplished, quantified, measured and rated.

Job Description

An internal document that clearly states the essential job requirements, job duties, job responsibilities and skills required to perform a specific role. In HRM, job description is a broad, general and written statement of a specific job, based on the findings of a job analysis. It generally includes duties, purpose, responsibilities, scope, and working conditions of a job along with a job's title, and the name or designation of the person to whom the person reports.

Job Analysis

These are procedures to identify the contents of a job in terms of activities involved and attributes or job requirements.

Attrition

It is the gradual but deliberate reduction in staff numbers that occurs as employees retire, or resign and are not replaced.

Placement

Placement is the process of assigning a specific job to each one of the selected candidates.

Employee Positioning and Workload Allocation

Assigning tasks to employees is a difficult task. Errors committed in such assignments can have far-reaching consequences. After task assignments are determined, tasks are assigned to employees so as to minimize boredom, and imbalance of work between the individual employees.



Figure 18: Workload Allocation

Effects of Poorly-Assigned Tasks

- Reduced efficiency
- Absenteeism
- Lack of job satisfaction
- Formal grievances
- Generally deteriorating labor relations.

Many invest an enormous amount of money, time and other resources in advertising and recruiting strategies to attract the best candidates. This is because today's executives understand that one of the most important resources in the organization is human resources.

Yet, when it comes to actually assessing which job candidates are likely to perform most effectively and make the most significant contributions, a large number of organizations do not employ the best methods of selecting their workforces. This leads to a serious disconnect for organizations that want to have a strategic focus on increasing their competitive advantage through effective talent management. When organizations make good selection decisions, this results in:

- Increase in productivity
- Savings in costs
- Decrease in attrition

The following are reasons why some organizations do not use formal assessment methods to select employees:

- They have misconceptions about the value of using the methods.
- Lack of knowledge about the types of assessment methods.
- Area of selection testing tends to be technical and difficult to understand.
- There are too many consulting firms selling different selection products and tools.

Organizations need to build high quality human resource. They do this by identifying people who will:

- Perform effectively
- Achieve results
- Make important contribution

Selection Process

The following are some common methods of screening so as to identify the right staff:

1. Assessing their curriculum vitae or resumes
2. Using application forms
3. Asking for references
4. Informal meeting with the potential candidate
5. Phone interviews
6. Physical interviews
7. Head hunting

Handling Work Allocation Complaints

It is possible that some employees may find it difficult to discuss work allocation complaints with their supervisor. However, the employee should feel free to have open communication in relation to work allocation, duties and time frames. This may make it easier to discuss their concerns and it should be done as soon as possible. The following approaches may provide assistance to employees in their discussions or in any other discussion in relation to work allocation:

- Provide specific examples about the problems they are experiencing with their workload allocation.

- They should advise their supervisor about their work duties, responsibilities and projects, and explain how these are having an impact on their individual or team work allocations.
- They should discuss specific examples of where they feel that their work allocation has been too much.
- They should provide the supervisor with practical suggestions about how these concerns may be solved.

Roles Are Assigned According to Job Requirements

Job Analysis

The first step in developing or selecting an assessment method for a given situation is to understand what the job requires employees to do and, in turn, what knowledge, skills and abilities (KSAs) individuals must possess in order to perform the job effectively. This is typically accomplished by conducting a **job analysis**.

The type of a job analysis that focuses on what the job requires individuals to do is often referred to as a job-oriented or task-based job analysis. It describes a complete list of work or tasks that individuals are required to perform on the job. The portion of a job analysis that focuses on the KSAs that workers must possess to be effective is often referred to as a worker-oriented or KSA-based job analysis.

Therefore, a job analyst first identifies the tasks that workers are required to perform on the job and then identifies the KSAs that are needed to effectively perform those tasks. The major steps involved in performing a job analysis are:

STEP 1

Observe or interview job experts to develop a list of tasks performed on the job.

STEP 2

Observe or interview job experts to develop a list of the KSAs workers must possess to perform job tasks effectively.

STEP 3

Survey a sample of workers or their supervisors, asking them to rate which job tasks and KSAs are most critical for effective job performance.

STEP 4

Analyze the survey data to prioritize the most critical tasks and KSAs for the job.

STEP 5

Select or develop assessments that measure the most critical tasks or KSAs that a worker must possess upon entry to the job.

The Steps of a Recruitment Process

- 1) Preparation
- 2) Receive applications
- 3) Selection **stage 1**: Weed out unqualified applicants
- 4) Selection **stage 2**: Rating and ranking candidates
- 5) Selection **stage 3**: Interviews
- 6) Selection **stage 4**: Simulated work exercise
- 7) Offer and tying off loose ends

Placement

Placement is the process of assigning a specific job to each one of the selected candidates. In very simple words placement means sending the newly employed person to some department for work. Matching the requirements of the job with the qualifications of a candidate is the essence of placement.

According to Pigors and Myers, "Placement is the determination of the job to which an accepted candidate is to be assigned and his assignment to that job. It is a matching of what the supervisor has reason to think he can do with the job demands. It is a matching of what he imposes (in strain, working conditions etc.) and what he offers (in the form of payroll, companionship with others, promotional possibilities etc.)"

It also implies assigning a specific rank and responsibility to an individual. The objectives of placement are:

- (a) To fill the job with people who have at least the minimum required qualifications.
- (b) People should be placed on the job that will make the best possible use of their talents, given available job and HR constraints.

The following basic principles should be followed at the time of placement of a worker on the job.

1. Employee should be placed on the job according to the requirements of the job. The job should not be adjusted according to the qualifications or requirements of the employee. Job first; employee next should be the principle of placement.
2. The job should be offered to the employee according to their qualifications. The placement should neither be higher nor lower than the qualifications.
3. The employee should be made conversant with the working conditions prevailing in the industry and all things relating to the job. They should also be made aware of the penalties if they commit a wrong.
4. While introducing the job to the new employee, an effort should be made to develop a sense of loyalty and cooperation in them so that they may realize their responsibilities better towards the job and the organization.
5. The placement should be ready before the joining date of the newly selected person.
6. The placement in the initial period may be temporary as changes are likely after the completion of training. The employee may be later transferred to the job where they can do their work.

Benefits of Placement

1. Proper placement helps to improve employee morale.
2. The capacity of the employee can be utilized fully if he is placed on the job for which he is most suitable.
3. Right placement also helps to reduce labor turnover, absenteeism and accident rates.
4. If a candidate adjusts himself to the job and continues to perform as per expectations, it might mean that the candidate is properly placed.

Problems in Placement

The main problem with placement arises when the recruiters look at the individual but not at the job. Often, the individual does not work independent of the others.

Job Classification

Jobs are classified into three categories:

1. Independent Jobs:

In independent jobs, non-overlapping routes or territories are allotted to each employee e.g. in field sales. In such situations, the activities of one employee have little bearing

on the activities of other workers. Independent jobs do-not pose great problems in placement. Each employee has to be evaluated between his capabilities and interests and those required on the job.

2. Dependent Jobs:

Dependent jobs may be sequential or pooled. In sequential jobs, the activities of one employee are dependent on the activities of a fellow employee. Assembly lines are the best example of such jobs.

In pooled jobs, there is high interdependence among jobs. The final output is the result of the contribution of all the workers.

In dependent jobs, an employee is placed in a specific sub group. While placing, care must be taken to match characteristics of the employee with that of the sub group, because in such jobs, team work matters a lot. HR specialists must use assessment classification model for placing newly hired employees.

Resources Are Allocated Based on Job Requirements

In strategic planning, resource allocation is a plan for using available resources, for example human resources, to achieve goals for the future. It is the process of allocating scarce resources among the various business units. Resource allocation is the process of assigning and scheduling resources to project tasks.



Figure 19: Allocate Resources

Each task requires resources in order to be successfully performed. As a minimum, most tasks require a human resource to carry out some actions. Usually, the person starts with some input materials which are used to produce an output.

Generally, there are five types of resources:

1. Labour

Human resources are an integral part of most projects. The human resource team has needs that require active management.

2. Equipment

Tools and equipment that are used to produce the product, but don't become part of it, must be identified and allocated to each task. This equipment must be paid a reasonable rate that takes into account the wear and tear experienced during their usage. Specialty equipment often requires significant investment of time and money.

3. Materials

Materials that become a part of the final product must be allocated so that they can be procured at the right time and their availability is confirmed.

4. Facilities

Buildings and work areas are often a significant cost to organization. If they are not readily available, they also require space in the project schedule and budget to ensure they are ready for the project team.

5. Miscellaneous

Many businesses require other resources that impact the budget or schedule. This can include business financing and insurance costs, administration, contingencies, transportation and delivery, or any other item necessary to perform the tasks.

Learning Activities

1. Visit any departmental office in the institution. How many job positions can you identify in the organization? Prepare a job description for one of this job position.
2. As a supervisor in your organization, you have been requested by the human resource manager to represent him on an assignment where he had been asked to make a 7-minute presentation to the sales department employees on "*the importance of selecting the right human resources in an organization*"

Self-Assessment

Q1. John is a supervisor with Kayan Enterprises. Various employees in the organization have expressed dissatisfaction with the way their jobs roles are being allocated. What should the human resource officer do to address this problem?

Q2. What are the purposes of a Job Description?

Q3. "Provide testimony by stating facts and answering questions."

What knowledge, skills and attitudes would be required to perform the task in 2 above?

1.2.2.1 Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment Questions

1. What are the purposes of a job description?

- To collect job related data in order to advertise for a particular job.
- To determine what needs to be delivered in a particular job.
- It gives recruiting staff a clear view what kind of candidate is required by a particular department.
- It clarifies who will report to whom.

2. John is a supervisor with Kayan Enterprises. Various employees in the organization have expressed dissatisfaction with the way their job roles are being allocated. What should the human resource officer do to address this problem?

- Employee development activities – he encourages them to talk with the supervisor about professional development opportunities that may assist in completing work duties more efficiently and effectively.
- Leave plans - discuss with the supervisor when they plan to take periods of leave during quieter work periods.
- Agree on an action plan - during discussions with the supervisor, agree on possible solutions and time frames. Plan to meet again to discuss progress in managing the work allocation.
- Review position descriptions - discuss with the supervisor the possibility of reviewing the position description and job role - it may be that the job has grown significantly and it is no longer appropriate for one person to manage all aspects of the role. (solution to case study)
- Discuss priorities - seek clarification on the tasks that they are expected to complete. Discuss with the Supervisor what they consider are the high, medium or low priorities.
- Be solution oriented - discuss any concerns with the supervisor - sometimes supervisors are not aware of what the problems are. Suggest how the issues may be resolved.
- Establish realistic timeframes - seek clarification on timeframes to assist in completing allocated work tasks - if they feel they are unrealistic then advise the supervisor.

- Discuss priorities - seek clarification on the tasks that they are expected to complete. Discuss with the supervisor what they consider are the high, medium or low priorities.
 - Be solution oriented - discuss any concerns with the supervisor - sometimes supervisors are not aware of what the problems are. Suggest how the issues may be resolved.
 - Establish realistic timeframes - seek clarification on timeframes to assist in completing allocated work tasks - if they feel they are unrealistic then advise the supervisor.
3. What knowledge, skills and attitudes **would be required to perform the task in 2 above:**
- The ability to speak clearly, self-confidently and concisely using voice inflection, gestures and eye contact for emphasis;
 - The ability to maintain a professional demeanor and appearance at all times;
 - The ability to remain calm and levelheaded under stress.

2.2.3 LEARNING OUTCOME 3: IMPLEMENT DEPARTMENTAL TEAMWORK STRATEGY

Introduction to the Learning Outcome

This learning outcome involves determining teamwork benefits and managing their stages. The activities involved are: determining teamwork benefits, managing teamwork stages, establishing team building process, establishing teamwork rewards and reviewing teamwork strategies.

Performance Standard

1. Teamwork benefits are determined in accordance with the strategic plan
2. Teamwork stages are managed in accordance to HR procedures.
3. Team building process is established in accordance to HR procedures.
4. Teamwork rewards are established in accordance to HR incentives plans and budgets
5. Teamwork strategies are reviewed according to SOPs.

Information Sheet

Definition of Terms

A team

It is more than just a group of people who happen to work together. It is a group of people working towards common goals and objectives and sharing responsibility for the outcomes.

Virtual team: It refers to a group of individuals who work together from different geographical locations and rely on communication technology.

Committee: It is a body of one or more persons that is subordinate to a deliberative assembly. It is a group of people chosen from a larger group to act on or consider matters of a particular kind.

Team empowerment: Empowerment is the authority and permission to act. To empower a team therefore is to free them to do their job unencumbered.

Team building: It is a collective term for various types of activities used to enhance social relations and define roles within teams, often involving collaborative tasks.

Teamwork benefits are determined in accordance with the strategic plan

Increasingly, a team may be composed of people drawn from different functions, departments and disciplines who have been brought together for a specific project.

In the case of Motorola's RAZR team, the specific goal was to develop (and ultimately bring to market) an ultrathin cell phone that would help restore the company's reputation. The team achieved its goal by integrating specialized but complementary skills in engineering and design and by making the most of its authority to make its own decisions and manage its own operations.

Some Key Characteristics of Teams

1. Purpose is understood by all
2. Share accountability for achieving specific common goals
3. Communication is open and direct
4. Sufficient leadership is available e.g. coaching
5. To a certain degree, the team has a structure
6. Function interdependently
7. Require stability
8. Adequate resources exist
9. Achieve synergy – team greater than the sum of its part
10. Hold authority and decision-making power
11. Operate in a social context

Types of Teams

1. Multi-Disciplinary Teams

- Increase workers awareness
- Aid coordination between different function areas
- Help to generate solutions to problems

2. Multi-skilled Teams

- Brings together a number of individuals with skills to perform any of the team tasks
- Tasks are shared – more flexibility
- Cornerstone of empowerment – beyond JD

3. Virtual Teams

- Facilitates teams working in remote locations
- Ideally suited for the millennials and networked employees
- Utilization of ICT platforms

Figure 20: A Winning Team



Why do major organizations now rely so much on teams to improve operations? Executives at Xerox have reported that team-based operations are 30 percent more productive than conventional operations. General Mills says that factories organized around team activities are 40 percent more productive than traditionally organized factories. FedEx says that teams reduced service errors (lost packages, incorrect bills) by 13 percent in the first year.

Today it seems obvious that teams can address a variety of challenges in the world of corporate activity. Companies are more likely to report successes than failures. As a matter of fact, teams don't always work. According to one study, team-based projects fail 50 to 70 percent of the time.

The Effect of Teams on Performance

Research shows that companies build and support teams because of their effect on overall workplace performance, both organizational and individual. If we examine the impact of team-based operations according to a wide range of relevant criteria, we find that overall organizational performance generally improves.

Area of Performance Firms Reporting Improvement

Product and service quality: 70%

Customer service: 67%

Worker satisfaction: 66%

Quality of work life: 63%

Productivity: 61%

Competitiveness: 50%

Profitability: 45%

Absenteeism/turnover: 23%

Types of Teams

Teams, then, can improve company and individual performance in a number of areas. Not all teams, however, are formed to achieve the same goals or charged with the same responsibilities. Nor are they organized in the same way. Some, for instance, are more autonomous than others — less accountable to those higher up in the organization. Some depend on a team leader who's responsible for defining the team's goals and making sure that its activities are performed effectively. Others are more or less self-governing: though a leader lays out overall goals and strategies, the team itself chooses and manages the methods by which it pursues its goals and implements its strategies.

Teams also vary according to their membership.

i. Manager-Led Teams

As its name implies, in the manager-led team the manager is the team leader and is in charge of setting team goals, assigning tasks, and monitoring the team's performance. The individual team members have relatively little autonomy. For example, the key employees of a professional football team (a manager-led team) are highly trained (and highly paid) athletes, but their activities on the field are tightly controlled by a head coach. As team manager, the coach is responsible both for developing the strategies by which the team pursues its goal of winning games and for the outcome of each game and season. He's also solely responsible for interacting with managers above him in the organization. The players are responsible mainly for executing plays.

ii. Self-Managing Teams

Self-managing teams (also known as self-directed teams) have considerable autonomy. They are usually small and often absorb activities that were once performed by

traditional supervisors. A manager or team leader may determine overall goals, but the members of the self-managing team control the activities needed to achieve those goals.

Self-managing teams are the organizational hallmark of Whole Foods Market, the largest natural-foods grocer in the United States. Each store is run by ten departmental teams, and virtually every store employee is a member of a team. Each team has a designated leader and its own performance targets. (Team leaders also belong to a store team, and store-team leaders belong to a regional team.) To do its job, every team has access to the kind of information—including sales and even salary figures—that most companies reserve for traditional managers.

Not every self-managed team enjoys the same degree of autonomy. Companies vary widely in choosing which tasks teams are allowed to manage and which ones are best left to upper-level management only. Self-managing teams are often allowed to schedule assignments, but they are rarely allowed to fire coworkers.

iii. Cross-Functional Teams

Many companies use cross-functional teams—teams that, as the name suggests, cut across an organization's functional areas (operations, marketing, finance, and so on). A cross-functional team is designed to take advantage of the special expertise of members drawn from different functional areas of the company.

When the Internal Revenue Service, for example, wanted to study the effects on employees of a major change in information systems, it created a cross-functional team composed of people from a wide range of departments. The final study reflected expertise in such areas as job analysis, training, change management, industrial psychology, and ergonomics.

Cross-functional teams figure prominently in the product-development process at Nike, where they take advantage of expertise from both inside and outside the company.

Typically, team members include not only product designers, marketing specialists, and accountants but also sports-research experts, coaches, athletes, and even consumers. Likewise, Motorola's RAZR team was a cross-functional team; responsibility for developing the new product wasn't passed along from the design team to the

engineering team but rather was entrusted to a special team composed of both designers and engineers.

Committees and task forces, both of which are dedicated to specific issues or tasks, are often cross-functional teams. Problem-solving teams, which are created to study such issues as improving quality or reducing waste, may be either intradepartmental or cross-functional.

iv. Virtual Teams

Technology now makes it possible for teams to function not only across organizational boundaries like functional areas but also across time and space. Technologies such as videoconferencing allow people to interact simultaneously and in real time, offering a number of advantages in conducting the business of a virtual team.

Members can participate from any location or at any time of day, and teams can “meet” for as long as it takes to achieve a goal or solve a problem—a few days, weeks, or months. Team size does not seem to be an obstacle when it comes to virtual-team meetings.

Skills required in a team

A team can succeed only if its members provide the skills that need managing. In particular, every team requires some mixture of three sets of skills:

1. Technical Skills

Because teams must perform certain tasks, they need people with the skills to perform them. For example, if your project calls for a lot of math work, it’s good to have someone with the necessary quantitative skills.

2. Decision-Making and Problem-Solving Skills

Because every task is subject to problems, and because handling every problem means deciding on the best solution, it's good to have members who are skilled in identifying problems, evaluating alternative solutions, and deciding on the best options.

3. Interpersonal Skills

Because teams need direction and motivation and depend on communication, every group benefit from members who know how to listen, provides feedback, and resolve conflict. Some members must also be good at communicating the team's goals and needs to outsiders.

Managing Teamwork Stages

Teams have become a common feature of organizational life. Workplace teams are used to carry out projects of various kinds and can make a significant contribution to organizational success, but the development of good working relationships is vital to team performance. Organizations that take the time to invest in building effective teams will reap the benefits of improved morale, better performance and the successful completion of projects.

Good leadership is a key to team performance and team leaders have a vital role to play in ensuring that team members work well together and are able to achieve the goals which have been set. Their role is that of facilitator. They need to understand the nature of the task in hand as well as the broader organizational context. They need to assess the knowledge, skills and experience of each team members and what motivates them. They need to engage individuals and help them to find their place in the work of the team.

Successful team building can:

1. Coordinate the efforts of individuals as they tackle complex tasks
2. Make the most of expertise and knowledge which might otherwise remain untapped
3. Build on the complementary strengths of team members to produce results which could not be achieved by employees working individually
4. Raise and sustain motivation and confidence as team members feel supported and involved

5. Encourage members to work together to generate fresh ideas solve problems, and find new ways forward
6. Help to break down communication barriers and avoid unhealthy competition, rivalry and point scoring between departments
7. Raise the level of individual and collective empowerment
8. Enhance engagement with and ownership of the task in hand

Steps in Successful Team Building

Team building begins with the effective selection and grouping of team members. It includes the encouragement of good working relationships and practices, which enable the team to steer and develop the work and reach their goals.

This checklist outlines steps in the development of workplace teams and covers the main issues which team leaders need to address. Its focus is on co-located rather than virtual or remote teams:

1. Consider whether a team is the best option

Don't assume that a team is necessarily the best way of achieving the objectives you have in mind. Think carefully about the tasks to be completed and the skills required before launching into the formation of a team. Consider whether there is a need for a mix of skills and experience, the sharing of workloads, or for brainstorming and problem solving. In such cases a team will often be the best option.

Otherwise, ask yourself whether the task can be more effectively carried out by a single person with the relevant knowledge and skills. It is important to weigh the advantages and disadvantages of team working – there may be losses in coordination and motivation if teams are not carefully developed and managed. Organizational culture should also be considered - teamwork may be difficult, for example, in an organization with a culture of rigid reporting structures or fixed work procedures.

2. Define objectives and the skills needed to reach them

Think carefully about the nature of the tasks or projects to be carried out by the team and the mix of knowledge and skills needed. For teams handling routine tasks on a long-term basis, low levels of diversity in the team and clear definitions of tasks and

roles are required. In this context, the key aims would be high levels of team cohesion and commitment and low levels of conflict.

For innovation and problem solving, on the other hand, high levels of diversity and complementary skills will be required and the definition of goals and roles may be left to the team. This might involve losses in coordination, much less cohesion, and fairly high potential for conflict, but could be worthwhile if new ideas and solutions are required.

3. Consider the make-up of the team

If you are forming a new team, you need to consider the number of people involved, their cultural backgrounds and the skill set they bring to the team. If you are setting up an international or multi-cultural team you may wish to study Geert Hofstede's work on cultural differences. This will give you a better understanding of issues such as differing attitudes to authority, individual responsibility and uncertainty avoidance.

In many organizations, however the selection of team members will be outside the remit of the team leader. In such cases the process of developing good working relationships and practices within the team is even more vital to success.

The work of Meredith Belbin provides some useful insights into the patterns of behaviour exhibited by team members and the way they interact with each other. You may wish to take these into account when putting a team together or seeking to shape an existing team. Belbin identifies a number of roles which team members can play and their respective strengths and weaknesses. He suggests that teams need a balance of members with differing roles if they are to work together effectively.

Furthermore, an understanding of personal differences and roles can help team members to cooperate more successfully, complementing each other's strengths. Teams with a strong focus on innovation who need to develop new ideas may benefit from members with who can think in different ways to analyze problems and find solutions.

4. Plan your team building strategy

The following aspects must be considered:

- A climate of trust – nurturing team culture is a vital part of the team leader’s role. Mistakes and failures should be seen as learning experiences, not as occasions to apportion blame.
- Communication – clear and frequent communication is vital. The free flow of information will help team members understand how their work contributes to business objectives and promote better integration.
- Training – specialist training may be needed to handle the tasks required, especially if the team leader has not been able to select team members personally. Team leaders will need project management skills and the ability to manage meetings, moderate discussions and handle conflict. Team members will also need good interpersonal skills, including communication and negotiation.
- Time – ensure that there is time to coordinate activities, to develop ideas and to monitor progress and that there are opportunities for regular meetings. Be aware that attitudes to time differ significantly across cultures.
- Resources – make sure that the team has access to the resources and materials they will need to complete their work.
- Objectives – these need to be clearly understood by all team members. This is increasingly a matter of involving team members in setting objectives rather than dictating prescribed objectives to them. Team members with a clear understanding of their own objectives and their place within the team and the wider organisation are more likely to be able to motivate themselves to achieve, and to exhibit higher levels of job satisfaction, commitment, excitement and enthusiasm.
- Tasks and roles – it is vital for team members to be absolutely clear about what is expected of them and what tasks have to be carried out. Consider how you will handle the situation if tasks and roles are not respected.
- Feedback - everybody needs to know how well they are doing and if and where improvements can be made. Feedback should focus firstly on the positive aspects and then on ways of addressing any problems or difficulties. You may also consider bringing in someone with team building experience to help with the initial phases, especially if the team's task is major or complex.

Alternatively, consider whether team building activities such as outbound team building, games or process labs would be helpful and appropriate.

5. Get the Team Together

From the outset you should aim to start to encourage the group to see themselves as a team, rather than a collection of individuals. At the initial meeting, discuss and agree the overall objectives the team is to achieve, rather than attempting to address tasks in detail. Make sure that everyone understands their personal contribution to the team's success, its place in the project schedule and its importance to the project's success. Bear in mind that most teams pass through several stages of development before starting to produce their best work.

Once a problem-solving strategy has been found by an 'innovative' team, it may be necessary to form a new team to implement the solution.

Blanchard's situational leadership model can help managers to lead teams through these stages as it provides for individual team members to be managed according to their differing needs for coaching, support or direction.

6. Explore and Establish Operating Ground Rules

It is vital to establish ground rules from the outset, especially for cross-cultural or remote teams. Agree processes for decision-making and reporting which will be maintained throughout the life-span of the team. Establish when and how often meetings will take place and how they will be managed. Encourage a climate of open and honest communication, so that, as far as possible, team members will be able to express opinions without fear of recrimination and minority views will be heard and considered.

For certain projects you might want to consider using a version of the "Delphi Method". The team leader and all members may contribute to crucial decision-making processes, anonymously via questionnaires, on an iterative basis, until a consensus is reached. Anonymity can reduce internal conflicts or personality issues among team members, and support complex strategic decision-making.

7. Identify Individuals' Strengths and Motivations

Carry out an audit of individuals' strengths and place people in the right position based on their skills and competences. Consider also how contributions and responsibilities overlap and how synergy can be released. It is important for team members to reach a common understanding of each other's strengths. This helps to integrate the skills of team members, strengthen team cohesion and improve the efficiency and performance of the team as a whole.

Getting to know your team members better will help you to understand which factors are most important to motivating each individual, in the short-term and in the long-term, and to ensure that these are not ignored in any rewards system that you design to reflect their efforts.

8. See Yourself as A Team Member

Your role as team leader is to be a member of the team - not just the boss. Always maintain fairness in your approach to members of the team. Make it clear to all that everyone in the team has an important role to play and that your role happens to be that of team leader.

Act as a good role model and maintain effective communication with all members, especially through listening. Be aware of the formal and informal roles within the team and endeavor to keep conflict between them to a minimum. In some cases, it may be beneficial for roles to remain fluid, adding to the flexibility of working relationships, but don't allow team members to lose their focus on their individual strengths or objectives. An effective leader may decide to cede project leadership (albeit temporarily) to another, when specific skills are required.

9. Check Progress Towards Objectives

Check regularly to ensure that everyone still has a clear focus on what they are working towards, both individually and as a team. Identify milestones and hold team members accountable for progress towards them.

As the team develops, pride in shared success and lessons learned from failure should also help to develop a sense of shared purpose, strengthen commitment and contribute to improved performance in the long run.

10. Time Meetings with Care

Unnecessary meetings are a bane, but if there are too few, the project - and the team - can lose focus. Meet regularly but with purpose, and with a clear agenda. Meetings provide opportunities to:

- Check that everyone is comfortable with their roles and tasks.
- Review progress towards goals.
- Reflect on how the team is working together. If any problems are identified, plan and implement appropriate action or corrective measures. Make sure that decisions are clearly documented. Someone should take responsibility for writing a summary of the meeting and ensuring that this is circulated to the team and team leader for future reference.

11. Dissolve the Team

When the team has accomplished its tasks, acknowledge this. Carry out a final review to confirm whether objectives have been fully met. Evaluate the team's performance, so that individuals can improve and learn from experience.

If all the objectives have been met the team can be disbanded. Make sure that you acknowledge every member for their contribution and do not forget to celebrate your achievements.

Potential Pitfalls those Managers should avoid:

- Expecting a new team to perform effectively from the word go
- Dominating the work of the team, whether intentionally or unconsciously
- Exercising excessive control which may stifle creativity
- Overlooking the influence of formal and informal team roles
- Allowing the team to lose focus on the tasks to be completed
- Letting a team become too exclusive, in case it loses touch with the rest of the organization
- Allowing individuals to take credit for the achievements of the team
- Being overly dependent on providers of team building activities – these can help, but their role in developing a team needs to be carefully managed. A team does not automatically materialize at the end of a team building course

Establishing Teambuilding Process

Our discussion so far has focused mostly on a team as an entity, not on the individuals inside the team. This is like describing a car by its model and color without considering what is under the hood. External characteristics are what we see and interact with, but internal characteristics are what make it work. In teams, the internal characteristics are the people in the team and how they interact with each other.

For teams to be effective, the people in the team must be able to work together to contribute collectively to team outcomes. But this does not happen automatically: it develops as the team works together. You have probably had an experience when you have been put on a team to work on a school assignment or project. When your team first gets together, you likely sit around and look at each other, not knowing how to begin. Initially you are not a team; you are just individuals assigned to work together. Over time you get to know each other, to know what to expect from each other, to know how to divide the labor and assign tasks, and to know how you will coordinate your work. Through this process, you begin to operate as a team instead of a collection of individuals.

Tuckman's Model for Nurturing a Team to High Performance

This process of learning to work together effectively is known as team development. Research has shown that teams go through definitive stages during development. Bruce Tuckman, an educational psychologist, describes the path that teams follow on their way to high performance in his 1965 paper, "Developmental Sequence in Small Groups." It identified a five-stage development process that most teams follow to become high performing. He called the stages: forming, storming, norming, performing, and adjourning. Team progress through the stages is shown in the following diagram.

The Five Stages of Team Development

Most high-performing teams go through five stages of team development: -

Forming Stage

- It's all good!
- Formalities are preserved, members are treated as strangers
- Getting to know one another

- Members want to know the why... their purpose
- Members want to know roles (theirs & others)
- Management communicates expectations
- Members need time to become comfortable with one another

The forming stage involves a period of orientation and getting acquainted. Uncertainty is high during this stage, and people are looking for leadership and authority. In the beginning, when a new team forms, individuals will be unsure of the team's purpose, how they fit in, and whether they'll work well with one another. They may be anxious, curious, or excited to get going.

A member who asserts authority or is knowledgeable may be looked to take control. Team members are asking such questions as “What does the team offer me?” “What is expected of me?” “Will I fit in?” Most interactions are social as members get to know each other. However they feel, they'll be looking to the team leader for direction. This may take some time, as people get to know their new colleagues and one another's ways of working.

Storming Stage

- Politeness begins to wear off... (it hits the fan)
- Dissension occurs over basic mission and operating procedures
- Control can become a primary issue
- Disagreements may be obvious or subtle
- General disagreement over what & how to do a job
- Disagreement on general purpose of the team
- This is a natural part of the team development
- Good time to review ground rules, purpose, vision, mission
- Effective communication needed
- Managing conflict needed

The storming stage is the most difficult and critical stage to pass through. It is a period marked by conflict and competition as individual personalities emerge. Team performance may actually decrease in this stage because energy is put into unproductive activities. Members may disagree on team goals, and subgroups and cliques may form around strong personalities or areas of agreement. To get through this stage, members

must work to overcome obstacles, to accept individual differences, and to work through conflicting ideas on team tasks and goals. Teams can get bogged down in this stage. Failure to address conflicts may result in long-term problems.

Norming Stage

- A team recognizes, accepts, values the differences
- Start to ask, “How are we going to accomplish the job?”
- Start to look at how are we functioning?
- Focus more time and energy on the purpose, task, vision, mission 22 norming – characteristics
- Ground rules & procedures taken seriously
- Team will want to spend time on decision making and doing the job
- Members become focused on specific jobs that need to be done

If teams get through the storming stage, conflict is resolved and some degree of unity emerges. In the norming stage, consensus develops around who the leader or leaders are, and individual member’s roles. Interpersonal differences begin to be resolved, and a sense of cohesion and unity emerges. Team performance increases during this stage as members learn to cooperate and begin to focus on team goals. However, the harmony is precarious, and if disagreements re-emerge the team can slide back into storming.

Performing Stage

- The action stage
- Highly effective
- Problem solving
- Reach solutions quickly
- Prevent issues from becoming problems 25 performing – characteristics production
- Tasks are accomplished
- Team looks for more to do
- Team is pro-active
- Don’t wait for direction on every item
- Demonstrate loyalty to the team
- Respect individual dissension and disagreement

- Self-regulating

In the performing stage, consensus and cooperation have been well-established and the team is mature, organized, and well-functioning. There is a clear and stable structure, and members are committed to the team's mission. Problems and conflicts still emerge, but they are dealt with constructively. The team is focused on problem solving and meeting team goals.

Judith Stein, from MIT's HR department, says of this stage, "Roles on the team may have become more fluid, with members taking on various roles and responsibilities as needed. Differences among members are appreciated and used to enhance the team's performance."

Adjourning (or Mourning) Stage

In the adjourning stage, most of the team's goals have been accomplished. The emphasis is on wrapping up final tasks and documenting the effort and results. As the work load is diminished, individual members may be reassigned to other teams, and the team disbands. There may be regret as the team ends, so a ceremonial acknowledgement of the work and success of the team can be helpful. If the team is a standing committee with ongoing responsibility, members may be replaced by new people and the team can go back to a forming or storming stage and repeat the development process.

Using the Forming, Storming, Norming, and Performing Tool

Follow the steps below to ensure that you're doing the right thing at the right time:

1. Identify the stage that your team is at from the descriptions above.
2. Consider what you need to do to move on to the next stage.
3. Schedule regular reviews of where your team is at, and adjust your behavior and leadership approach accordingly.

Tuckman's model isn't a one-way street – teams may go back and forth between stages. When you hit the performing stage, keep observing your team's progress in case it slips back. For example, a new team member can disrupt the group dynamic, or a new business direction might mean you have to reevaluate your team roles and goals.

Team Norms and Cohesiveness

When you have been on a team, how did you know how to act? How did you know what behaviors were acceptable or what level of performance was required? Teams

usually develop norms that guide the activities of team members. Team norms set a standard for behavior, attitude, and performance that all team members are expected to follow. Norms are like rules but they are not written down. Instead, all the team members implicitly understand them. Norms are effective because team members want to support the team and preserve relationships in the team, and when norms are violated, there is peer pressure or sanctions to enforce compliance.

Norms result from the interaction of team members during the development process. Initially, during the forming and storming stages, norms focus on expectations for attendance and commitment. Later, during the norming and performing stages, norms focus on relationships and levels of performance. Performance norms are very important because they define the level of work effort and standards that determine the success of the team. As you might expect, leaders play an important part in establishing productive norms by acting as role models and by rewarding desired behaviors.

Norms are only effective in controlling behaviors when they are accepted by team members. The level of cohesiveness on the team primarily determines whether team members accept and conform to norms. Team cohesiveness is the extent that members are attracted to the team and are motivated to remain in the team. Members of highly cohesive teams value their membership, are committed to team activities, and gain satisfaction from team success. They try to conform to norms because they want to maintain their relationships in the team and they want to meet team expectations. Teams with strong performance norms and high cohesiveness are high performing.

For example, the seven-member executive team at Whole Foods spends time together outside of work. Its members frequently socialize and even take group vacations. According to co-CEO John Mackey, they have developed a high degree of trust that results in better communication and a willingness to work out problems and disagreements when they occur.

Establishing Teamwork Rewards

Rewards Management

The reality is, rewarding both teamwork and individual performance is essential to the workplace success. Observation and experience, a well-balanced performance reward

program consists of 75% emphasis on individual performance and 25% on team performance.

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Figure 21: Rewards Management



employees, over and

- **Non-Monetary Rewards:** Not in monetary form that are given to employees in recognition of their individual contribution to performance targets.

Teams Vs Individuals Rewards

1. Individual Rewards

Rewarding individual employees in appreciation and recognition of their individual effort in performance, which has resulted in achieving and/or exceeding set individual target.

Why Individual Rewards

- Recognize individual effort in achieving particular set performance target.
- Appreciating individual effort made in a particular task/project.
- Recognize outstanding individuals in the work environment – performance, behaviour, their effectiveness, support to others.

- Create a competitive environment in the workplace.

Why Encourage Individual Work

- Allow independence to think things through on individual basis.
- Improve employee confidence in working to achieve individual set performance targets.
- Enable employees to work at their own level, rather than having to adapt to suit their group members. Enhance self-control in staying focused on the task at hand.
- Promotes creativity and innovation at individual level.

Disadvantages of Individual Rewards

- May demotivate those not rewarded, especially if they feel their team contribution to the individual's success was not recognized.
- Risk of demotivating the rewarded employee, especially if the employee feels the reward is not commensurate to the effort made to achieve the set target.
- Risk creating an imbalance in the salary & grading structure due to individual promotion or huge salary increases.
- May create jealousy leading to poor working relationships among employees.

Types of Individual Rewards

Monetary Rewards

- Individual bonuses
- Commission
- Extra month's salary
- Shopping vouchers

Non-Monetary Rewards

- Recognition certificates
- Verbal recognition
- Holidays
- Promotion to a high job grade
- Periodic awards - employee of the month/quarter/year
- Education scholarship

2. Team Rewards

It is the process of compensating a group of employees based on their combined contribution to a particular project, goal or organization performance.

Why Team Rewards

- Share the success – all team members receive a reward for having contributed to and achieved the team's target.
- Appreciate team effort made to achieve the required success.
- Increase impact of employee motivation – star performances motivate and engage other employees in the organization.
- Enhance teamwork through team recognition, cooperation and bonding.

Why Encourage Teamwork

- Enhances multidimensional thinking through team members contributing ideas and listening to each other. This allows more creativity, innovation and enhanced performance.
- Allows for delegated responsibilities through shared knowledge and team abilities for problem solving. Allows for joint accountability from all team members, mutual monitoring and provision of performance feedback to team members.
- Encourages peer cooperation and information sharing which increases team knowledge.
- Though all team members are rewarded equally, not all team members contributed equally in achieving the team's targets.
- Social loafing – individual's will to cooperate and work together as a team reduces, their effort and outcome is less compared to when working individually.
- There is a risk of individuals in a team losing their sense of how each one of them are contributing to reach the team goal. This may affect individual performance.
- In rear circumstances, team rewards may be counterproductive and cause competition instead of cooperation.

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Types of Individual Rewards

Monetary Rewards

- Team bonuses
- Team commission
- Shopping vouchers for each team member

Non-Monetary Rewards

- Team celebration - gate-away bonding activity, team dinner, tickets to a sport event etc.
- Team trip/holiday – may include spouses
- Team merchandise - team jacket, pin, emblem to build team identity
- Recognition certificates
- Team recognition award – public mention and appreciation
- Team time off away from work

Critical to Consider When Awarding Teams

- **Criteria for reward** – what criteria are used to give a team reward? - Performance metric, outcome, milestone, team behavior.
- **Size of reward** – is large enough for individual distribution or small enough for a team activity? Eligibility – are all team members eligible for the reward? How is it to be distributed – equally or at a ratio?
- **Purpose** – what is the purpose of giving team rewards?

- **Frequency of reward** – is it a one reward or will it be recurring?

Review Teamwork Strategies

Managers must recognize that they play a central role in effective team building. However, to be successful, managers require a framework to guide their activities. The framework should be action oriented and easy to understand and apply, while incorporating the critical factors associated with effective team performance found in the team-building literature.

Step 1 — Identify Team Characteristics Considered Predictive of Team Success

The key to creating an effective new, temporary team is balance in the attributes of team members, and the presence of needed resources to achieve stated goals. For example, in problem solving and implementation teams, managers must make sure that critical managers with power are selected as therefore, when decisions are made, non-participating managers cannot easily resist. Similarly, managers want to ensure that the required expertise and knowledge exists within the group. This increases the probability of creative problem solving and outcome acceptance by non-members. Therefore, when decisions are made, non-participating managers cannot easily resist. Similarly, managers want to ensure that the required expertise and knowledge exists within the group.

Step 2 — Measure Existing Team Climate Characteristics to Produce A Team Profile

It is important to recognize that research demonstrates a clear link between the presence of positive team characteristics and team effectiveness. Therefore, managers must find a mechanism to measure the degree to which relevant team characteristics currently exist in a given environment. Such information can be used to create team climate surveys, create team climate diagnosis, create team innovativeness, measure team development and for the selection of new team members. There are three traditional approaches to collecting this information; paper-and pencil questionnaires or surveys, direct observation, and interviews.

Step 3 — Identify Deficient Team Characteristics

In the event that a group is not performing up to expectations, the manager should look for something other than an ineffective team climate to explain the shortfall. For example, poor performance could be caused by misalignment between employee skills and task requirements, lack of training, lack of practice, or the lack of appropriate tools and equipment. Other causes could be:

- i. It lacks direction
- ii. Members do not understand their roles and assignments
- iii. The work climate prevents learning
- iv. Members are unwilling to share
- v. Members are unwilling to share leadership responsibilities

Until some type of team intervention is undertaken, and a more positive team climate is created, management should not expect significant improvements in the group's performance.

Step 4 — Use Pre-Established Decision Criteria to Select the Appropriate Intervention Sequence to Change Deficient Climate Characteristics

It is unlikely that managers will have the time, energy, or resources to attack all deficiencies simultaneously. Furthermore, given the complexity and uniqueness of most business environments, and the interrelationships between team characteristics, it would be administratively unsound to attempt a broad-based intervention without considering how best to proceed.

In other words, a manager must decide which deficiencies should be addressed first and what would be the appropriate sequence of subsequent interventions? Managers should therefore develop and consider a number of decision criteria that would help them address the issues of setting priorities.

Step 5 — Identify Team-building Strategies Capable of Overcoming Deficiencies in Team Characteristics

All too often, managers, when attempting to build effective teams, turn to outside professionals to create teams within their units or organization. Once selected, these outside professionals typically take the natural or intact work group off site, and engage in some type of intensive team-building experience out of campus.

The assumption is that intact groups or individuals will transfer appropriate team behaviors back to the job or organizational setting. While such efforts can sensitize group members to the importance of team characteristics, or kick-start an in-house team-building effort, it is the author's experience that desired behaviors are not often transferred to the work environment, and if they are, they soon deteriorate.

Therefore, once managers have determined which team characteristic deficiency should be addressed first, and the sequence of subsequent interventions, they should attempt to articulate available team-building strategies. In constructing such a list, managers can turn to the teambuilding literature, personal experience, in-house experts or managers, or benchmark best practices in other organizations.

Step 6 — Use Pre-Established Decision Criteria to Select the Appropriate Intervention Strategies to Improve Deficient Team Characteristics

Here again, managers are unlikely to have the time, energy, or resources to apply all improvement strategies simultaneously. Nor is it likely that all improvement strategies will be equally effective when applied to any one team characteristic. Managers should therefore once more articulate and apply a number of decision criteria that would help them decide on the appropriate mix of improvement interventions.

Step 7 — Implement and Assess Improvements

Implementation is a critical component of any team-building intervention. It is the point at which analysis and planning become reality. Each intervention will have its own unique sequence of steps designed to bring it on line and obtain the desired improvement in the selected team characteristic.

Learning Activities

Activity 1

Identify a team in which you belong or one which you belonged. Discuss with your colleague the following.

- a) Which were the team's objectives?
- b) What did your team accomplish?
- c) What did you like about the group?

d) What did you learn or benefit from the group?

Activity 2

Jypax is a group of workers who formed a team to install water tanks and hand washing points at Baranix Community. The supervisor briefed the workers of the job to be done. Some members were not sure whether they will be installing the tanks or setting up hand washing points. The supervisor clarified by presenting a work schedule to the worker, and the work began.

One of the group members who had experience in tank installation excitedly approached the supervisor to give his ideas but the other workers criticized him and called him a name “know all” The supervisor intervened, and the workers apologized, after the supervisor outlined the working rules. The team worked enthusiastically and was able to complete the work and went back to their homes.

- a) In relation to the above case, identify the stages of team development.
- b) What should the supervisor have done to avoid the worker being criticized?

Self-Assessment

- Q1. What are the four stages in the formation of teams?
- Q2. What are the five reasons why teams perform poorly?
- Q3. What are the 3 type's skills necessary for a team member to have?
- Q4. What is the meaning of self-managing teams?

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment Question

A1. Stages in the formation of teams:

- i. Forming
- ii. Storming
- iii. Norming
- iv. Performing

A2. Reasons for poor team performance

- It lacks direction
- Members do not understand their roles and assignments
- The work climate prevents learning
- Members are unwilling to share
- Members are unwilling to share leadership responsibilities

A3. 3 Types of skills required by team members

- a) Technical skills
- b) Decision-making and problem-solving skills
- c) Interpersonal skills

A4. Self-Managing Teams

Self-managing teams (also known as self-directed teams) have considerable autonomy. They are usually small and often absorb activities that were once performed by traditional supervisors. A manager or team leader may determine overall goals, but the members of the self-managing team control the activities needed to achieve those goals.

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2.2.4 Learning Outcome 4: Monitor Team Performance

Introduction to the Learning Outcome

This learning outcome involves setting performance plans for the team and monitoring their progress. Team work strategies will also be determined. Employees' periodic rating will be carried out together with rewarding of teams. Employees' Improvement Plan will also be prepared.

Performance Standard

1. Performance plans for team are set in accordance with operational Plans.
2. Teams' progress is monitored in accordance with operational procedures.
3. Team work strategies are determined according to operational plans.
4. Employees' periodic rating is carried out in accordance with HR procedures.
5. Teams are rewarded in accordance with the ratings set in HR policy.
6. Employees team improvement plans are prepared and implemented in accordance with HR policy.

Information Sheet

Meaning of terms:

Professional development: It is learning to earn or maintain professional credentials. It is intensive and collaborative.

Feedback: The transmission of evaluative or corrective information about an action, event or process to the original source or controlling source

Performance review: It is a formal assessment in which a manager evaluates an employee's work performance, identifies strengths and weaknesses, offers feedback and sets goals for future performance.

Performance standards: They are observable behaviors and actions which explains how the job is to be done, the results that are expected for satisfactory job performance

Individual goals: They are the expression of the things you want to achieve for yourself.

Performance criteria: The part of a competency standard specifying the required level of performance in terms of a set of outcomes that need to be achieved in order to be deemed competent.

Coaching: It is a process that aims to improve performance and focuses on the “here and now” rather than on the distant past or future.

Monitoring: It is the systematic process of collecting, analyzing and using information to track a program’s progress toward reaching its objectives and to guide management decisions.

Performance management: It is the process through which supervisors and those they lead gain a shared understanding of work expectations and goals, exchange performance feedback, identify learning and development opportunities, and evaluate performance results.

Performance plans for team are set in accordance with operational Plans

It is through this process that organizations are able to create and sustain a workplace environment that:

1. Values continuous improvement
2. Adapts well to change
3. Strives to attain ambitious goals
4. Encourages creativity
5. Promotes learning and professional development
6. Is engaging and rewarding for employees

The Performance Management Process

1. Performance planning
2. Day-to-day coaching and feedback
3. Quarterly performance check-in
4. Formal performance review

Alignment with Organization Mission & Vision

Effective performance goals flow from and support the mission, vision, and goals of the team, department, and university. By ensuring that the mission, goals and strategies

of the larger organizational unit drive all performance measures and improvement initiatives, supervisors are better able to help employees see how their efforts contribute to the achievements of the team, department and university

Performance

Planning

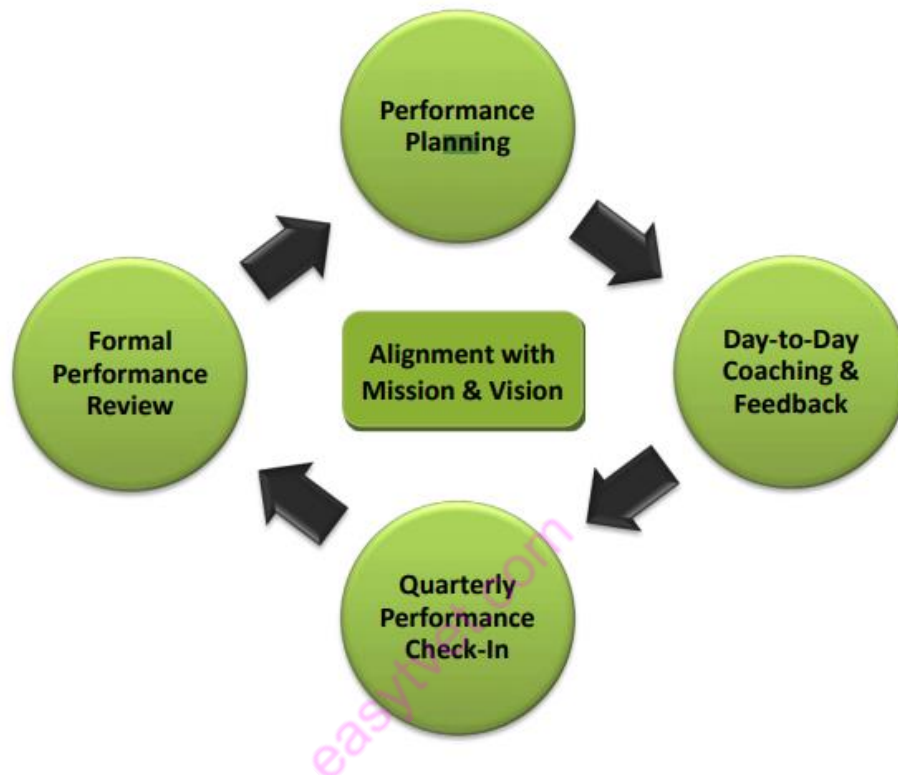


Figure 22: Performance Planning

1. Ensure a mutual understanding of the job responsibilities.
 - What is the nature of the role?
 - What are the primary responsibilities?
2. Ensure a mutual understanding of standards and expectations.
 - What expectations and standards must be met?
 - What are the quality measures that will be used to determine success?
 - What are the customer expectations that must be met?
 - What are the time expectations?
 - Tips for clearly communicating expectations and standards:
 - i. Be specific – avoid overly broad and ambiguous terms
 - Too broad:** – *Provide good customer service*
 - *Be courteous and friendly*

Specific: - *Smile and make eye contact when a new customer enters the room*

- *Return all client calls within 24 hours.*

- ii. Check to see what clarification is needed.
 - iii. Ask for a summary to ensure understanding I want to be sure I covered everything, e.g. *“Would you tell me what you’ve heard so far so I can be sure I didn’t miss anything?”*
3. Set performance goals. Performance goals define what results the employee will strive to achieve by the end of an established time period. Effective goals meet each of the 5 SMART criteria described below:

Figure 23: SMART Goals



Day-to-Day Coaching & Feedback

1. Discuss performance often. Effective coaching occurs through conversation. Below are key characteristics of effective performance coaching and feedback conversations:
 - They are dialogues, not monologues.
 - They occur regularly, rather than being reserved for formal reviews.
 - They are balanced – address strengths as well as concerns.

- They are collegial and conducted with respect, both in words and non-verbal behavior.
2. Provide appreciative feedback – recognize successes.
 - Pay attention – catch people in the act of doing great work.
 - Attach praise to meaningful results.
 - Instead of just “good job”, try “*the solution you offered helped us to avoid a potential problem and exceed the client’s expectation.*”
 - Thank people in person.
 - Use other forms of acknowledgement to supplement an in-person thank you, not to replace it.
 - Celebrate successes
 - Celebrate small wins along the way to your goal. This can re-energize and motivate continued commitment to success.
 3. Address concerns and solve problems. Best Practices:
 - Be timely.
 - Don’t overreact to an isolated incident.
 - Address a manageable number of concerns at one time.
 - Be specific and give examples.
 - Focus on observable actions and their impact.
 - Focus on problem resolution rather than blame.
 - Engage in a dialogue, not a monologue.
 - Collaborate to accurately define the problem and brainstorm solutions.

Conversation Steps When Addressing Performance Concerns or Problems:

1. Present your view of the problem. If the problem is a concern you have about the other’s actions. Use the Action-Impact format to present your concern. Action-Impact Format:
 - State the action (behavior) you observed.
 - Describe the impact the action had on results.
2. Invite and hear the other’s view of the problem.
 - Listen non-defensively and seek to understand the other’s perspective

3. Identify a definition of the problem that is agreeable to both of you.
4. Brainstorm possible solutions.
5. Agree on a strategy to implement.
6. Schedule a follow-up meeting to check the success of the strategy.

Quarterly Performance Check-In

Adopt the practice of meeting at least once per quarter to review goals, progress, and results, acknowledge successes and identify improvement opportunities.

1. Check progress what's working well? What's not working?
2. Make mid-course adjustments where needed what changes would enhance performance or progress toward the goal?

Formal Performance Review

During annual performance reviews managers and employees work together to:

- Review the employee's work achievements and challenges over the past year,
- Establish work expectations and performance goals for the coming year, and
- Define the employee's professional development goals and learning plan for the coming year.

The forms utilized in this process will assist managers and employees in preparing for performance review discussions. Although these forms are helpful and necessary tools, the filling out of forms is not the primary goal of a review. Reviews are most effective when forms are used to help prepare for a conversation and document the outcomes, rather than as a substitute for conversation.

Preparing for the Review

1. Review the following:
 - Position description (PDQ)
 - Standards and expectations
 - Past year goals and objectives
 - Other documentation gathered during review period
2. Request the employee complete performance self-assessment. Ask the employee to prepare by reflecting on the following:
 - Successes and challenges over the past year

- Additional support he or she would like from you
 - Additional skills/knowledge he or she would like to develop or enhance
3. Complete performance evaluation form.
 4. Come prepared to share your perceptions and feedback about the employee's performance over the past year, including:
 - Key achievements and successes
 - Performance concerns and/or challenges
 - Changes and enhancements that you recommend (or require)
 - Learning opportunities relevant to the employees' job function that would help enhance current skills or develop new ones
 - Key employee strengths and contributions over the past review period

Formal Performance Review

Conducting the Review

1. Share your feedback about the employee's performance.
 - a. Include information about strengths and successes as well as areas needing improvement.
 - b. Communicate the rating you've assigned for each of the performance indicators.
 - c. Provide rationale for each rating - include behavioral examples whenever a rating is above or below "achieves."
2. Invite and listen to the employee's assessment of his/her performance.
3. Ask the employee to share his/her feedback for you, including ideas for improvement.
4. Re-enter the performance planning phase.
 - a. Define expectations for the coming year.
 - b. Set performance goals.
 - c. Identify learning and development goals.

Best Practices:

- Schedule evaluation meetings in advance
- Use a private, interruption-free setting
- Allow sufficient time for discussion

- Consider in advance how to present information
- Set tone for respectful, adult-to-adult interaction
- Start and end on positive note

Monitoring Team's Progress

Monitoring employee performance works best with an established routine. Carry out regular one to one meeting, team meetings or recording performance data. Monitoring styles need to be adapted to suit the situation and individual.

Performance monitoring can have a big impact on organisations, teams and individuals. Under-management can lead to a lack of direction and isolation, micro-management can cause frustration and resentment. Finding the right balance is essential for success.

Monitoring Methods

1. Observe Your Team

One of the most effective and straightforward ways to monitor performance is observation. Watch how they interact with one another, with you and with the clients/customers (if you have any). By simply observing an employee you can see what their strengths and weaknesses are. Rather than spending time in an office or separate section of the building, it can be really beneficial for managers to spend time with their team and interact with them in the office or working environment.

Likewise, if a team member is struggling with a task, it can be very beneficial to go through it with them. By observing how they are attempting to complete it you will be able to identify ways they can improve and communicate how they could do it better.

2. Create Work Plans

Within regular one to one meeting a work plan should provide a focus. Work plans should be created in consultation with the employee and include clear tasks, timescales and the resources required. Each one to one should include discussion of the work plan. What progress has been made since last time? Did they meet their targets? If not, why?

Listen to the feedback you are given. Ask questions and encourage the individual to consider how they can work effectively and reach their potential. Make sure the

employee is aware they are accountable for their actions. Engage them in deciding and agreeing on targets and timescales for their work plans.

3. Encourage the Use of Self-Monitoring Tools

Project plans, checklists and activity logs are all great ways of monitoring performance. This is beneficial not just as a tool for project management but also so employees themselves can monitor their own goals and deadlines.

4. Carry Out Regular Reviews

By regularly checking in with employees you can begin to create a strong understanding of strengths and weaknesses. If they are struggling to achieve a particular goal but regularly achieve others, would it be worth adjusting their work plan and concentrating on areas they perform well in. Do they require training? Perhaps they would benefit from a mentor or would work better in a team? By reviewing progress regularly, you will be able to pick up on these subtleties and provide your employees with the support and guidance they need to reach their potential for themselves and the organisation.

5. Feedback

Give and encourage feedback as often as possible. Don't wait until meetings, one to ones and reviews. Encourage your team to come and speak to you and keep them motivated by keeping on top of their progress and letting them know when they are doing well. Always remain constructive.

6. Training

Training courses will introduce you to ways to develop a motivated, high performance workforce and how to set achievable expectations. The monitoring performance module will assist you in exploring the benefits of observing and recording performance data to achieve consistent performance improvement.

Employee Periodic Rating

Performance Appraisal or Merit Rating

After the selection and placement of the employees, it is necessary to evaluate their performance. Merit rating implies systematic evaluation of the performance of the

employees by some qualified persons. There are “various formal systems of appraisal or merit rating in which the individual is compared with others and ranked or rated. They are rated in the sense that they are measured or compared and classified”. The need for such evaluation or appraisal arises from the fact that the human factor is the most important in the success of an enterprise. The productivity of this factor is a big determining factor of the overall performance of an organization.

Job performance of employees can be determined broadly by three factors:

- a. Ability,
- b. Motivation, and
- c. Work environment

The evaluation is done by the supervisors, senior bosses, once or twice a year. The term ‘merit rating’ is now being replaced in advanced countries by the term ‘personnel appraisal’. Merit rating is now considered as a part of the whole problem of personnel appraisal which has broader implications.

That the quality of the performance of different employees is necessary is beyond question. Performance of the employee is now appraised not by merit rating only. This is supplemented by observations, records and evaluations.

According to Dale Yodu:

“Modern management makes somewhat less use of the term rating than was common in earlier periods, for several reasons. Most important, many managers now realize that rating is only one part or phase of a broader, continuing process of personnel appraisal.” Several methods are used for evaluating the performances and potentials of the employees such as ranking method, graphic rating scale, forced distribution method, forced choice method, critical incident method and field review method.

However, merit rating, as such, is now replaced by a new approach to performance appraisal. Management by objectives (MBO) was introduced by P. Drucker in 1954. He used the term “Management by Objectives” (MBO) in his book “The Practice of Management”.

Drucker recognized the need of self-set goals. Since then it has become very popular as a method of planning, setting standards, motivating and appraising performance of

employees. The better parts of the different theories of motivation such as Maslow's "Self-fulfilment need" and McGregor's Theory Y are recognized and performance appraisal is based on them.

This new approach to the development of human resources accepts the concept that people prefer to be assessed according to criteria or standards which they feel as realistic and reasonable. In performance appraisal, Herzberg's motivational factor of achievement, recognition, challenging work and responsibility are taken into consideration.

The Key Features of Performance Appraisal Are:

1. Superior-Subordinate Instruction:

The list of duties and areas of responsibility are jointly prepared by the superior and the subordinate staff on the basis of mutual agreement and understanding.

2. Superior-Subordinate Mutually Set Goals:

The subordinates set their short-term goals in consultation with their bosses. There is a mutual understanding.

3. Superior-Subordinate Mutually Set Performance Criteria:

The methods of achieving the business objectives are mutually set by the superior and their subordinates. They agree upon standards or norms for measuring and evaluating performance.

4. Progress Evaluation:

There is the system of continual evaluation of progress to ascertain whether predetermined goals are being achieved. If necessary, the superior and subordinate, by sitting at meeting face to face, determine new goals.

5. Superior's Supportive Role:

In this new approach to performance appraisal, the superior always extends supportive hands to their subordinates in realizing business objectives. They act as a friend, philosopher and guide. The aim of performance appraisal is to emphasize on the results and not on the means or the personal traits. The superior does not act as a judge to pass their verdict on the performance of their subordinate; rather they help them through continuous guidance to reach their goals.

Performance appraisal is more concerned with the assessment of performance and not with evaluating or rating qualities of potentials of the subordinate staff. In performance appraisal, more attention is given to work-related and career-oriented goals and primary emphasis is on self-supervision and self-regulation by the subordinates with frequent feedback of information for effective control and communication.

Management by objective, or the new approach to performance appraisal as it is called, is a good solution to the problem of motivation. Through mutual interaction between the superior and his subordinates, it provides ample scope for employee participation in goal-setting and in planning and organizing the work.

Learning Activities

Activity 1

Visit a team within your community.

- a) Administer this questionnaire to each of the team member at least 5 people to fill in.

Please fill in the questionnaire by ticking (✓) only one space for each statement						
Questionnaire No...						
	Statement	Strongly Agree (5)	Agree (4)	Not Sure (3)	Disagree (2)	Strongly Disagree (1)
1	The team has a shared purpose					
2	All team members participate in the team's activities					
3	The team members are open and honest					
4	We are able to meet our targets					
Any other comment						

- b) Analyze the 5 questionnaires.
- c) Comment on the group's cohesion or effectiveness.

Self-Assessment

1. What are the monitoring methods that the HR supervisor can use to monitor employees?
2. For performance goals to be effective, they must be SMART. What does this mean?

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment

A1. Monitoring tools available for the HR supervisor:

- a) Create work plans
- b) Observe their team
- c) Encourage the use of self-monitoring tools
- d) Carry out regular reviews
- e) Feedback
- f) Training

A2. Steps in the performance management process are:

1. Performance planning
2. Day-to-day coaching and feedback
3. Quarterly performance check-in
4. Formal performance review

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2.2.5 LEARNING OUTCOME 5: APPRAISE EMPLOYEE PERFORMANCE

Introduction to the Learning Outcome

This learning outcome involves: carrying out employee appraisal, carrying out training needs assessment, Identifying gaps on areas of competence, carrying out training on identified gaps, carrying out professional development of HR and determining HR training and development cost.

Performance Standard

1. Employee appraisal is carried out in accordance with the HR policy.
2. Training needs assessment is carried out as per performance appraisal records of employees.
3. Gaps on areas of competence are identified in accordance with departmental needs.
4. Training on identified gaps is carried out based on HR policy.
5. Professional development of HR is carried out in accordance with the Strategic plan and HR plan.
6. HR training and development cost is determined based on the budgets and Employees' training is carried according to HR policies and procedures.

Information Sheet

Meaning of terms

Appraisal

It is the regular review of an employee's job performance and contributions to a company.

Employee engagement

It describes the level of enthusiasm and dedication a worker feels towards their job.

Training and Development

Training is a short-term reactive process meant for operatives and process while development is designed continuous pro-active process for executives. In training employees' aim is to develop additional skills and in development, it is to develop a total personality.

It is an incentive based form of compensation that can be paid to portfolio managers

Carrying Out Employee Appraisal

Appraisals are a key part of many organisations' performance management systems. Appraisals are about both past performances, and the future. Usually conducted by line managers, they're an opportunity to discuss and set goals for employee performance, development, and support. With a standard form, HR can also make sure appraisals cover all the bases and get maximum value from them. Typical elements include:

- Measurement of performance — against agreed targets, and through evaluation of the employee's attitudes and behaviour
- Manager feedback — on the employee's performance and development, and how they can maintain or improve their performance
- Encouragement — effective appraisals take time to offer positive feedback to employees, to reinforce good performance and behaviors
- Employee feedback — including questions, concerns, and ideas about their own performance and role. Addressing these can be invaluable in resolving performance issues.
- Agreeing goals — Goals can address performance issues, training needs, adapting to changing duties, or any other issue. They must be understood and agreed by both parties if they are to be acted upon and achieved.

Carrying Out Training Needs Assessment

A Training Needs Assessment (TNA) is a diagnostic tool for determining what training needs to take place. This survey gathers data to determine what training needs to be developed to help individuals and the organization accomplish their goals and objectives. This is an assessment that looks at employee and organizational knowledges, skills, and abilities, to identify any gaps or areas of need. Once the training needs are identified, then you need to determine/develop objectives to be accomplished by the training. These objectives will form criteria for measures of success and utility.

This analysis can be performed by managers who are able to observe their staff and make recommendations for training based on performance issues or gaps between performance and objectives. This analysis can also be performed on an organization-

wide level by Training and Development managers who survey the organization to identify needs.

Factors that may lead to training needs:

- Re-organization processes
- Business process re-engineering
- Process improvements
- Reductions in force
- Layoffs/transfers/new hires
- Staffing Changes/Promotions
- Re-locations
- New equipment/Technology
- Performance/Safety Issues
- Problems in Production/Safety
- New Systems/Procedures
- Changes in Laws/Regulations
- Succession Planning
- Career Paths/Growth

Steps in a Training Needs Assessment:

1. Needs Assessment (collecting and analyzing data)
2. Design (program objectives, plan, measures of success)
3. Testing (prototype the instrument and process)
4. Implementation (collection measures and update as needed)
5. Analysis & Evaluation (review feedback and data collected)

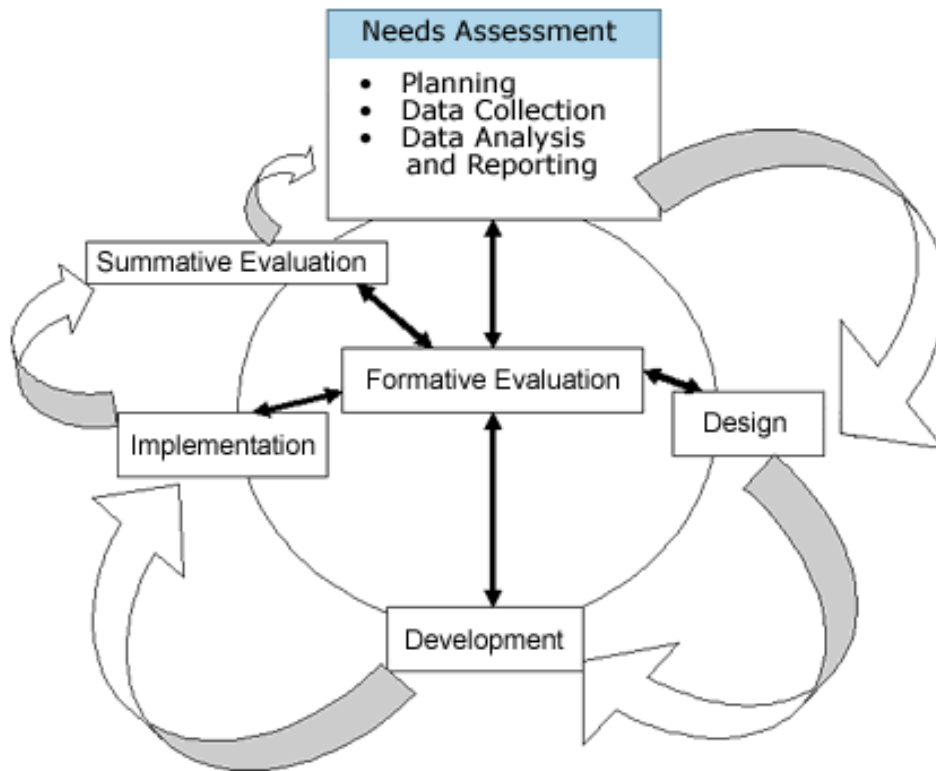


Figure 24: Steps in a Training Needs Assessment

Identifying Gaps on Areas of Competence

The difference between the actual level of job performance and the expected level of job performance indicates a need for training. A successful training needs analysis will identify those who need training and what kind of training is needed. It is counter-productive to offer training to individuals who do not need it or to offer the wrong kind of training. A Training Needs Analysis helps to put the training resources to good use.

Schedule a meeting with employees in a particular department or job classification. During the meeting, gather ideas from the employees about their needs and areas for professional development. Determine common themes and topics. Ask the employees to review the information gathered and determine which areas/needs are most important to receive training. Then determine the desired outcomes from the training to address these needs. These outcomes could serve as measures of success (validation) of the training.

Assessment Methods

1. Survey Questionnaires

Web based or printed questionnaires distributed to employees for completion. Construction of surveys to include multiple/fixed choice questions and free/open-ended questions for text responses.

Advantages

- Survey a large number of employees at the same time.
- Do not require a lot of time.
- Enable honest and open feedback.
- Gathers quantitative and qualitative data easily.

Disadvantages

- May be difficult to design questionnaires to allow for follow-up or more elaborate responses.
- Might not identify the specific causes behind employee actions/behaviors.

2. Personal Interviews

Conducted by a trained "interviewer" who follows an interview outline (or set of questions) to be asked during the interview.

Advantages

- More flexible in the ability to ask various questions.
- Able to immediately follow-up on items mentioned in the interview.
- Is not limited in scope or limited to only a certain set of questions.

Disadvantages

- Time consuming. Especially if only one individual is interviewed at a time.
- Requires the interviewer to document conversations in detail. Any details not documented are lost or need to be gathered through subsequent interviews.

3. Personal Observations

An observation of the employee at work. May be structured (i.e., the employee performs specific tasks) or unstructured (i.e., the observer tries to document the employees work without influencing what the employee does).

Advantages

- May reduce the amount of interruption of the employee's work.
- May be more realistic- observations are made of the employee actually at work.

Disadvantages

- Requires a trained observer.
- Requires the observer to document the work in detail. Any details not documented are lost or need to be gathered through subsequent observations.

Carrying Out Training on Identified Gaps

Training and development describes the formal, ongoing efforts of organizations to improve the performance and self-fulfillment of their employees through a variety of methods and programs. In the modern workplace, these efforts have taken on a broad range of applications from instruction in highly specific job skills to long-term professional development. In recent years, training and development has emerged as a formal business function, an integral element of strategy, and a recognized profession with distinct theories and methodologies. More and more companies of all sizes have embraced "continual learning" and other aspects of training and development as a means of promoting employee growth and acquiring a highly skilled workforce. In fact, the quality of employees, and the continual improvement of their skills and productivity through training, is now widely recognized as vital factors in ensuring the long-term success and profitability of small businesses.

For the most part, the terms "training" and "development" are used together to describe the overall improvement and education of an organization's employees. However, while closely related, there are important differences between the terms that center on the scope of the application. In general, training programs have very specific and quantifiable goals, like operating a particular piece of machinery, understanding a specific process, or performing certain procedures with great precision. On the other hand, developmental programs concentrate on broader skills that are applicable to a wider variety of situations, such as decision making, leadership skills, and goal setting.

Training in Small Businesses

Implementation of formal training and development programs offers several potential advantages to small businesses. For example, training helps companies to create pools

of qualified replacements for employees who may leave or be promoted to positions of greater responsibility.

It also helps ensure that companies will have the human resources needed to support business growth and expansion. Furthermore, training can enable a small business to make use of advanced technology and to adapt to a rapidly changing competitive environment. Finally, training can improve employees' efficiency and motivation, leading to gains in both productivity and job satisfaction.

Effective training and development begins with the overall strategy and objectives of the small business. The entire training process should be planned in advance with specific company goals in mind. In developing a training strategy, it may be helpful to assess the company's customers and competitors, strengths and weaknesses, and any relevant industry or societal trends.

The next step is to use this information to identify where training is needed by the organization as a whole or by individual employees. It may also be helpful to conduct an internal audit to find general areas that might benefit from training, or to complete a skills inventory to determine the types of skills employees possess and the types they may need in the future. Each different job within the company should be broken down on a task-by-task basis in order to help determine the content of the training program.

The training program should relate not only to the specific needs identified through the company and individual assessments, but also to the overall goals of the company. The objectives of the training should be clearly outlined, specifying what behaviors or skills will be affected and how they relate to the strategic mission of the company.

In addition, the objectives should include several intermediate steps or milestones in order to motivate the trainees and allow the company to evaluate their progress. Since training employees is expensive, a small business needs to give careful consideration to the question of which employees to train. This decision should be based on the ability of the employee to learn the material and the likelihood that they will be motivated by the training experience. If the chosen employees fail to benefit from the training program or leave the company soon after receiving training, the small business has wasted its limited training funds.

The design of training programs is the core activity of the training and development function. In recent years, the development of training programs has evolved into a profession which utilizes systematic models, methods, and processes of Instructional Systems Design (ISD).

ISD describes the systematic design and development of instructional methods and materials to facilitate the process of training and development and ensure that training programs are necessary, valid, and effective. The instructional design process includes the collection of data on the tasks or skills to be learned or improved, the analysis of these skills and tasks, the development of methods and materials, delivery of the program, and finally the evaluation of the training's effectiveness.

Small businesses tend to use two general types of training methods:

1. On-The-Job Training

This describes a variety of methods that are applied while employees are actually performing their jobs. These methods might include orientations, coaching, apprenticeships, internships, job instruction training, and job rotation. The main advantages of on-the-job techniques are that they are highly practical, and employees do not lose working time while they are learning.

2. Off-The-Job Training

This on the other hand, describes a number of training methods that are delivered to employees outside of the regular work environment, though often during working hours. These techniques might include lectures, conferences, case studies, role playing, simulations, film or television presentations, programmed instruction, or special study.

On-the-job training tends to be the responsibility of supervisors, human resources professionals, or more experienced co-workers. Consequently, it is important for small businesses to educate their seasoned employees in training techniques.

In contrast, off-the-job tends to be handled by outside instructors or sources, such as consultants, chambers of commerce, technical and vocational schools, or continuing education programs.

Although outside sources are usually better informed as to effective training techniques than company supervisors, they may have a limited knowledge of the company's

products and competitive situation. In addition, the cost of some off-the-job training methods may be too high for many small businesses to afford.

Actual administration of the training program involves choosing an appropriate location, providing necessary equipment, and arranging a convenient time. Such operational details, while seemingly minor components of an overall training effort, can have a significant effect on the success of a program. In addition, the training program should be evaluated at regular intervals while it is going on. Employees' skills should be compared to the predetermined goals or milestones of the training program, and any necessary adjustments should be made immediately. This ongoing evaluation process will help ensure that the training program successfully meets its expectations.

Carrying Out Professional Development of HR

Human Resource is a profession that requires continuous professional development. Human resources professionals are an integral part of every business. It's important they are taking care of their needs so they can fully assist others.

HR professionals run the risk of becoming stagnant in their current position and having no plans or goals on how to excel in their role. They are constantly interacting with people on all levels, whether through negotiating compensation with new hires, handling internal issues before they get out of hand, or simply communicating company policies and procedures to employees.

Whether it is a conference or workshop, HR professionals need to interact with like-minded professionals to keep their skills and industry knowledge up to date. Networking and making connections with people in the HR industry can also give new insight on how to better perform and grow in career.

The Society for Human Resource Management (SHRM) Body of Competency and Knowledge (BoCK) is a behavior model framework that is based on extensive global research that gathered information from employers, academics and HR practitioners. It identifies what it takes to be a successful HR professional across the performance continuum, around the world, and from early to executive career levels.

The BoCK includes eight behavioral competencies—Business Acumen, Communication, Consultation, Critical Evaluation, Ethical Practice, Global & Cultural Effectiveness, Leadership & Navigation, and Relationship Management—plus one technical competency, HR Expertise. The model is designed to help HR professionals identify the information they need for any given situation—quickly.

Determining HR Training and Development Cost

A Training Budget consists of all direct and indirect costs associated with courses and materials needed to analyze, design, develop, implement, evaluate, and maintain employee training or retraining.

Many medium and large organizations invest anywhere from 2 to 5% of salary budgets back into training. While that may not be realistic for a small business, it's important to find a training budget per employee your company can absorb. For this purpose, you can go on a 'needs' basis. For example, outside trainers can seem attractive, but they are not absolutely necessary.

Sometimes, senior employees under management supervision can do just as good a job as external training providers, and they'll cost you next to nothing. Of course, it all depends on the type of training you're interested in, as some professional and industry-specific subjects can't be handled internally.

Before you begin planning your budget, start by assessing the training needs of your business. You may need to focus on researching which skill deficit is affecting productivity and performance. This way, your program can identify and focus on the real issues and actual needs of the business and its employees, and your training budget can be put to good use.

Optimizing Training Structure and Minimizing Costs

Once you have prioritized the training needs of your employees and drafted an initial training budget, you can look at ways to maximize its cost efficiency. Once you look at the cumulative expenses of training cost per employee, you can consider several ways of reducing them:

- **Group training:** earn volume discounts by training multiple employees at once.

- **Find trainers within your company:** focus on training one employee with strong communication and interaction skills and have them train the rest. You can expand their job description to include training their colleagues.
- **Hosting weekly or monthly events:** These don't have to be formal and are a great way for team members to get involved, educated and motivated. Select a topic of discussion in advance and cover all questions and concerns they may have. Listen to the information they're sharing and synthesize it in follow-up e-mails or memos for quick access.
- **Cross-training employees:** This is common practice in businesses that rely on an agile workforce. Give your employees new roles or responsibilities and have them sit with someone who is comfortable performing the tasks you want them to learn. Change roles frequently to keep your employees motivated and continuously learning.
- **Starting a mentorship program:** Expanding on cross-training employees, a mentorship program benefits new and inexperienced workers without having you actually pay for their training. Have a senior worker act as a mentor and ease their transition into your corporate environment. The added benefit of a mentorship program is increased accountability.
- **Re-using materials:** most training materials such as videos have a long shelf life and may be used repeatedly. A lot of offices don't want to have anything lying around that's not constantly in use, but text books, CDs, and DVDs can be stored and used for new employees, so don't be quick to throw them away just yet.
- **E-Learning:** electronic options are more affordable than traditional training. E-Learning is usually associated with decreased material costs as all or most of the training information is available online. It allows for flexibility and reduces travel costs too, as employees can access courses remotely.
- **Associations or trade groups:** some industry associations offer discounted or free training programs for members at annual events, online, and through seminars.
- **Turning to your vendors and clients:** you can negotiate free or reduced-cost training from your vendors for specific projects or products. Clients are motivated to invest in training if it means they will receive better service.

You can use these techniques individually or try a combination based on your business needs. Ultimately, having the right training program in place will save you money in the long run.

Carrying Out Employees Training

While new techniques are under continuous development, several common training methods have proven highly effective. Good continuous learning and development initiatives often feature a combination of several different methods that, blended together, produce one effective training program.

Orientations

Orientation training is vital in ensuring the success of new employees. Whether the training is conducted through an employee handbook, a lecture, or a one-on-one meeting with a supervisor, newcomers should receive information on the company's history and strategic position, the key people in authority at the company, the structure of their department and how it contributes to the mission of the company, and the company's employment policies, rules, and regulations.

Lectures

A verbal method of presenting information, lectures are particularly useful in situations when the goal is to impart the same information to a large number of people at one time. Since they eliminate the need for individual training, lectures are among the most cost-effective training methods. But the lecture method does have some drawbacks. Since lectures primarily involve one-way communication, they may not provide the most interesting or effective training. In addition, it may be difficult for the trainer to gauge the level of understanding of the material within a large group.

Case Study

The case method is a non-directed method of study whereby students are provided with practical case reports to analyze. The case report includes a thorough description of a simulated or real-life situation. By analyzing the problems presented in the case report and developing possible solutions, students can be encouraged to think independently as opposed to relying upon the direction of an instructor. Independent case analysis can

be supplemented with open discussion with a group. The main benefit of the case method is its use of real-life situations. The multiplicity of problems and possible solutions provide the student with a practical learning experience rather than a collection of abstract knowledge and theories that may be difficult to apply to practical situations.

Role Playing

In role playing, students assume a role outside of themselves and play out that role within a group. A facilitator creates a scenario that is to be acted out by the participants under the guidance of the facilitator. While the situation might be contrived, the interpersonal relations are genuine. Furthermore, participants receive immediate feedback from the facilitator and the scenario itself, allowing better understanding of their own behavior. This training method is cost effective and is often applied to marketing and management training.

Simulations

Games and simulations are structured competitions and operational models that emulate real-life scenarios. The benefits of games and simulations include the improvement of problem-solving and decision-making skills, a greater understanding of the organizational whole, the ability to study actual problems, and the power to capture the student's interest.

Computer-Based Training

Computer-based training (CBT) involves the use of computers and computer-based instructional materials as the primary medium of instruction. Computer-based training programs are designed to structure and present instructional materials and to facilitate the learning process for the student. A main benefit of CBT is that it allows employees to learn at their own pace, during convenient times. Primary uses of CBT include instruction in computer hardware, software, and operational equipment. The last is of particular importance because CBT can provide the student with a simulated experience of operating a particular piece of equipment or machinery while eliminating the risk of damage to costly equipment by a trainee or even a novice user. At the same time, the actual equipment's operational use is maximized because it need not be utilized as a training tool. The use of computer-based training enables a small business to reduce

training costs while improving the effectiveness of the training. Costs are reduced through a reduction in travel, training time, amount of operational hardware, equipment damage, and instructors. Effectiveness is improved through standardization and individualization. In recent years, videodisc and CD-ROM have been successfully integrated into PC-platforms, increasing the flexibility and possibilities of CBT.

Self-Instruction

Self-instruction describes a training method in which the students assume primary responsibility for their own learning. Unlike instructor- or facilitator-led instruction, students retain a greater degree of control regarding topics, the sequence of learning, and the pace of learning. Depending on the structure of the instructional materials, students can achieve a higher degree of customized learning. Forms of self-instruction include programmed learning, individualized instruction, personalized systems of instruction, learner-controlled instruction, and correspondence study. Benefits include a strong support system, immediate feedback, and systematization.

Audiovisual Training

Audiovisual training methods include television, films, and videotapes. Like case studies, role playing, and simulations, they can be used to expose employees to "real world" situations in a time- and cost-effective manner. The main drawback of audiovisual training methods is that they cannot be customized for a particular audience, and they do not allow participants to ask questions or interact during the presentation of material.

Team-Building Exercises

Team building is the active creation and maintenance of effective work groups with similar goals and objectives. Not to be confused with the informal, ad-hoc formation and use of teams in the workplace, team building is a formal process of building work teams and formulating their objectives and goals, usually facilitated by a third-party consultant. Team building is commonly initiated to combat poor group dynamics, labor-management relations, quality, or productivity. By recognizing the problems and difficulties associated with the creation and development of work teams, team building provides a structured, guided process whose benefits include a greater ability to manage complex projects and processes, flexibility to respond to changing situations, and greater motivation among team members. Team building may include a broad range of

different training methods, from outdoor immersion exercises to brainstorming sessions. The main drawback to formal team building is the cost of using outside experts and taking a group of people away from their work during the training program.

Apprenticeships and Internships

Apprenticeships are a form of on-the-job training in which the trainee works with a more experienced employee for a period of time, learning a group of related skills that will eventually qualify the trainee to perform a new job or function. Apprenticeships are often used in production-oriented positions. Internships are a form of apprenticeship which combine on-the-job training under a more experienced employee with classroom learning.

Job Rotation

Another type of experience-based training is job rotation, in which employees move through a series of jobs in order to gain a broad understanding of the requirements of each. Job rotation may be particularly useful in small businesses, which may feature less role specialization than is typically seen in larger organizations.

Learning Activities

Activity 1

Your instructor has divided your class into teams and assigned each team to develop a new product plus a business plan. Use your teamwork skills to organize your team to carry out this exercise and market your new product successfully.

Activity 2

Visit a training institution near you and find out the different training methods used to train there. What are the benefits and shortfalls of each of these training methods.

5.1.1.1 Self-Assessment

Q1. What are the steps followed when carrying out training needs assessment?

Q2. What are the challenges of using off-the-job method of training in an organization?

Q3 which assessment methods would be used to identify gaps on areas of competence by the HR manager?

Q4. What are the appraisal performances a manager can use to motivate employees?

5.1.1.2 Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers To Self-Assessment Questions

A1 steps followed when carrying out training needs assessment:

- a) Determining of business goals
- b) Link goals to employee behavior
- c) Determining performance gaps
- d) Identify trainable competencies

A2 Challenges of using off-the-job method of training in an organization

- a) The method is completely detached from the work place
- b) Quality may become deteriorated
- c) It may become non effective in the actual context
- d) Production may be affected while employees are away

A3. Assessment methods used by the HR manager:

- a) Survey questionnaires
- b) Personal interviews
- c) Personal observations

Q4. What are the appraisal performances a manager can use to motivate employees?

- a) **Management by objective** – managers and employees together identify plan, organize and communicate objective to focus on during specific appraisal period.
- b) **360 degree feedback**- this method evaluate an employee using feedback collected from cycle of influence. E.g. managers, peers, customers and direct reports.
- c) **Assessment centre method**- this method enables employees to get a clear a piture on how others observe them and the impact it has on their performance.
- d) **Behaviorally anchored rating scales**-it compares employee performance with specific behavior which are anchored and to numerical rating
- e) **Psychological appraisals**-method focus on analyzing employees future performance rather than their past work

2.2.6 LEARNING OUTCOME 6: REWARD/PENALIZE EMPLOYEE PERFORMANCE

Introduction to the Learning Outcome

This learning outcome employee's reward and penalties.it involves determining employee motivation and setting organizational motivation parameters. It covers recognizing and awarding employees, determining innovations awards, carrying out innovations vetting and presenting awards.

Performance Standard

1. Employee motivation type is determined based on HR policy an
2. Organizational motivation parameters are set in accordance to operational targets.
3. Employees are recognized and awarded in accordance to HR and financial policy.
4. Innovations awards are determined by innovations awards policy of the business Innovations.
5. Innovations vetting is carried out in accordance with Innovation Committee Procedures
6. Awards are presented in accordance with Innovation Awards procedures.

Information Sheet

Definition of terms

Motivation

It refers to the external environment and interpersonal drive that stimulates enthusiasm and persistence to pursue a certain course of action or goal.

Reward: This is something given in exchange for good behavior or good work.

Human capital: This the knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances

Human resources: This is the set of people who make up the workforce of an organization, business sector, industry, or economy. A narrower concept is human

capital, the knowledge which the individuals embody. Similar terms include manpower, labor, personnel, associates or simply people.

Motivation theories: These explain 'how' satisfaction comes about, in an individual and lead to higher performance or low performance

Job satisfaction: Job satisfaction (or the lack thereof) depended on the employee's perception of the degree to which his work delivers those things that he desires – how well outcomes are met or expectations perhaps even exceeded. Regardless of the actual circumstances and situation, job satisfaction is an emotional response that cannot be seen, only inferred.

Determining Employee Motivation: Human capital is an organization's main asset. It is capable of leading the organization either to success or if not managed properly, failure and high staff turnover. Thus, irrespective of size and market, organizations strive to retain the best employees, acknowledging their important role and influence on organizational effectiveness. In order to overcome challenges, organizations should create a strong and positive relationship with its employees, direct them towards task fulfillment and ensure they have job satisfaction.

The concept of motivation refers to the external environment and interpersonal drive that stimulates enthusiasm and persistence to pursue a certain course of action or goal. What motivates people is important to any organization as it sets the foundation to one's drive which if managed can produce a model employee. Employee motivation is "a basic psychological process which explains why employees behave the way they do in the workplace". Alternatively, it is described as "the willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need." Employee motivation is also the "psychological forces that determine the direction of a person's behaviour in an organization, a person's level of effort and a person's level of persistence."

Motivation is a key organizational concept. This topic has been a principle concern for organizations and managers because a low level of motivation in work performance can cause a failure of an organization. Organizations seek motivated employees, and view managers who have the ability to motivate others as successful. Therefore, an imperative need of study, comprehending and implementing employee motivation is

one of the most important tasks for managers. In this task, management is required to assess how motivated their employees are and to bring about an environment within which employees are highly motivated for performance.

The essential question in determining what motivates employees is “what really motivates the staff?” It is often assumed that all people are motivated by the same things. Actually they are motivated by a whole range of factors. Including questions to elicit what really motivates employees, including learning about their values. Management should intelligently understand what; within the culture of their organization really motivate the workers: Are they motivated by financial rewards, status, praise and acknowledgment, competition, job security, public recognition, fear, perfectionism, results and other factors. This is really important as what motivates employees in one organization may not be the same for another.

In an attempt to determine employees’ levels of motivation in the work place, a manager needs to first think what the drivers of motivation are. Secondly, a manager needs to need to give some thought as to what the desired outcomes are. Then there must also be ongoing monitoring of employees’ performance. In terms of outcomes, the manager needs to be well aware of how the factors of leadership, culture and composition interact in influencing employee motivation.

Under leadership, the potential outcome is employees having a positive impression of leadership within the organization. If the employees exhibit a positive attitude towards the manager as a leader and figurehead, they are more likely to heed good advice and contribute positively to the accomplishment of goals. Within such an environment, the employees genuinely feel valued and respected by their manager as a leader rather than boss.

Management also needs to consider how culture influences the organization. The expected outcome is that employees feel that within the organizational culture they are generally cared for and are allowed to care for each other with management concerned about their welfare. Secondly employees like the culture in the organization and feel proud about working there. This can be exhibited in the way employees are inspired to perform their job tasks, collaboration, time keeping, efficiency and effectiveness. The expected outcomes of composition are that employees have positive relationships with their colleagues. Employees respect diversity among those they work with and feel

respected by others. A wholesomely motivated work force will value each other's work regardless of hierarchy. Those in superior positions will not look down upon junior staff but will regard each other as of essential contribution to the organization.

To obtain a more specific and closer view of employees' levels of motivation, it may be necessary to carry out a formal survey using a questionnaire that may test the various variables of motivation desired within the organization. Staff surveys are usually very helpful in establishing whether staff in the company is motivated and therefore performing to best effect. Other than the information that questionnaires reveal, the process of involving and consulting with staff is hugely beneficial and motivational in its own right. Surveys are effective if unique to the company, staff issues, industry and culture. Surveys help towards establishing facts rather than making assumptions about employees' motivation in the organization.

Setting Organizational Motivation Parameters

There are identified principles that can be applied by managers in assessing levels of employee motivation. It is crucial to relate motivation expectations to the primary aim of the company. Employees may be more motivated if they understand the primary aim of the business. In this regard, the assessment would involve trying to establish how clear employees are about the company's principles, priorities and mission. If employees do not fully understand this basic aspect, they may be deemed to be less motivated or otherwise motivated by other factors. The organization may have certain obstacles hindering employees from performing their best. For example, if performance levels have dropped drastically or improved significantly, it is important to check what has caused the change. In their assessment of employee motivation, employers would therefore inquire about what employees are tolerating in their work and home lives. The company can eliminate practices that zap motivation.

Implications of these numerous theories on ways of motivating employees are many. They vary with whatever perspectives leadership subscribes to motivation and how that is cascaded down and incorporated into practices, policies, and culture. The effectiveness of these approaches is further determined by whether individual preferences for methods of motivation are considered. Nevertheless, various **motivational theories** can guide our focus on aspects of organizational behavior that may require intervening.

Hertzberg's Two-Factor Theory, for example, implies that for the happiest and most productive workforce, companies need to work on improving both motivator and hygiene factors. The theory suggests that to help motivate employees, the organization must assure everyone feels appreciated and supported, is given plenty of specific and meaningful feedback, and has understanding and confidence in how he or she can grow and progress professionally.

To prevent job dissatisfaction, companies must make sure to address the hygiene factors by offering employees the best possible working conditions and fair pay that includes forming supportive relationships with them.

For true engagement to occur in a company you must first remove the issues that cause dissatisfaction – the baseline benefits offered by the company that satisfy the hygiene needs of the employee. Then you must focus on the individual and what they want out of their association with your enterprise. – Hertzberg

Maslow's Hierarchy of Needs pyramid, on the other hand, can be used to transform a business where managers struggle with the abstract concept of self-actualization and tend to focus too much on lower level needs instead. Chip Conley, the founder of the *Joie de Vivre* hotel chain and Head of Hospitality at Airbnb, found one way to address this dilemma by helping his employees understand the meaning of their roles during a staff retreat.

In one exercise, he asked groups of housekeepers to describe themselves and their job responsibilities by giving their group a name that reflects the nature and the purpose of what they were doing. They came up with names such as “The Serenity Sisters,” “The Clutter Busters,” and “The Peace of Mind Police.”

These designations provided a meaningful rationale and gave them a sense that they were doing more than just cleaning and were instead “creating a space for a traveler who was far away from home to feel safe and protected.” By showing them the value of their roles, Conley enabled his employees to feel respected and motivated to work harder.

The Hawthorne Effect studies and *Weiner's Three-Dimensional theory of attribution* have implications for providing and soliciting regular feedback and praise. Recognizing employees' efforts and providing specific and constructive feedback in

the areas where they can improve can help prevent them from attributing their failures to an innate lack of skills.

Praising employees for showing an improvement or using the correct methodology, even if the ultimate results were not achieved, can encourage them to improve and reframe setbacks as learning opportunities continuously. This can foster an environment of psychological safety that can further contribute to them seeing that success is controllable through the use of different strategies and setting achievable goals.

Theories X, Y, and Z show that some of the most impactful ways to begin or to strengthen a journey to build a thriving organization are to craft organizational practices that build autonomy, competence, and provide a sense of belonging. These practices include providing decision-making discretion, sharing information broadly, minimizing incidents of incivility, and offering performance feedback.

Being told what to do is not an effective way to negotiate. Having a sense of autonomy at work fuels vitality and growth and creates environments where employees are more likely to thrive when empowered to make decisions that affect their work.

Feedback satisfies the psychological need for competence. When others value our work, we tend to appreciate it more and work harder. Particularly two-way, open, frequent, and guided feedback creates opportunities for learning.

Frequent and specific feedback helps people know where they stand in terms of their skills, competencies, and performance and builds feelings of competence and, in turn, thriving. Immediate, specific, and public praise focusing on effort and behavior and not traits are most effective. Positive feedback energizes employees to seek their full potential.

Lack of appreciation is psychologically exhausting, and studies show that recognition improves health because people experience less stress. In addition to being acknowledged by their manager, peer-to-peer recognition was shown to have a positive impact on the employee experience (Anderson, 2018) as were suggestions for rewarding the team around the person who did well and staying away from giving time off to top performers as a form of recognition and instead giving them more responsibility.

Other approaches to motivation at work worth mentioning include those that focus on meaning and those that stress the importance of creating positive work environments.

Meaningful work is more and more often considered to be a cornerstone of motivation. In some cases, burnout is not caused by too much work but by too little meaningful work. For many years, researchers have recognized the motivating potential of task significance and doing work that affects the well-being of others.

All too often, employees do work that makes a difference but never have the chance to see or to meet the people affected by their work. Research by Adam Grant speaks to the power of long-term goals that benefit others and shows how the use of meaning to motivate those who are not likely to climb the ladder can make the job meaningful by broadening perspectives (2013).

Creating an upbeat, positive work environment can also play an essential role in increasing employee motivation and can be accomplished through:

- Encouraging teamwork and idea-sharing
- Providing tools and knowledge to perform well
- Eliminating conflict as it arises
- Giving employees the freedom to work independently when appropriate
- Helping employees establish professional goals and objectives and aligning these goals with the individual's self-esteem
- Making the cause and effect relationship clear by establishing a goal and its reward
- Offering encouragement when workers hit notable milestones
- Celebrating employee achievements and team accomplishments while avoiding comparing one worker's achievements to those of others
- Offering the incentive of a profit-sharing program and collective goal-setting and teamwork
- Soliciting employee input through regular surveys of employee satisfaction
- Providing professional enrichment through encouraging employees to pursue additional education, participate in industry organizations, skills workshops, and seminars, and providing tuition reimbursement
- Motivate through curiosity and creating an environment that stimulates employee interest to learn more

- Using cooperation and competition as a form of motivation based on individual preferences

Sometimes inexperienced leaders will assume that the same factors that motivate one employee, or the leaders themselves, will have the same effect on others too. Some will make the mistake of introducing de-motivating factors into the workplace, such as punishment for mistakes or frequent criticisms, but negative reinforcement rarely works and often backfires.

It's important to keep in mind that motivation is individual, and the degree of success achieved through one single strategy will not be the most effective way to motivate all employees.

Recognizing and Awarding Employees

This is the process through which employers or business owners make a conscious effort to reward and award your employees not just to acknowledge their work but also to motivate them to continue with the same passion. Employees deserve to be rewarded and recognized for the hard work they do. Their recognition is the acknowledgment of their efforts, hard work and behaviour at the workplace that have contributed to the organization's success and objectives in some way. Both things are very important: recognizing and acknowledging these efforts, as well as rewarding employees for their fruitful efforts. Here are some ways in which you as an employer or business owner can recognize the efforts of your workplace and reward them accordingly:

- **Day-to-day recognition** – It is important to motivate and encourage employees to perform well on an everyday basis and not just on a periodic level. For example, small words of praise, little words of encouragement and constant motivation are highly important to make your employees feel encouraged for their efforts and to maintain a positive flow of the workplace environment.
- **Informal recognition** – Informal recognition is the kind of recognition which includes gestures of encouragement and appreciation. A pat on the back or a word of praise in front of the team can go a long way in boosting the morale of the employees.

- **Formal recognition** – Formal recognition is usually in the form of rewards for service, contribution, and achievements. These recognition forms also include events held for the celebration of achievements. Formal recognition often has some legal and policy requirements.

Importance of Employee recognition

As an employer or business owner, it becomes your responsibility to make sure there is a proper employee recognition program in your organization. Such program offers are very beneficial and are of high importance. Some of these benefits include:

- **Encourage engagement** – One of the ways in which recognition of your employee's efforts or hard work can benefit is by encouraging or inspiring further engagement and boosting overall performance. When one gets some praise or pat on the back, he/she automatically tries to give the same level of performance and improves efforts further.
- **Encourage better business results** – The simple gesture of praising or rewarding your employees at work can have a direct impact on your bottom-line and can lead to better overall results that are a consequence of better individual performances.
- **Increase loyalty & retain the best talent** – When one is recognized for his/her hard work, he/she tends to be more loyal towards you and the work he/she is doing. This is something that can help to retain important and skilled employees in the long run.
- **Build a supportive work environment** – The more your employees feel encouraged and valued, the more they will be supportive to your cause, hence building a supportive and active work environment.
- **Encourage a sense of ownership of the place in employees** – When an employee hears a word of recognition or receives an award for his/her services, he/she begins to feel a sense of belonging and ownership for the workplace, which further improves performance and infuses a sense of positivity in the environment.

Determining Innovations Awards

Innovation awards are typically used as a mechanism for fostering innovation within an organization because of their motivational effects. As rewards, awards typically

combine tangible (often money or gifts) and intangible incentives, and have been associated with a number of positive organizational behaviors, including lowered absenteeism and higher productivity. Additionally, in team situations, the recognition of individuals has positive effects on other team members' performance. However, responses to awards are often highly individualized hence unclear if (and how) individuals react to organizational attempts to reward collaborative work through awards. Whereas the reward and recognition views mainly focus on the conditions and implications for awards individuals, the socio-cultural view is more focused on the interaction between individual and organizational responses to awards.

Innovation awards are especially valuable in contexts where it is challenging/difficult to design effective incentive systems to motivate workers. This may be because of the difficulty in observing assessing the performance of the work done or where managerial discretion is higher. Since awards are assessed on vaguely defined criteria, managers in knowledge-intensive firms can use their discretion to send relational signals about the behaviors sought in the awards that they give. When managers target their awards at firm-specific knowledge, they succeed in creating and capturing value hence motivating employees to invest in firm-specific knowledge and reducing the awards portability by tying them to firm-specific skills.

The role of prizes, a form of award, in encouraging innovation in scientific fields, suggests that the publicity that comes with winning a prize encourages prize winners to continue to innovate. Prizes were positively related to on-going innovation rights even when grants or prize money were not available. Furthermore, the publicity surrounding the winners is an important mechanism for encouraging innovation. Awards can play a role in both displaying existing innovation capabilities and in encouraging the development of new ones.

Carrying Out Innovations Vetting

Organizations require a self-regulating, evidence-based innovation pipeline. In the absence of such, project approvals tend to be based on who has the best demo or slides, or who lobbies the hardest. There is no burden on those who proposed a new idea or technology to talk to customers, build minimal viable products, test hypotheses or understand the barriers to deployment. And they count on well-intentioned, smart people sitting in a committee to decide which ideas are worth pursuing. Organizations

need a process that operates with speed and urgency, and that helps innovators and other stakeholders to curate and prioritize problems, ideas, and technologies.

This prioritization process has to start before any new idea reaches engineering. This way, the innovations that do reach engineering will already have substantial evidence — about validated customer needs, processes, legal security, and integration issues. Most importantly, minimal viable products and working prototypes will have been tested.

A viable innovations pipeline consists of:

Innovation sourcing:

Over a period of days, a group generates a list of problems, ideas, and technologies that might be worth investing in.

Curation:

This is the period when innovators get out of their own offices and talk to colleagues and customers. This includes both an internal and an external survey with an aim to find other places in the business where a given problem might exist in a slightly different form, to identify related internal projects already in existence, and to find commercially available solutions to problems. It also sought to identify legal issues, security issues, and support issues.

This process also helped identify who the customers for possible solutions would be, who the internal stakeholders would be, and even what initial minimum viable products might look like.

At this point, some ideas drop out when the team recognizes that they may be technically, financially, or legally unfeasible or they may discover that other groups have already built a similar product.

Prioritization:

Once a list of innovation ideas has been refined by curation, it needs to be prioritized. One of the quickest ways to sort innovation ideas is to use the McKinsey Three Horizons Model. Horizon 1 ideas provide continuous innovation to a company's existing business model and core capabilities. Horizon 2 ideas extend a company's existing business model and core capabilities to new customers, markets or targets. Horizon 3 is the creation of new capabilities to take advantage of or respond to

disruptive opportunities or disruption. You could also include a new category of Horizon 0, which refers to graveyards ideas that are not viable or feasible.

Once projects have been classified, the team prioritizes them, starting by asking: is this project worth pursuing for another few months full time? This prioritization is not done by a committee of executives but by the innovation teams themselves.

Solution exploration and hypothesis testing:

The ideas that pass through the prioritization filter enter an incubation process. This process delivers evidence for defensible, data-based decisions. For each idea, the innovation team fills out a business model and explores the innovation's framework by testing regulatory, legal, policy, financial frameworks. It also examines the compatibility, scalability and deployment potentials and need for compelling evidence that the innovation deserves to be a new mainstream capability. Alternatively, the team might decide that it should be spun into its own organization or that it should be killed.

Incubation:

Once hypothesis testing is complete, many projects will still need a period of incubation as the teams championing the projects gather additional data about the application and get used to working together. Incubation requires dedicated leadership oversight to ensure the innovation project does not die of malnutrition (a lack of access to resources) or become an orphan (no parent to guide them).

Integration and refactoring:

At this point, it's time to integrate it into the existing organization having considered the technical and organization implications of the innovations.

Technical debt is software or hardware built to validate hypotheses and find early customers. This quick and dirty development can become unwieldy, difficult to maintain, and incapable of scaling. Organizational debt is all the people and culture compromises made to "just get it done" in the early stages of an innovation project.

Presenting Awards

Presentation of awards includes both formal and informal recognition and may or may not possess all of the glitz and glamor of a formal recognition program, but both are

equally effective when it comes to motivating and inspiring a team. At its core, informal recognition is meant to acknowledge progress towards specific goals or behaviour changes. This level of recognition is generally displayed towards individuals and groups. Informal celebrations may include low-cost mementos, a points-based safety incentive program, or even refreshments. The important thing is that you honor your employees' achievements and outstanding behaviour.

Presentation of awards should contain the five areas.

1. Personalization

Both formal and informal award presentations should be personalized for the recipient. The employee being honored and the co-workers need to understand why he or she is being honored.

2. Meaningful

Awards ought to be impactful to the single employee. It may be difficult to choose an impactful award for a single employee and even harder when needing to award a larger workforce. One can opt to adopt a point-based incentive program where employees are recognized for their efforts by being awarded points that they can then redeem for the reward of their choice. The rewards must also be desirable to be effective, and the process is easy and simple to manage.

3. Immediate

For maximum impact, awards should be presented as immediate as possible. This means that as soon as you can recognize and reward your employee for taking desirable actions, do so. Lack of immediacy is one of the reasons why year-end bonuses so often fail to deliver the results a company hopes for, and it's another area where points-based incentive programs shine.

4. Simple

Award presentation efforts should be simple so as to encourage managers to use it and to avoid frustrating your employees. The process must be simple to understand and easy to use.

5. Public

This should be despite the kind of awards ceremony being held whether fancy or informal. Reinforce the values of your organization by expressing gratitude to your employees in public – whether it's in a group of their peers, an intranet site, or even via social media.

A lack of motivation can be caused by many factors, including:

- Boredom
- Lack of confidence in management decisions
- Unmanageable workload
- Unsuitable working environment
- Lack of career progression
- Feeling under-appreciated
- Issues outside of work such as family illness, bereavement or financial worries

Learning Activities

Activity 1

You are the leader of a group of ten members whose team was awarded “The Best Team of the year”. This award carries non-monitory benefit worth Ksh.300,000. As the team leader convene a meeting to discuss the various non-monitory ways of benefiting from the award’

- A) Convene the meeting
- B) Prepare a list of the possible non-monitory awards that the team would benefit from
- C) Prioritize as a team and select one of them. Prepare a budget of the expenditure.

Self-Assessment

Q1. Discuss at least 3 motivational theories and their relevance in employee’s satisfaction

Q2. Explain the characteristics of a demotivated employee

Q3.Explain ways an organization manager can improve employee’s morale to work

Q4. What types of rewards and recognition should an organization offer?

Q5. When using bonuses, managers should be mindful of

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires

- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment

Maslow's Hierarchy of Needs

According to Smith & Cronje (1992), the way Maslow's theory is explained relies on the fact that people want to increase what they want to achieve in life and their needs are prioritized according to their importance

Herzberg's Two-Factor Theory/Motivator-Hygiene

Herzberg's Two-factor theory, also known as Motivator-Hygiene, emanated from a study conducted among accountants and engineers to determine what makes an individual feel good or bad about their job (Saif et al., 2012). Regarding 'satisfiers', Herzberg noted that there were five features of work that bring

McGregor's X and Y Theories

McGregor's (1960) Theory X and Y models categorize employees as belonging to one of two groups based on two sets of assumptions. Theory X assumptions take a negative perspective of people: People can have "an inherent dislike for work and avoid it if possible; because of this, they must be coerced, controlled, directed and threatened with punishment to make them work. They prefer to be directed, avoid responsibility, have little ambition, and want security" (Saif et al. 2012, p.138). Theory Y assumptions take the opposite view: the mental and physical inputs expended at the workplace are equated and par with those rest or play

McClelland's Need Achievement Theory

McClelland's need achievement theory postulates that some people are driven to success through seeking "personal achievement rather than rewards themselves" (Saif et al., 2012, p.1387). This theory is readily applicable to academic environments and explains why some teachers are high achievers, despite the difficulties they face: they set themselves high goals and achieving these goals is what drives them.

The Equity Theory

Process theories explain 'how' satisfaction comes about, as opposed to 'what' causes motivation. The equity theory postulates that employees will weigh their input into a job against the output they receive from it – the more the rewards, the greater their satisfaction

Q1. Some tell-tale signs that an employee has become demotivated include:

- Lack of punctuality – arriving late to work, or an increased time to start work after arriving at the office
- Change in mood towards colleagues
- Increased absence from work
- Lack of focus, and a distantness from colleagues
- Inappropriate or negative comments
- Lack of input into team meetings
- Increasing reluctance to take on more responsibility than the 'bare minimum'

Q2. Get to know your team.

Work on your relationships with individual employees and the overall team; not only will this help you to spot demotivation earlier, having a close, supportive relationship with your team can help keep employees motivated by ensuring they feel valued, respected and listened to.

Be a transparent, respectful, and supportive manager.

Surveys show that up to half of employees leave their jobs due to their problems with their managers. Managers impact a huge amount of an employee's overall job experience – they help determine who you work with, which projects you work on, if and when you get promoted. Through their action or inaction, managers have the power to damage the morale, motivation and productivity of their team, so it's important to build their leadership skills. Don't assume that leadership skills come innately – companies should provide management training for those promoted to management positions, and ongoing support and development.

Get to know your team.

Since you can't customise every single goal or project according to individual employees' motivations, try to at least give them the freedom of meaningful choice - this, in turn, inspires willingness, according to motivation guru Edward Deci. For instance, allow them to choose the way to approach a project or problem, and you can also ask their input in setting goals. A recent Gallup poll found that employees whose managers included them in goal-setting were over three times more engaged than those who aren't given a say.

Q3. Ways of motivating employees

- **Day-to-day recognition** – It is important to motivate and encourage employees to perform well on an everyday basis and not just on a periodic level. For example, small words of praise, little words of encouragement and constant motivation are highly important to make your employees feel encouraged for their efforts and to maintain a positive flow of the workplace environment.
- **Informal recognition** – Informal recognition is the kind of recognition which includes gestures of encouragement and appreciation. A pat on the back or a word of praise in front of the team can go a long way in boosting the morale of the employees.
- **Formal recognition** – Formal recognition is usually in the form of rewards for service, contribution, and achievements. These recognition forms also include events held for the celebration of achievements. Formal recognition often has some legal and policy requirements.

Q.. What types of rewards and recognition should an organization offer?

- A. Annual bonus
- B. Mentoring program
- C. Additional training & development
- D. Feature in company newsletter
- E. Spot bonuses
- F. Profit sharing
- G. Individual incentive pay
- H. Gainsharing
- I. Employee stock ownership plan
- J. Attendance award
- K. Extra PTO
- L. Flexible work hours
- M. Lunch out
- N. Wall of fame...

Q When using bonuses, managers should be mindful of

- a) A, the amount, so that the bonus does not negatively affect the profits of the company.
- b) Not recognizing friends within the company.

- c) The size of the bonus in relation to the event recognized.
- d) Potential unexpected behaviours arising when employees try to ensure they will receive bonuses.
- e) very little, the bonus is just so effective

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2.2.7 LEARNING OUTCOME 7: PREPARE PERFORMANCE IMPROVEMENT PLAN

Introduction to the Learning Outcome

This learning outcome involves analyzing reports of employee appraisal. Areas of employee improvement will be identified and categorized. Methods of employee improvement will be determined and their performance resources identified. Monitoring and evaluating procedures for improvement will be developed.

Performance Standard

1. Reports of employee appraisal are analyzed based on standard operating procedures.
2. Areas of employee improvements and goals are identified and categorized based on appraisal report
3. Methods of employee improvement are determined in accordance with HR policy.
4. Performance Improvement resources are identified based on human resource budget.
5. Monitoring and evaluation procedures for improvement are developed according human resource requirements.

Information Sheet

Definition of terms

Employee's reports

This report prints employee assignments. It includes employee name, social security number, job class, used, bargaining unit, hire date, salary schedule, salary placement and permanency code. This report can be used to obtain a brief listing of all employees at an organization and determine their job category/class, as well as their bargaining unit and salary schedule.

Training on the job

On-the-job training is an important topic of human resource management. It helps develop the career of the individual and the prosperous growth of the organization. On

the job training is a form of training provided at the workplace. During the training, employees are familiarized with the working environment they will become part

The Off-the-Job Training

It is the training method wherein the workers/employees learn their job roles away from the actual work floor.

Benchmarking

It is a process of measuring the performance of a company's products, services, or processes against those of another business considered to be the best in the industry, that is "best in class."

Analyzing Reports of Employee Appraisal

In addition to measuring and judging performance, the ideal performance evaluation relates individual performance to organizational goals and clarifies the job to be done along with the expectations of accomplishment. It also fosters the increasing competence and growth of the subordinate and enhances communications between you and your employee. It serves as a basis for judgments about salary and promotion and stimulates an employee's motivation. Performance evaluations also can serve as a device for organizational control and integration.

Recommendations for an effective performance review process include:

- A feedback process that is continuous and timely throughout the review period so that employees know how they are doing and what is expected.
- A dialogue that includes performance feedback measured against clear and specific goals and expectations established at the outset of the performance management cycle.
- A process for acknowledging the outcomes of the performance review process that is documented between the manager and the employee.
- A two-way individual conversation between the manager and the employee (preferably face-to-face) at least once a year.

Feedback

Feedback is what performance evaluations are all about. Give balanced feedback. Don't make the common error of glossing over an employee's deficiencies and focusing only on his or her strengths. It is by understanding their weaknesses that employees can take ownership of their performance and role in the practice. And when given the support they need to make improvements in these areas, employees learn to take pride in their work and are willing to take on new challenges with confidence.

Feedback sandwich

'A feedback sandwich' is a technique commonly used which consists of one specific criticism "sandwiched" between two specific praises. This technique is fast, efficient and well suited to time constraints. The feedback sandwich is particularly useful at the onset of any new supervisor-employee relationship, but it can benefit existing relationships as well.

For a new employee, development of skills requires honing of behaviors, and praise and criticism are the best tools for the job. Once new skills are developed, the supervisor can direct less and delegate more. For a new supervisor, this technique can help him or her earn the trust of the employees by delivering artful feedback that enhances employee success.

Figure 12. A Feedback Sandwich

Keep in mind that not every bit of praise or criticism needs to be sandwiched. When a supervisory relationship is healthy, there are times when praise and criticism can be given independently. Any technique that is applied too rigidly will eventually feel inauthentic.

Avoiding Ineffective Evaluations

Ineffective evaluations can be avoided if you don't depend solely on your personal observations. Seek information from people with whom the employee routinely collaborates. One option is to conduct 360-degree performance reviews. Such reviews supplement the manager's observations with those of the employee's co-workers, peers and others with whom he interacts in the workplace. You also can maintain a computer file or performance notebook on each of your staff members. Remember to update this record frequently and review it before you meet with the employee to combat the issue of selective memory.

Identifying and Categorizing Areas of Employee Improvement

Given different levels of employment within your workforce, you need more than a "one size fits all" approach to providing constructive feedback that leads to performance improvement.

Addressing External Factors Affecting Performance

Many employees experience highs and lows throughout their work life; employers who recognize symptoms of external factors that affect performance are better able to resolve performance issues. A few essential elements in addressing performance issues are regular interaction with employees, consistent application of workplace policies and the ability to identify the underlying causes of poor performance. This requires active and constant management of your workforce.

Supervisors and managers who provide regular feedback and ensure their direct reports have the necessary tools to perform their jobs are leaders in your organization. They are key personnel in helping your organization maintain an effective, productive and satisfied workforce. Employees burdened with personal matters that affect performance should be counselled by leaders who can direct them to company resources such as employee assistance programs or behavioral-focused training. Resources such as these enhance interpersonal skills, assist in compartmentalizing personal matters and enable employees to redirect their focus to job performance.

Skills Training and Professional Development

When an employee's skill set is poorly matched to job duties, poor performance can create a domino effect leading to low job satisfaction, employee morale and engagement.

Evaluate your recruitment and selection process -- you may be able to prevent poor performance due to lack of skills or a mismatched job assignment. "Entrepreneur" magazine suggests a close examination of employee tasks to determine the necessity of training: "Examining job descriptions and specifications provides necessary information on expected performance and the skills employees need to accomplish their work.

Any gaps between performance and job requirements indicate a need for "task training." Monitor employee competencies to maintain consistency with their duties and responsibilities. Performance evaluations that include a discussion about training and development opportunities may also prevent the incidence of poor performance. In addition, leaders who communicate frequently with employees are more likely to observe job skills that need improvement.

Performance Improvement Plans and Disciplinary Action

Identifying areas for improvement is just one step to addressing poor performance. Many employees may realize they are experiencing performance issues; however, when an employee is unresponsive to attempts to correct performance deficiencies, the employer may need to utilize other measures.

Performance improvement plans contain specific areas, milestones and goals for immediate improvement. PIPs are sometimes a last resort in saving an employee's professional reputation. Strict oversight is required in administering a PIP, as well as consistent monitoring by the supervisor or manager. When employees receive disciplinary counselling, their performance can either improve dramatically or they can react negatively to discipline.

Determining Methods of Employee Improvement

Most employees perform several tasks, some of which will be easier to measure than others. When determining how profitable an employee's actions are, include factors that affect those profits, such as the cost of overtime, annual turnover rates, and overall job satisfaction.

Be open to different approaches, and be willing to try different methods at different times, to see which reveal the most accurate data, and reveal what's most important in terms of your business goals.

Method 1: Management by Objectives

To use the **management by objectives** method accurately, you must measure productivity in ways that reveal how well an employee's output is contributing to your company's goals and targets. For this to work correctly, employees must first be given

clear, individual productivity goals to work toward, as well as all the tools and information they need to meet those goals.

If your goal is to increase customer retention by 25 percent over the next year, you'll need to decide what kind of training and incentives you'll use to ensure employees are ready to help you achieve that goal. Customer retention productivity will require them to deliver a high quality of service. To ensure accuracy of measurements, employee actions must be noted regularly, in addition to ongoing customer retention rates.

Annual or six-month employee evaluations should reveal accomplishments such as "reduced customer complaints by 20 percent" and "found solutions to customer problems on a consistent basis."

Employees should meet with their supervisors at regular intervals to discuss their progress and to solve problems as they occur. Measuring productivity throughout the year helps employees to stay focused on their goals. The annual review then reveals how much progress was achieved toward individual and company goals. New goals are then created for the upcoming year.

Method 2: Measuring Productivity Quantitatively

The **quantitative method** measures productivity by the number of parts or products an employee produces in a particular period of time, such as per hour, day or month. This method works very well for small businesses, but even if you're managing large groups, this kind of performance measurement is simple and time-saving.

Productivity can be quickly calculated with productivity software or on a spreadsheet, revealing the number of products an employee produces or contributes to in a given time period. Those numbers are then averaged out to reveal productivity gains or losses over time. Output can be measured either by the volume or quantity of products created, or by the financial value of the product or service.

First, create your baseline—the average number of individual worker hours, days or weeks needed to create that part or product under usual working conditions, when the employee is working at optimal levels. Each employee in the production line is then measured against that ideal (but realistic) level of productivity.

This type of measurement must also factor in the amount of time that employees spend on activities such as job training, time spent waiting for materials to arrive or broken equipment to be fixed, and other factors not under their control.

Method 3: 360-Degree Feedback

The **360-degree feedback method** uses the feedback and comments of co-workers to measure productivity. This method can only be used if the employees in your organization interact with one another a great deal. This measurement requires that the employee's productivity be evaluated by everyone they work or interact with daily, including those on, above and below their job level. All evaluators must know and understand their co-worker's overall role and function, daily work duties, professional credentials and communication skills.

This method works best in smaller departments or organizations where everyone knows and interacts with everyone else. Everyone from managers to IT workers to receptionists give feedback on an employee's levels of productivity in terms of how well they have fulfilled their duties and contributed to overall company productivity. In a team appraisal, only members of that employee's team evaluate them, in terms of their contributions to team productivity.

To achieve best possible accuracy, employees must first receive training on how to offer input that is well-balanced and impartial. They must be trained to offer feedback that is based purely on their co-worker's professional abilities, not on their personal feelings or beliefs about that employee.

The accuracy of this method is based on the fact that it involves a good number of people, all of them trained in objective feedback, and all weighing in on how well the employee's productivity meets their team and company goals.

Method 4: Measuring Sales Productivity

It can be challenging to measure a sales representative's productivity with complete accuracy. There are many factors that affect a salesperson's output. Begin by recording the different aspects of their productivity within a given time period. Those numbers can include:

- The total number of sales completed in that time period
- The total amount of sales made in dollars
- The number of calls made to current customers
- The number of sales made to current customers
- The number of new customers gained
- The number of calls made to potential new customers
- Expenses per sale/new customer acquisition

These numbers should be regularly recorded by each member of your sales team, either on a spreadsheet or by using software tools. Before evaluating those numbers, first establish a baseline for sales productivity levels that suits your particular business size, market and product type. Researching the sales levels of successful businesses of your size selling the same or similar products will help you create a realistic baseline. Keep in mind that many factors will come into play.

Also factor in important elements such as current growth trends and shifts in your market. Note how much time your sales team is spending in non-sales activities, such as travel and internal meetings. They might also be busy re-negotiating terms with existing customers some weeks, leaving less time for acquiring new customers. Take these and any other important factors into account, to ensure that salesperson productivity levels are measured as accurately as possible.

Method 5: Measuring Service Productivity

Though **measuring service productivity** can be more challenging than measuring product output, accurate measurements can still be created. Some service businesses measure productivity by counting the number of tasks performed or the number of customers served in a day or an hour. Other businesses measure productivity by the speed of product or service delivery, customer feedback, or by individual and department self-evaluations.

Some record the amount of time a service employee spends on each work duty. This can be recorded either by using the right software or by having individual employees

fill out timesheets that specify work duties. Call centers often use end-of-call customer surveys to record how well employees have answered customer questions and solved problems. Customer service productivity can be measured in many ways, including:

- How long it takes for a customer to be served (such as call waiting times or in-person waiting times)
- How long it takes for a customer's order to be completed
- Customer retention rates-the percentage of customers who return at least once
- How long those customers are retained
- How often products are returned
- How many customer complaints are received in a given time period

Whatever set of criteria you choose, first create your baseline-your business's best service level under current conditions-and measure employee productivity against that. Factor in the problems that keep your employees from delivering optimal service, and keep in mind that some aspects of service are performed more quickly than others. Decide what factors of optimal service apply to your business, such as quality, speed, politeness, cost-effectiveness, or a combination of those.

Note the situations under your control that can slow service productivity, such as staff shortages and equipment breakdowns. Your employees may be also slowed down by having to fill out orders by hand, if they don't have a touch screen cash register to work with. Every six to 12 months, create a new baseline that accurately takes into account your current market and operating conditions, and re-evaluate employees based on those new standards.

Method 6: Measuring Time Management Productivity

The **time management method** determines employee productivity by recording how they use their work time. Accurate measurement will reveal how much time is spent on accomplishing work duties in a timely way, as well as how much time is lost to illness or excessive time off, non-work-related conversations, and distractions such as texting and social media.

Though this method can help employees and managers set goals for reducing time

losses, the bigger your business gets, the harder it can be to accurately measure the time management of an individual. There are helpful software programs that accurately measure how much time employees actually spend (or don't spend) being productive. Some programs require daily updates from employees, which reveal their progress on a particular task or project. This keeps employees from procrastinating, and creates a record of how long it took them to accomplish certain tasks and projects. Research the features of different programs, to choose the one that collects the data you want to measure.

I Done -This is software that sends an email to each employee at the end of every workday. Each employee then replies to the email, stating what they've accomplished that day. The next morning, everyone on that team receives a list of team accomplishments. Each person's productivity is tracked in a public way, keeping them accountable and ensuring that the weight of a project is pulled evenly.

Knowledge Sync-This is another productivity-measuring software program. It sends management alerts, such as an email, fax, pop-up message or cellphone text when certain measurements step out of line. This might include customer complaints, overdue unpaid invoices, or employee timesheets not being submitted on time.

Time Corder -Is a handheld device that helps managers measure how much time employees are spending on a particular task. For example, the employee punches a particular number into the Time Corder when they begin making calls to potential new clients, and another number when they switch to answering emails. Data is gathered for several weeks, then the results are analyzed. The manager or business owner can then make recommendations for spending time differently, to improve productivity.

Networking- tracks exactly how much work time your employees are spending on Twitter, Facebook and other social media, while their work is neglected. The software is downloaded onto employees' desktops, to record wasted work time. It also keeps track of the amount of money that could have been made by the business, if the employee had been working during that time.

Method 7: Measuring Productivity by Profit

Profit can be used as an effective tool for measuring team productivity. In fact, measuring productivity purely in terms of profit gained is becoming the preferred type of measurement for many small to midsize businesses. Rather than getting involved with data that tracks individual employee movements, measuring by profits involves watching only the bottom line. Only higher-level functions are closely watched.

This method ensures that productivity measurements don't keep employees from working creatively or take a great deal of management's time. W. Michael Hsu, founder of DeepSky accounting firm says, "To measure results, one of the vital factors we rely on is the team effectiveness ratio. It measures how much gross profit the company gets for every dollar spent on salary. It's better than measuring profit against time [full-time equivalents], because we want the team to work smarter, not longer."

Method 8: Measuring the Quality of Tasks Completed

Entrepreneur Doreen Bloch of Poshly Inc. prefers to measure productivity only by whether the work assigned actually gets done. She believes that because personal and professional lives are increasingly blending and overlapping, it's most accurate to base productivity measurements on completion of tasks, "not minutes spent at the office." Bloch tracks productivity by breaking down projects down into individual tasks. These are then assigned to employees best able to handle them. This continues until the projects are complete. Megan Berry, founder of social media startup LiftFive, agrees that the best productivity measurements are about "keeping an eye on outcomes" and employee progress, instead of on-the-job habits and behavior.

There are a number of productivity software tools, such as **Producteev** and **Atlassian**, that aid managers in tracking projects and task completion. Other project management software includes **Asana** and **Basecamp**. These map out project goals, then delineate individual and group tasks. They then track employee productivity on each project, noting time spent on different tasks, and when each task is completed.

Beyond reviewing an employee's job performance, productivity measurements can be an important part of helping employees understand how much they've done to help their company achieve its goals. Accurate productivity measurements can be one more

step to ensuring not only greater profits, but increased employee motivation as well as job satisfaction and recognition of team and individual accomplishments.

Identifying Employee's Performance Resources

Workplace resources have motivational potential and may lead to high well-being through two mechanisms. Through intrinsic motivation, resources may fulfil basic human needs, such as the needs for autonomy, competence, and relatedness.

Through extrinsic motivation, workplace resources may enable individuals to achieve their work goals and thus perform better. For example, supportive leaders and colleagues who provide instrumental support in completing work tasks may increase an individual's capacity to complete his or her work goals, thus leading to greater job satisfaction and better performance.

Developing Monitoring and Evaluating Procedures for Improvement

Performance improvement plans are tools employers can use to identify areas of inadequate employee performance. PIPs can also establish a path that employees can follow to boost their ability to meet expected performance standards. A plan's ultimate goal is to enable an employee to reach his best performance level, which is key to any business reaching optimum performance.

The use of a PIP can range from employees who may be new to a role or who are unclear on performance expectations to employees who are regularly falling short of meeting performance expectations and whose performance may necessitate the beginning of a progressive discipline process regarding the performance level.

The document used to guide the process is a critical tool as it helps facilitate performance discussions, records areas of concern and ways to correct them, and serves as legal and decision-making documentation. The format of the PIP will vary by employer and should include the following components:

- Employee information
- Relevant dates
- Description of performance discrepancy/gap
- Description of expected performance
- Description of actual performance

- Description of consequences
- Plan of action
- Signatures of the manager and the employee
- Evaluation of plan of action and overall performance improvement plan

A statement regarding expectations for sustained or consistent performance should be included to ensure that true performance improvement has been attained. This documentation may also prove helpful in protecting the employer should performance fail to meet expectations and should further disciplinary action need to be taken. If the PIP is part of a progressive discipline process that may eventually lead to termination of employment, language in the document should specify that termination is a possible consequence of failure to meet expectations and that it may occur with or without the employee's signature on the PIP. The employee should clearly understand the consequences of not meeting the goals outlined in the PIP.

Reasons for Performance Improvement Plans

1. Identification

The first reason for developing a PIP is to identify substandard performance of an employee and help the worker recognize that his performance isn't meeting expectations. Plans are tailored to address specific performance deficiencies an employee is displaying. A plan provides a method to develop a systematic improvement program, which may include formal coaching or on-the-job training.

2. Documentation

It involves gathering the information necessary to document substandard performance. Employers aren't always in a position to know the exact strengths and weaknesses a particular employee is displaying. A good strategy may be to design a plan that documents performance over a specific period of time. This involves gathering feedback concerning a particular employee's performance. This may come from the employee being evaluated or from supervisors who are assigned to monitor employee performance.

3. Behaviours

A PIP helps to identify employee behaviours that are contributing to substandard work performance. An employee may be habitually coming in late for work or skipping required training sessions. Placing an employee on a fair plan signals to other employees that the company is serious about maintaining acceptable levels of job performance. Substandard performance from one employee has the potential to spread if unchecked.

4. Skills and Ability

A PIP centers around the idea of helping employees realize their own potential. Even though an employee has been displaying substandard performance, the plan can help the employee improve on the skills he already has and show how he can gain new ones. It also identifies whether the employee has the skills to accomplish the job. The plan may help the employer identify the need to reassign an employee to a task he is better suited for.

5. Bottom Line

A PIP ensures every effort to improve performance, as required by an employment contract or other legal requirement, has been met before letting an employee go. A well-documented plan can be essential in protecting the employer from a lawsuit. A plan encourages employees to work at their optimum performance level, since this can help increase the company's production levels and profits.

6. Disciplinary and Termination Procedures

In some cases, even after a thorough performance evaluation and a discussion of expected improvements, an employee will continue to perform poorly. You need to be prepared to handle such a situation by having well-defined, written disciplinary and termination procedures in place. These procedures should outline the actions that will be taken when performance deteriorates – a verbal warning, a written warning if there is no improvement or a recurrence, and termination if the situation is not ultimately resolved.

Learning Activities

Activity 1

As a new supervisor, you have been asked to carry out performance evaluation of the staff and give back feedback using the sandwich feedback method. Role play this with your colleagues

Activity 2

An employee continues to perform their duties poorly even after discussion of improvement and you have been asked to deal with his case. Write down the steps you will take and how you will carry out these steps.

Self-Assessment

Q1. Which are the four ways in which an employee may be disciplined for misconduct?

Q2. The following are methods of employee improvement. Which one is not?

- a) Training on the job/off job
- b) Benchmarking
- c) Assigning
- d) Counselling

Q3. What are the resources that a HR supervisor will use for performance improvement?

Q4. What do we mean by sandwich feedback as used in performance evaluation?

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment

A1. Ways of disciplining an employee:

- i. Dismissal
- ii. Demotion
- iii. Suspension
- iv. Reduction in salary

A2. The following are methods of employee improvement. Which one is not?

- Training on the job/off job
- Benchmarking
- Assigning
- Counselling

A3. Resources a HR supervisor will use for performance improvement:

- a) Training materials
- b) Professional personnel/experts
- c) Finance
- d) Training time

A4. 'A feedback sandwich' is a technique commonly used which consists of one specific criticism "sandwiched" between two specific praises. This technique is fast, efficient and well suited to time constraints. The feedback sandwich is particularly useful at the onset of any new supervisor-employee relationship, but it can benefit existing relationships as well.

2.2.8 LEARNING OUTCOME 8: MAINTAIN ORGANIZATION CULTURE

Introduction to the Learning Outcome

This learning outcome involves building organization culture and establishing cultural behavior. Managing employee grievances and carrying out employee discipline.

Performance Standard

1. Organization culture is built in accordance with strategic plan.
2. Culture behavior is established by management leadership style.
3. Employee grievances are managed in accordance with HR Policy procedures, Human Rights and Labor Law
4. Employee discipline is carried out in accordance with HR Policy procedure.

Information Sheet

Definition of terms

Culture

It is an umbrella term which encompasses the social behavior and norms found in human societies, as well as the knowledge, beliefs, arts, laws, customs,

Formal leadership

This is when a person is exercising authority conferred upon him by the organization pursuant to the individual's position in the organization

Informal leadership

It is the ability of a person to influence the behavior of others by means other than formal authority conferred by the organization through its rules and procedures. Informal leadership is basically any type of leadership that is not based upon formal authority

Degree of hierarchy

The degree of hierarchy is the extent to which the organization values traditional channels of authority.

Orientation

This are the particular things that a person prefers, believes, thinks, or usually does.

C-suite executive

This is a senior business leader.

Building Organization Culture

An organization's culture defines the proper way to behave within the organization. This culture consists of shared beliefs and values established by leaders and then communicated and reinforced through various methods, ultimately shaping employee perceptions, behaviours and understanding. Organizational culture sets the context for everything an enterprise does. Because industries and situations vary significantly, there is not a one-size-fits-all culture template that meets the needs of all organization.

A strong culture is a common denominator among the most successful companies. All have consensus at the top regarding cultural priorities, and those values focus not on individuals but on the organization and its goals. Leaders in successful companies live their cultures every day and go out of their way to communicate their cultural identities to employees as well as prospective new hires. They are clear about their values and how those values define their organizations and determine how the organizations run.

What it means to be a values-based organization

Conversely, an ineffective culture can bring down the organization and its leadership. Disengaged employees, high turnover, poor customer relations and lower profits are examples of how the wrong culture can negatively impact the bottom line.

Mergers and acquisitions are fraught with culture issues. Even organizational cultures that have worked well may develop into a dysfunctional culture after a merger. Research has shown that two out of three mergers fail because of cultural problems. Blending and redefining the cultures, and reconciling the differences between them, build a common platform for the future. In recent years, the fast pace of mergers and acquisitions has changed the way businesses now merge. The focus in mergers has shifted away from blending cultures and has moved toward meeting specific business objectives. Some experts believe that if the right business plan and agenda are in place during a merger, a strong corporate culture will develop naturally.

If an organization's culture is going to improve the organization's overall performance, the culture must provide a strategic competitive advantage, and beliefs and values must be widely shared and firmly upheld. A strong culture can bring benefits such as enhanced trust and cooperation, fewer disagreements and more-efficient decision-making. Culture also provides an informal control mechanism, a strong sense of identification with the organization and shared understanding among employees about what is important. Employees whose organizations have strongly defined cultures can also justify their behaviours at work because those behaviours fit the culture.

Company leaders play an instrumental role in shaping and sustaining organizational culture. If the executives themselves do not fit into an organization's culture, they often fail in their jobs or quit due to poor fit. Consequently, when organizations hire C-suite executives, these individuals should have both the requisite skills and the ability to fit into the company culture.

Principles for Mobilizing Organizational Culture

The following principles can help your organization to deploy and improve its culture in a manner that will increase the odds of financial and operational success.

1. Work with And Within Your Current Cultural Situations

Deeply embedded cultures cannot be replaced with simple upgrades, or even with major overhaul efforts. Nor can a culture be swapped out for a new one as though it were an operating system or a CPU. To a degree, the current cultural situation just is what it is — and it contains components that provide natural advantages to companies as well as components that may act as brakes. To work with a culture effectively, therefore, one must understand it, recognize which traits are preeminent and consistent, and discern under what types of conditions these traits are likely to be a help or a hindrance.

For example, a pharmaceutical company with a solid product development pipeline had a tendency to be inward-looking. It had great execution capabilities and an excellent record of compliance with regulators around the world. However, when new products were ready to be launched, the company had a hard time marketing them to physicians and healthcare providers. Rather than bemoaning the company's ingrained insularity — for example, its collective tendency to value the opinions of internal colleagues more than those of outside experts — the leaders decided to use this feature of its culture to

its advantage. They set up a program through which employees were acknowledged and rewarded by colleagues for “going the extra mile” to support customers. By recognizing a new kind of internal authoritativeness, the company tapped a powerful emotional trigger already in place, and engendered a new (and strategically important) culture in its sales force.

Behavioural change follows mental shifts. This is why organizations often try to change mind-sets (and ultimately behaviour) by communicating values and putting them in glossy brochures. In reality, culture is much more a matter of doing than of saying. Trying to change a culture purely through top-down messaging, training and development programs, and identifiable cues seldom changes people’s beliefs or behaviours.

Neuroscience research suggests that people act their way into believing rather than thinking their way into acting. Changes to key behaviours — changes that are tangible, actionable, repeatable, observable, and measurable — are thus a good place to start. Examples of behaviour change observed at a number of companies, relate to empowerment (reducing the number of approvals needed for decisions), collaboration (setting up easy ways to convene joint projects), and interpersonal relations (devising mutually respectful practices for raising contentious issues or grievances).

A telecommunications company was seeking to improve its customer service. Rather than trying to influence mind-sets by, for example, posting signs urging employees to be polite to disgruntled customers, or having employees undergo empathy training, the company focused on what psychologists call a “precursor behavior” — a seemingly innocuous behavior that reliably precedes the occurrence of problem behavior. Leaders had noticed that poor teaming led to poor customer service, so the company rolled out a plan to encourage better and more effective teaming within call centres. To accomplish this, they set up regular design sessions for improving practices. When employees felt they were part of a happy team, and sensed a greater level of support from colleagues, they began treating their customers better.

In another example, a resources company in the country was seeking to make its workplace safer. Rather than erect placards threatening workers with consequences, the company focused on a relatively basic precursor behavior: housekeeping. It organized a litter drive. Picking up trash as a team helped employees take greater pride in the

workplace, which engendered a greater sense of care for fellow employees and made them more likely to speak up when they noticed an unsafe situation. Changed behavior, changed mind-set.

2. Focus on A Critical Few Behaviours

Conventional wisdom advocates a comprehensive approach — everybody should change everything that’s not perfect! But companies must be rigorously selective when it comes to picking behaviours. The key is to focus on what we call “the critical few,” a small number of important behaviours that would have great impact if put into practice by a significant number of people. Discern a few things people do throughout the company that positively affect business performance — for example, ways of starting meetings or talking with customers.

Make sure those are aligned with the company’s overall strategy. Also check that people feel good about doing these things, so that you tap into emotional commitment. Then codify them: Translate those critical behaviours into simple, practical steps that people can take every day. Next, select groups of employees who are primed for these few behaviours, those who will respond strongly to the new behaviours and who are likely to implement and spread them.

At a banking company, rapid inorganic growth had led to diverse ways of working across different units and geographies. To focus on improving teaming, customer outcomes, and the ability to realize synergies, the CEO and leadership embarked on a culture-led evolution program. They targeted just three critical behaviours: taking extra steps to delight customers, valuing performance over seniority, and backing up and supporting one another. They then converted these three general behaviours into specifics for each part of the company. Delighting customers, for instance, was translated into frontline staff collaborating with other colleagues to solve client problems and prioritizing the implementation of process improvements that affected customer outcomes. For all three behaviours, leadership recognized and celebrated examples in which people made an extraordinary effort. Senior leaders acted as role models, explicitly modelling these three new behaviours. The company also identified

influential frontline, client-facing employees who could demonstrate these new behaviours in action.

3. Deploy Your Authentic Informal Leaders

Authority, which is conferred by a formal position, should not be confused with leadership. Leadership is a natural attribute, exercised and displayed informally without regard to title or position in the organizational chart. Because authentic informal leaders, who are found in every organization, are often not recognized as such, they are frequently overlooked and underused when it comes to driving culture. It is possible to identify such leaders through interviews, surveys, and tools such as organizational network analysis, which allow companies to construct maps of complex internal social relations by analysing email statistics and meeting records.

Once identified, these leaders can become powerful allies who can influence behavior through “showing by doing.” When companies map out their organizations, they can identify leaders who exhibit different core leadership strengths.

At one major oil company, an informal leader named Osama became known as the “turbo-collaborator.” His role gave him very little formal influence. But when he began working at the refinery, he walked the plant with the engineers, maintenance technicians, and operators, and took copious notes. As a result, he knew everyone and developed relationships across disciplines. Whenever somebody wanted to know how the place really worked, they would speak to Osama — who would either have the answer in his notebook or know precisely the right person to ask. When the company formed a buddy program between operations and maintenance aimed at using greater collaboration to improve plant reliability, it knew it needed Osama at the heart of it. He connected people, defined templates to encourage collaboration, and captured success stories. Identifying, engaging, and nurturing such informal leaders allows companies to harness their talents and further the company’s transformation efforts.

4. Don’t Let the Formal Leaders Off the Hook

Most organizations tend to channel culture through the human resources professionals. But leaders in all parts of the company are critical in safeguarding and championing desired behaviours, energizing personal feelings, and reinforcing cultural alignment. The signalling of emotional commitment sets the tone for others to follow. If staff

members see disconnect between the culture an organization establishes and the one its formal leadership follows, they'll disengage quickly from the advertised culture and simply mimic their seniors' behaviour. The people at the top have to demonstrate the change they want to see. Here, too, the critical few come into play. A handful of the right kind of leaders has to be on board to start the process.

When Jim Rogers was CEO of GE Motors in Fort Wayne, Ind., he became frustrated because his senior leadership group of more than 15 leaders seldom functioned together as a "real team." As described by Jon Katzenbach and Douglas K. Smith in *The Wisdom of Teams: Creating the High-Performance Organization* (Harvard Business School Press, 1993), a real team is one with a high level of emotional commitment; the leadership role shifts easily among the members depending on their skills and experience and the challenges of the moment, rather than on any hierarchical positions. Team members hold one another accountable for the quality of their collective work. Interestingly, at GE Motors the senior leadership group members often demonstrated real team capabilities in running their individual business units and functions. So, Rogers decided to find ways to break them into sub teams of three or four members to address specific cross-organizational issues facing the larger group. Over time, he mixed the subgroupings to match emerging issues. By working in different subgroup settings, the executives developed friendships which in turn improved the effectiveness of the group as a whole.

5. Link Behaviours To Business Objectives

When people talk about feelings, motivations, and values — all of which are vital elements of strong cultures — the conversation can often shift into abstractions. It may then range far afield of what it takes to succeed in the market. Too many employees walk away from culture-focused town halls or values discussions wondering how the advice on how to be a better person actually translates into the work they do. To avoid this disconnect, offer tangible, well-defined examples of how cultural interventions lead to improved performance and financial outcomes. Select behaviours that are aimed specifically at improving business performance and can be measured over time.

An oil company's drive to reduce maintenance costs at an industrial installation adopted such an approach. The critical few behaviours included empowerment and good decision making. One of the company's exemplars (employees who lead by example)

decided it would be a smart move to make costs visible to workers. So, he placed price tags on various pieces of machinery. These signs inspired behavioural changes related to decisions about whether to repair or replace equipment. Workers and managers began to recommend fixing expensive equipment rather than replacing it. The company celebrated and publicized cost savings identified by employees. The behaviours led to a change in focus and mind-set. When an employee noticed that fans were cooling the machinery during the winter, he felt empowered to call it out, and ask whether it was necessary to do so. It turned out that it wasn't — and the company saved US\$750,000 annually in power costs as a result.

6. Demonstrate Impact Quickly

We live in an age of short attention spans. That applies to organizational culture as it does to people's media consumption habits. When people hear about new high-profile initiatives and efforts, and then don't see any activity related to them for several months, they'll disengage and grow cynical. That's why it is extremely important to showcase the impact of cultural efforts on business results as quickly as possible. One effective method of doing so is to stage performance pilots — that is, high-profile demonstration projects. Pilots are relatively low-risk efforts that introduce specific behaviours that can then be evaluated and assessed. They often rely on a dashboard that defines desired impacts, the tactics used, and the specific metrics to be employed.

When Bell Canada first explored using new behaviours at the front line to improve its customer service and profitability, there were many more skeptics than believers within the leadership ranks. There simply wasn't any numerical proof that the tactics would work. So CEO Michael Sabia decided to set up a pilot test in a sales unit near Toronto. The sponsors of the test blocked out a tight time frame of eight months, and developed realistic ways of measuring behaviour change, customer reactions, and actual sales and margin performance. Armed with positive results in these areas — a 29 percent increase in customer satisfaction in retail stores, a 31 percent increase in revenue per call at call centers — the company went on to accelerate the expansion of these efforts across the front line in different geographies, functions, and businesses.

7. Use Cross-Organizational Methods to Go Viral

Ideas can spread virally across organizational departments and functions, as well as from the top down and from the bottom up. A powerful way to spread ideas is through social media: blogs, Facebook or LinkedIn posts, and tweets — not from senior management, but from some of the authentic informal leaders.

By now it is well established that social media can be more effective at spreading information, news, and music than traditional modes of distribution. The same holds with critical behaviours. People are often more receptive to changes in “the way we do things around here” when those changes are recommended or shared by friends, colleagues, and other associates. This kind of credible social proof is more compelling than similar testimonials from someone whose job it is to sell something.

Just as there is an art to making content go viral, there’s a craft to making behavior go viral. For example, in a model that we have tested successfully in several situations, a company starts with a few carefully chosen groups of 12 to 15 informal leaders in three or four different parts of the business. After several weeks, an additional 10 to 15 groups of informal leaders are set up in every business unit. After about three months, the existing groups are encouraged to expand and bring in new people. After another three to six months have passed, the groups become more autonomous, allowed to control their own expansion. Meanwhile, the company facilitates connections among groups to share learning and insights. As behaviour spreads, company leaders see increased performance as well as peer and leadership recognition.

8. Align Programmatic Efforts with Behaviors

Informal leaders play a big role in helping ideas go viral. It’s also important to match the new cultural direction with existing ways of doing business. Informal mechanisms and cultural interventions must complement and integrate with the more common formal organization components, not work at cross-purposes. By providing the structure in which people work — through disciplines such as organization design, analytics, human resources, and lean process improvement — the formal organization provides a rational motivation for employee actions, while the informal organization enables the emotional commitment that characterizes peak performance.

The U.S. Marine Corps provides a classic example of integrating formal and informal leadership efforts. The “rule of three” dictates how the Marines design their

organizations and projects and how they execute in a hierarchy. (Three squads form into one of three divisions, which form one of three battalions.) The formal leaders of those units are expected to know the intent of the officer two levels above them — and to call out any order or situation they perceive to be incoherent or in conflict with that intent. But there are also informal leaders: Each of the four members of a frontline rifle team is prepared (and expected) to take the lead whenever the formal leader is disabled or loses the high-ground position. This means that the informal leaders also need to know the intent of those officer two levels above. Integrating informal norms with the formal structures helps enable the timely battlefield adjustments that have served the Marine Corps well for more than 200 years.

9. Actively Manage Your Cultural Situation Over Time

Companies that have had great success working with culture (culture superstars) actively monitor, manage, care for, and update their cultural forces. This is because when aligned with strategic and operating priorities, culture can provide hidden sources of energy and motivation that can accelerate changes faster than formal processes and programs. Even with a highly effective culture today, it may not be good enough for tomorrow.

Southwest Airlines stands as an example of a battle-tested company in which culture has been managed over time. Famous for its long-term success in an industry where even the largest players routinely fail, Southwest for 40 years has been energized by a deep sense of pride among all employees. Southwest has found that constructing an environment that puts its employees first — above customers and owners — fosters a sense of emotional commitment and pride that delivers excellent customer service. But at Southwest, the work on culture is never completed. Just as the airline's strategy, tactics, and technologies have evolved to cope with a changing external environment, specific HR practices, including informal behaviors, have shifted over time.

10 Principles for Mobilizing Your Organizational Culture



Figure 25: Principles for Mobilizing Organizational Culture

Establishing Culture Behaviour

An organization's current culture contains several pools of emotional energy and influence. Executives who work with them can greatly accelerate strategic and operating imperatives. When positive culture forces and strategic priorities are in place, companies can draw energy from the way people feel. This accelerates a company's movement to gain competitive advantage, or regain advantages that have been lost.

Three dimensions of corporate culture which affect its alignment:

1. **Symbolic reminders** (artifacts that are entirely visible)
2. **Keystone behaviors** (recurring acts that trigger other behaviors and that are both visible and invisible)
3. **Mind-sets** (attitudes and beliefs that are widely shared but exclusively invisible)

Behaviors are the most powerful determinant of real change. What people actually do matter more than what they say or believe. And so, to obtain more positive influences from a cultural situation, one should start working on changing the most critical behaviors — the mind-sets will follow. Over time, altered behavior patterns and habits can produce better results.

Research shows that companies that use a few specific cultural catalysts — that is to say, those that use informal emotional approaches to influencing behaviour — are significantly more likely to experience change that lasts. Of the companies that reported consciously using elements of their culture in Strategy's 2013 Global Culture & Change Management Survey, 70 percent said their firms achieved sustainable improvement in organizational pride and emotional commitment. That compares with 35 percent for firms that didn't use culture as a lever.

Although there is no magic formula, some valuable insights through decades of research and observation at dozens of enterprises, including some of the most successful companies in the world state that, by adopting those principles, an organization can learn to deploy and improve its culture in a manner that will increase the odds of financial and operational success.

Human Resource Management's Role

Culture plays a vital role in an organization's success. Therefore, human resource leaders and other members of the team should foster a high-performance organizational culture.

Human resource leaders are responsible for ensuring that culture management is a core focus of their organization's competitive efforts. For HR leaders to influence culture, they need to work with senior management to identify what the organizational culture should look like. Strategic thinking and planning must extend beyond merely meeting business goals and focus more intently on an organization's most valuable asset—its people.

HR has been described as the "caretaker" of organizational culture. In carrying out this essential role, all members of the HR team should help build and manage a strong culture by:

- Being a role model for the organization's beliefs.
- Reinforcing organizational values.
- Ensuring that organizational ethics are defined, understood and practiced.
- Enabling two-way communications and feedback channels.
- Defining roles, responsibilities and accountabilities.
- Providing continuous learning and training.
- Sustaining reward and recognition systems.
- Encouraging empowerment and teams.
- Promoting a customer-supplier work environment.
- Recognizing and solving individual and organizational problems and issues.

Hiring Practices to Develop Culture

The central role that HR plays in helping an organization capitalize on its culture is in hiring. HR has the opportunity to select people who fit the way the organization operates. Traditionally, hiring focuses primarily on an applicant's skills, but when personality also fits with the organization's culture, the employee will be more likely to deliver superior performance.

On the other hand, ill-fitting employees and subsequent rapid departures cost approximately 50 percent to 150 percent of the position's annual salary. Unfortunately, nearly one in three newly hired employees' leaves voluntarily or involuntarily within a year of hiring, and this number has been increasing steadily in recent years.

Some hiring practices to ensure cultural fit include these:

- **Looking at each piece of the organization's vision, mission and values statements.** Interview questions should be on behaviors that complement these areas. For example, if the organization works with a lot of intensity, then job applicants should display that natural intensity to be considered for hire.
- **Conducting a cultural fit interview.** Ask questions that elicit comments about organizational values such as honesty or integrity. If a candidate's description of the worst place he or she ever worked sounds just like the

organization where he or she is interviewing, the candidate probably will not be successful.

- **Leaving discussion of company culture for later.** Do not tell candidates about culture up front. First, listen to what they have to say about their experiences and beliefs. This tactic will reveal more candid responses to help determine whether they are a fit for the organization.
- **Making sure at least three people are involved in the hiring process.** Different people will see and hear different things. These varied perspectives give a clearer understanding of the person being considered for hire.

Managing Employee Grievances

Employee grievance is a specific complaint or formal notice of employee dissatisfaction related to the adequacy of pay or compensation, the job requirements, the current work conditions, or other aspects of their employment. Often, you will also hear employee grievance when employers are accused by employees to have committed a violation of the terms of an existing collective bargaining agreement.

It is a complaint when the employee merely expresses his thoughts and opinions verbally, talking about it to anyone who cares to listen. It becomes a grievance when the employee formalizes it, mostly through putting the complaint in writing and submitting it to the appropriate authority tasked to look into the resolution of the complaint.

It is comparable to an institution of learning setting. Students dissatisfied with certain aspects of the school administration can complain all they want, but it becomes a grievance once they file a collective petition against the school's administration. The formal airing of the grievances is the only thing that results in action from the authorities.

Handling employee grievances is a function of the company human resource management department. Employees can hardly file their complaints against the person they are complaining about. In these instances, the HR department acts as a semi-independent body. Although they are part of the company's administrative structure, their actions in investigating and helping resolve employee grievances must be independent and unbiased, with respect to the employer or the subject of the complaint.

Employee grievance, although integrated into many company policies, remains to be a heavy and very sensitive issue. Each grievance must be given serious attention, and that falls on the shoulders of the HR or a grievance committee, if there is one formed within the organizational structure. The main task of these grievance committees is to look into the validity of the complaint.

Types of Employee Grievances

Employees will not complain for no reason. By identifying the types of employee grievances, we can immediately identify the reasons or causes of such complaints.

- **Compensation and benefits** (e.g. pay equity, salary that doesn't match responsibility)
- **Terms and conditions of employment** (e.g. expected hours of work not accurately represented in contract)
- **Employment and personnel policies** (e.g. hiring procedures, merit-based bonus structures)
- **Workload and work distribution** (e.g. unfair distribution of work, no overtime pay for extra hours)
- **Management-employee relations** (e.g. no communication access to management)
- **Health and safety concerns** (e.g. malfunctioning equipment, poor lighting in workspace)
- **Bullying, harassment or discrimination** (e.g. coworker stalking, hazing rituals)
- **Organizational changes** (e.g. moved to new department without consent)
- **New workplace conditions** (e.g. office moved to an inaccessible location, new office building contains allergens)

The Employee Grievance Process

In order to handle employee grievances, there must be a set of procedures or a process to be followed. The process may vary depending on the company, specifically its culture. Usually, we hear of grievance procedures being developed as part of collective bargaining agreements or company policies designed as a means of internal dispute resolutions. These are often contained in companies' Formal Grievance Procedures and

employee Handbooks. Resolving grievances is done, generally, through a five-step process, as described below.

1. The Supervisor or A Manager Takes Informal Action.

If you are the HR representative, or the person in charge of handling grievances in the company, you are supposed to inform the manager or supervisor that the employee directly reports to about it. You are basically letting them take the first step or first informal action, which is usually through a casual and discreet conversation with the employee who made the complaint.

The purpose of this informal action is to try to settle the problem early on, without involving other members of the grievance committee. Perhaps a resolution can be reached before the problem becomes more serious and the grievance reaches a higher stage.

It is also during this step that the grievance of the employee is acknowledged. The mere fact that you called the attention of his or her immediate supervisor is already an acknowledgement on your part that the employee has a grievance, and it has reached the proper eyes and ears. It is important to let the employee know that his thoughts or concerns are not being outright ignored, and that steps are going to be taken to address them.

The supervisor or the person having the talk with the employee should demonstrate sensitivity and the ability to actually listen to what the employee has to say. No matter how, initially, the complaint may seem silly or nonsensical; there is a need to treat it seriously.

If no settlement has been reached at this early stage, the grievance will proceed to the next step. Often, the employee will be required to submit a grievance letter to formalize the whole thing.

2. A Formal Meeting is Held with the Employee.

The formal stage of the process begins and, this time, the grievance committee will take the reins. You will schedule a formal meeting with the employee, and it is in that venue where his grievance will be discussed in greater detail.

- **The meeting should be held private.** There are two parties that must be present during the meeting: you as a representative (and other representatives, if any) from the grievance committee and the employee who filed the grievance. In most cases, the employee may be accompanied by another co-worker.
- **Witnesses may be invited.** In the course of conducting the meeting, you may deem it necessary to call or invite other employees as witnesses that may provide valuable input regarding the grievance.
- **Confidentiality is a must.** The details about the meeting taking place must be kept under wraps, strictly among the people involved. Thus, the location of the meeting should also be kept off-limits to outsiders or uninvolved individuals.

The formal meeting is the appropriate venue to fully discuss the grievance of the employee, focusing on who, what, where, when, why and how the issue came to being. All accounts made by the employee as well as those of any witnesses during the meeting will be the basis in ascertaining whether the grievance is valid or not.

Depending on its nature and complexity, the grievance may be resolved at this step. If it's not solved, the process proceeds to the third step.

3. Further Investigation is conducted.

If the grievance is so complex that it cannot be resolved during the formal meeting, there is a need to conduct further investigation.

Fact and data gathering tasks are going to be conducted by members of the grievance committee. You may have already obtained more than the bare facts during the formal meeting, but those are mostly one-sided, since the input was mainly from the employee. There might be a need to verify some facts that will support any decision that will be made about validity of the complaint.

Usually, you will be going about it using the typical data-gathering methods, such as the conduct of interviews with other employees and key personalities to get more information that may shed some light on the grievance.

4. A Decision is Made and Communicated to the Employee.

The results of the formal meeting, and any further investigations conducted, will be the basis for the committee to decide whether the grievance is valid or not. Once a decision has been reached, you must communicate it to the employee.

It is important to keep the employee informed of the progress of the investigation – and the entire grievance management procedure – every step of the way. It's a matter of fairness and respect for the employee, and to ensure transparency in how the grievance is being handled. This will also help him decide on the next steps to take regarding the complaint.

If the grievance is valid, it may be resolved at this stage and your job is done. If the resolution is not to the employee's satisfaction, you may have to take it to the next step.

5. If the Grievance is Rejected, Or It Was Resolved but the Employee Was Not Satisfied with The Resolution, The Grievance May Be Taken to The Next Level in The Management Hierarchy.

The facts will be reviewed, and a decision will again have to be made to resolve the grievance. If, again, it is not resolved at that stage, it will be taken to another, higher, level of management. It may even reach a point where an outsider will be called in to arbitrate and provide a fresh perspective.

The higher the level of management that the grievance goes up to, the more people will be involved. This is why, at the beginning, all efforts should be geared to settling the complaint as early as possible. This is because taking it further is bound to take more time and company resources.

8 Effective Steps to Handle Employee Grievances Most Effectively:

1. Create the System:

The first thing is to set up the grievance redressal system for a company, is to help the employees lodge complaints and grievances so that it can be resolved. Things to be considered here are-

- The grievance procedure must be added to the employee handbook's content so that it can be easily accessed by all.

- Someone must take responsibility for grievance receipts. The employees must be ensured that their complaints are placed in confidence. Generally, it should be someone from the Human Resources Department.
- The place of receiving the complaints must be within reach to all. That is, it should be located centrally. If you use a grievance box, it should be in the area of common accessibility.
- As it might involve personal matters, it is important to focus on confidentiality while dealing with employees' grievances. Involving the least number of people prevents the matter from being widespread.
- The complaints put forwards must be followed up timely. That is, no issue should be on hold for a long time. It should follow a schedule so that the employees can expect a certain level of responsiveness within a specified time period.

2. Acknowledge the Grievance:

You should listen more than you talk while dealing with employee grievance. When your employees come to you lamenting over an issue, lend them your ear.

That doesn't mean that it should be resolved immediately but so that your employees know that their complaint is acknowledged. Let your employees know that you have received their report and are willing to do something about it.

3. Investigate:

Not all issues qualify for a hearing. Generally, it is important to review whether the grievance is valid or not. Inquire about the incidents or situations and gather any relevant information. It may not always be necessary but if the matter involves other staff, they will need to be informed and given a chance to explain themselves and put forward their own shreds of evidence. Once the investigation is over, you can arrange a formal meeting.

4. Hold the Formal Meeting:

The employee with the grievance and all the relevant parties should be called to be present in the formal hearing. The employee can put forward any evidence that backs

up the complaint and explain how they would like the problem to be resolved. Later on, you can circulate the minutes of the meeting notes.

5. Take Your Decision and Act Accordingly:

This is the decision-making phase. Once you have collected all the required information and examined the situation closely, you should make a decision.

You might decide to accept the grievance in full or part, or reject it completely. You need to let the employee know in writing about the actions that you will take. At the same time, you can advise the employee on how they should deal with similar situations.

6. Appeal Process:

Your employee might not accept your decision and has the right to an appeal. Here again, your grievance policy should outline the terms and conditions of the appeal process.

It should start with an appeal letter written by the employees, informing the reasons why they want the decision to be reconsidered. To ensure impartiality, the appeal should be heard by another manager or supervisor who was not a part of the first meeting.

This should be followed by an appeal hearing with new evidence. The decision of the same should be informed to the employee in writing. If your employee is still not satisfied, it can either be mediated or escalated to the employment tribunal.

7. Review the Situation:

It's always healthy to have an objective look back at your decisions. If the employee is happy with the resolution, you were good at settling the issue. In fact, it can prove great to your company culture.

If the prevailing policy ensures justice, it can foster a sense of pride and accountability in the employees' work. That's the benefit of implementing a fast and effective grievance procedure.

8. Uproot the Main Cause of Grievance:

Your aim is to go for a long-lasting solution. That is, a formal complaint should be addressed once and for all. This prevents your employees from coming back again and again with the same issue.

The key solution here lies in identifying the root cause of the problem and making sure to solve the problem completely, with the scope of adjustments, if necessary.

Carrying Out Employee Discipline

The steps in the disciplinary procedure generally follow graduated steps including a verbal warning, written warning, final written warning, and dismissal. However, in cases of gross or serious misconduct it is permissible to start at stage 4 of the procedure.

However, other sanctions apart from the nuclear option of dismissal should be considered by the employer. Alternatives might include a transfer to a different part of the workplace, different role, or demotion. Keep in mind that an employee can be suspended on pay pending investigation but would only be suspended without pay pending an appeal of a dismissal.

Stage 1 - Verbal Warning

Generally, an employee should receive a verbal warning for a first transgression. Even though the employer is “only” giving a verbal warning, it is still part of a formal disciplinary process and the principles of natural justice, fair procedures, and equity/fairness would apply at all times.

This would involve a meeting with the employee at which the employee could bring a colleague or other representative. There is no right to bring a legal representative, unless the employer agrees. This may be a trade union representative, even though the employer may not formally recognise or engage with the union. His role will be as a minute taker and witness, not an advocate or spokesperson.

At the meeting the employee should be advised of what the problem is and invited to respond and explain his actions. There should be no rush to judgement by the employer as the meeting is investigatory.

Following the meeting a confirmatory letter should be given to the employee. This letter confirms that the employee has been given a verbal/oral warning. It should also contain the improvements required of the employee in respect of the behaviour which led to the warning and the timeframe within which the improvement must be made.

This letter should also state that failure to improve will lead to the 2nd stage of the disciplinary procedure and ultimately dismissal. It should also state the time period for which it will remain on the employee's file, after which it will be removed. Three months would be a reasonable period for this 1st verbal warning to stay on file, but it could remain for 6 months.

If an employee was suspended with pay pending an investigation it is vital that he knows how long the suspension is to last and the investigation must be held within a reasonable time frame. "Justice delayed is justice denied".

Once this disciplinary procedure has started, the employer should assist the employee to improve conduct or performance, whichever was the source of the problem in the 1st place. The employer should record the details of this 3-month monitoring period and retraining or relocation should be considered, if possible and reasonable. However, if the employee fails to improve or there is a repeat of the activity that caused the oral warning in the 1st place the employer can then issue a first written warning.

Stage 2 - First Written Warning

The 1st written warning can be issued within the period of time advised for monitoring after the verbal warning, provided there is no improvement in conduct or performance. Before issuing it the employee should be invited to another meeting, told of the transgression, and given the opportunity to respond.

The written warning will then be issued and last for another 3 months. This warning should also clearly set out the nature of the problem, suggest solutions such as retraining, and advise of the possible sanctions (including dismissal) if no improvement is observed within the 3 months.

The employer should again afford all reasonable assistance to the employee to help him improve conduct and/or performance. However, the employer must be mindful of his duty of care to other employees also.

Stage 3 - Second Written Warning

If the required improvement is not forthcoming within the 3-month period after the 1st written warning then a 2nd written warning may be issued. This is entirely a matter for the employer and it is common for many employers to only issue a 1st and final written warning. This warning is done in a similar fashion to the other two warnings referred to above but you would consider giving a 6-month monitoring period to allow improvement.

Stage 4 - Final Written Warning

If the required improvement is not happening then a final written warning would be issued with a 12-month monitoring period. The letter confirming this warning will advise that if there is no improvement or if the bad behaviour/performance is repeated then dismissal will occur.

This warning letter will be the final one prior to dismissal so it is important that it is well drafted as it will be scrutinised closely by the employee and probably his legal advisor. This letter should only refer to the matters which have been the subject of the disciplinary procedure to date, not other matters which have never been put to the employee.

Stage 5 - Dismissal or Action Short of Dismissal

If there is no improvement after the final written warning then dismissal is the likely outcome. A meeting should be called and the employee and his representative invited. The employer should remind the employee of the behaviour/conduct that has led to this point, the repeated transgressions/failure to improve performance sufficiently, and that the dismissal is in accordance with the disciplinary procedure.

The employee should be given the opportunity to appeal within 14 days. He should also be given a letter confirming the dismissal and the right to appeal, the time period for appeal, and who to appeal to.

Learning Activities

Learning outcome	Learning activity	Special instructions
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Building Organization culture	An academic visit to a local company to analyze the culture of that company	<ul style="list-style-type: none"> • wear appropriate PPEs • prepare a questionnaire
Managing employee grievances	The trainees to attend a court session at the Employment and labour relations court	Prepare observation checklist

Self-Assessment

1. Mention the 8 steps followed to handle employee grievances most effectively.
2. Employees will generally not complain for nothing. What are some of the reasons for grievances by employees?
3. What is the meaning of the term adhocracy as used in organization culture?
4. Which factors influence the culture formation of an individual employee
5. How would an undisciplined work force affect the operations of an organization?

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment

1. steps followed to handle employee grievances most effectively
 1. Create the system
 2. Acknowledge the grievance
 3. Investigate
 4. Hold the formal meeting
 5. Take your decision and act accordingly
 6. Appeal process
 7. Review the situation
 8. Uproot the main cause of grievance
2. Some of the reasons for employee grievances
 - Compensation and benefits (e.g. pay equity, salary that doesn't match responsibility)
 - Terms and conditions of employment (e.g. expected hours of work not accurately represented in contract)
 - Employment and personnel policies (e.g. hiring procedures, merit-based bonus structures)
 - Workload and work distribution (e.g. unfair distribution of work, no overtime pay for extra hours)
 - Management-employee relations (e.g. no communication access to management)
 - Health and safety concerns (e.g. malfunctioning equipment, poor lighting in workspace)
 - Bullying, harassment or discrimination (e.g. co-worker stalking, hazing rituals)
 - Organizational changes (e.g. moved to new department without consent)

- New workplace conditions (e.g. office moved to an inaccessible location, new office building contains allergens)
3. Meaning of adhocracy
This is a corporate culture based on the ability to adopt quickly to changing conditions.
 4. Which factors influence the culture formation of an individual employee
 5. How would an undisciplined work force affect the operations of an organization?

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2.2.9 LEARNING OUTCOME 9: COORDINATE ORGANIZATION CHANGE

Introduction to the Learning Outcome

This learning outcome involves preparing change management plan, undertaking change management process and reviewing reorganization of work culture

Performance Standard

1. Change management plan is prepared according to HR change management policy.
2. Change management process is undertaken in accordance with HR procedures.

3. Reorganization of work culture reviewed in accordance with HR procedures

Information Sheet

Definition of terms

A policy

It is a deliberate system of principles to guide decisions and achieve rational outcomes. A policy is a statement of intent, and is implemented as a procedure or protocol.

Vision

It is a mental picture of the result you want to achieve; pictures so clear and strong it will help make that result real.

Strategy

It is a general plan to achieve one or more long-term or overall goals under conditions of uncertainty.

Bankruptcy

It is a legal proceeding involving a person or business that is unable to repay their outstanding debts.

Outsourcing

It is a business practice in which services or job functions are farmed out to a third party

Plan

It is an arrangement, blue print, design, plot which leads to making or doing something or achieving an end. A list of steps with details of resources used to achieve an objective and steps in achieving something.

Preparing Change Management Plan

Change management is the concept of helping members of an organization adapt to changes within that organization. A change management plan serves as the roadmap

defining concrete steps an organization will take to execute the change management process. Such a plan is typically part of a larger project management process to implement business transformation.

When a business change is small, like a new step in an existing workflow, the change management process may be as simple as training the applicable staff. Larger or complex transitions require a more thoughtful, strategic approach because they can be disruptive and unsettling to the team. In these cases, implement a change management plan.

Change management is primarily about people, not process. It's tempting to focus on the process piece because it's more straightforward and tangible than the messiness of people's behaviors and emotions.

But that approach creates blind spots that lead to failure in implementing change. For example, if you're spearheading the switch to a new software system, it's natural to concentrate on the technical aspects of the new platform. But if the system automates work that was being done by team members, it can make them feel like their jobs are not valued.

It is important to communicate how employees can now shift their attention to higher value work, like spending more time with customers, rather than repetitive tasks that are easily automated.

Managing business transformation is not easy, but with a thoughtful change management plan in place, you'll be well-positioned to successfully champion change in your organization.

How to Create a Change Management Plan

A change management plan resides within the overall framework of a larger project schedule. As such, it falls within the project manager's responsibilities to develop this change plan and apply project integration management to make the entire initiative a cohesive whole.

Although a sub-component of a bigger project, the change piece requires its own set of deliverables, and involves the use of project management techniques and planning in its own right.

Step 1: Goal Creation

When building a change management plan, start by establishing the plan goals. Defining the goals is challenging. The following are tips to in accomplishing this initial step of the process.

- **Understand the changes:** First, be sure you understand the changes being addressed and the associated implications. For instance, if rolling out new software for employees, it's not enough to know how the software operates. It is important to understand how that software can change the steps in existing workflows.
- **Incorporate awareness and adoption goals:** Raising employee awareness and adoption of the change should be part of every plan. These should be included among the goals.
- **Define KPIs:** Next, define quantifiable KPIs to measure the plan's success. A variety of metrics are applicable here, so apply those that make sense given the context of the changes. Example KPIs include reports that measure usage of a new software system, surveys to capture staff feedback, and employee performance stats to determine if the change reduced productivity or increased it.

Step 2: Establishment of a Change Team

Like any project, change management requires people and resources to execute the plan. Here are suggestions to help you build a team and gain backing for the plan and the necessary resources.

- **Gain stakeholder support:** Every business change involves stakeholders. They can include the CEO, other members of the executive team, or people across the organization, depending on the nature of the change. Get their support for your plan, especially around incentives and resources, to increase your chance of success.
- **Recruit a task force:** Develop a task force to spearhead an organizational change management plan. Team members should include people in leadership roles, like a department head, and SMEs who can educate the rest of the team on the changes as well as provide support and answer questions.

- **Determine necessary resources:** Change management may not be as resource intensive as the project initiating the change, but identifying necessary materials upfront avoids delays during the execution phase. For example, training the team may require computers, so enough computers must be on-hand to meet training deadlines. Also, budget criteria may need to be outlined as well.

Step 3: Plan Development

In this step, project planning transforms into a documented roadmap that lies at the heart of the change management process. This document also helps you avoid scope creep. This part of the process is akin to developing a general project plan. Let's review some nuances that apply to change management.

- **Create a task list:** Task lists are the pieces of work that must be completed to achieve your goals. For example, the creation of training documentation may be one of the tasks. Creation of this list should include feedback from your task force as well as stakeholders. Communication components are included here as well.
- **Develop a timeline:** A due date is typically associated with a change. Therefore, your project plan should revolve around that date. Assign a time component to every task in your list. If some tasks cannot be completed before the rollout of changes, either adjust the due date, or if that's not possible, determine which tasks can be accomplished after the changes take place, and which must be completed beforehand to prioritize accordingly.
- **Use project management tools:** Because change management can be complex, use project management software to increase the likelihood of success. You can build task lists, assign team members and resources, and track progress all within the software, making it easy to know if you're on track as well as to report out your status to stakeholders.

Step 4: Plan Execution

Creating the plan is just the beginning. The rubber hits the road when you are actually executing the change process. Because pitfalls can crop up during the execution of a change management plan, here are some suggestions to help.

- **Create decision-making processes:** To identify all implications of a business change in advance is difficult, so issues are bound to appear. For instance, a workflow might be impacted that wasn't previously considered, necessitating swift decision-making to sort out a solution. Therefore, outline a process to resolve these kinds of issues quickly, so employees are not left in limbo or forced to make up a solution on the fly.
- **Address resistance:** People resist organizational changes for different reasons. Perhaps someone will be demoted as part of the change, or a team feels afraid that they will lose their jobs. To effectively address resistance, get as much employee participation in the change and be as transparent and communicative as possible from the start. Continue this approach throughout the project to reduce employee uncertainty. As the project progresses and your KPIs point to further pockets of resistance, zero in on specific situations to tackle the root cause of individual resistance.
- **Develop momentum:** To build confidence within the organization that the transformation is positive and working, identify and communicate all wins. Also, provide incentives for embracing the change. For instance, throw a party for the team that is first to completely adopt a new software system. By building momentum behind the change in this way, it harnesses the emotional energy of team members, and creates a cultural willingness to accept the change that keeps on growing. This approach also reduces the natural resistance that crops up.

Step 5: Reinforcement

The final phase of change management occurs after the changes are implemented. It's not enough to assume the team is good to go after being trained. To encourage employees to continue transitioning their behaviors, attitudes, and workflows to the new paradigms, implement a process of reinforcement.

- **Provide positive incentives:** Too often, organization leaders are apt to apply the stick instead of the carrot, taking a get-with-the-program approach to change. This builds resentment. Instead, it's more effective to provide positive incentives, particularly if they naturally align with the change. Modifying a cumbersome process to make it easier for the team is an example of a positive

incentive. Another example is adjusting performance plans to reward staff for embracing the changes.

- **Leverage SMEs:** Staff will have many questions and concerns throughout the transition process, and training is not enough to address these. This is where SMEs are invaluable. They help teammates on an ongoing basis to feel supported and confident that they can master the changes. So be sure teams know their designated SMEs.
- **Review and adapt:** Once the changes are live, you can truly assess the impact. Regularly review team progress toward adopting the changes, and be prepared to make further adaptations if the initial planning did not arrive at the optimal solution. For instance, you may have outlined workflow modifications that didn't go as planned after the business changes took place. Acknowledge the need to adjust, and make the necessary adjustments based on real world experience and data. This builds greater team acceptance and confidence throughout the transition process.

Undertaking Change Management Process

Organizations should systematically prepare for and implement major organizational change. John Kotter, a Harvard Business School professor, developed a well-known and widely adopted approach for managing organizational change. This approach, updated in Kotter's book *Accelerate*, involves the following eight stages: -

1. Create a Sense of Urgency

Successful transformation efforts usually begin when leaders examine the market for changes that may lead to new competitive realities for the organization. These changes can stem from demographic shifts, social trends, new technology, market or competitor changes, or new government regulations. The leaders should explain that a potential crisis or major opportunity is imminent, and they should encourage frank discussion throughout the organization. Creating a sense of urgency that the status quo is no longer acceptable is essential to gain the workforce's energetic cooperation.

2. Build a Guiding Coalition

Once employees feel a sense of urgency, leaders should establish a group with enough power to lead the change. Members need substantial authority based on position,

expertise, credibility and leadership, as well as effective management skills and proven leadership abilities. This coalition must learn to work together based on trust and set a common goal. Many guiding coalitions build trust through offsite meetings, joint activities and conversation.

3. Form a Strategic Vision and Initiatives

The guiding coalition should craft a clear vision for the future, motivate people to take appropriate actions and coordinate their actions. An effective vision is imaginable, desirable, feasible, focused, flexible and communicable, according to Kotter. Creating an effective vision takes time and can be a challenging process, but the end product provides a clear direction for the future.

4. Enlist a Volunteer Army

Once the guiding coalition has developed the vision, its members should provide extensive communications about how the change will improve the business and how those improvements will benefit employees. Key elements in effective communications include simplicity, use of examples, multiple forums, repetition, explanation of apparent inconsistencies and two-way communication. The group should model the behavior expected of employees.

5. Enable Action by Removing Barriers

To empower workers to support change and act on the vision, change leaders should identify and remove obstacles. Four categories of important obstacles are:

- i. Formal structures that make it difficult for employees to act.
- ii. A lack of needed skills.
- iii. Personnel or information systems.
- iv. Supervisors who discourage actions toward implementing the new vision.

6. Generate Short-Term Wins

Successful and enduring change takes time, which can be discouraging to employees at all levels of the organization. To maintain urgency, leaders should create conditions that support early successes and visible improvements. The key is to actively search for opportunities to score early achievements and to recognize and reward those who made

these accomplishments possible. Good short-term wins have unambiguous results, are visible to many people and are clearly related to the change effort.

7. Sustain Acceleration

Until major changes are embedded in an organization's culture (which could take up to a decade), they remain vulnerable to resistance and regression. It is important to use the early successes as a foundation for larger challenges and to revise all systems, structures and policies that do not fit the change vision. HR can consolidate gains by hiring, promoting and developing employees who can implement the transformation vision. Additionally, the change process can be reinvigorated with new project themes and change agents.

8. Institute Change

The final stage in Kotter's model for successful change is linking the changes to two key components of corporate culture—norms of group behavior and shared values. Another model for organizational change includes a four-phase change management process:

1. **Define**—Align expectations regarding the scope of the change as well as timing and business impact.
2. **Plan**—understand how the change will impact stakeholders and design a strategy to help them navigate it.
3. **Implement**—Engage with leaders and associates to execute the change.
4. **Sustain**—Work with leaders and employees to track adoption and drive lasting change.

Figure 26: Change Management Model

Change Management Model



DEFINE

- Clarify roles in change management process
- Clarify what is changing and why
- Identify stakeholders
- Establish project timeframe
- Clarify success measures



PLAN

- Conduct impact and stakeholder assessments
- Create change and stakeholder engagement plans
- Identify risks and create risk-mitigation plans
- Design plans for communications and training



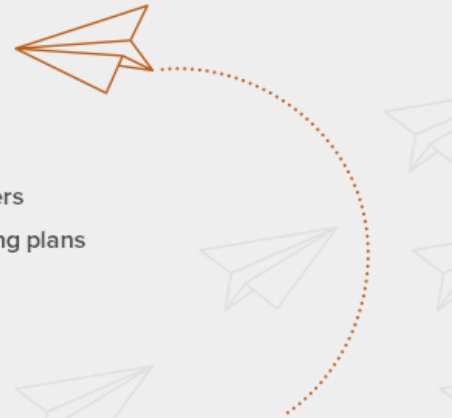
IMPLEMENT

- Enable/activate catalysts and leaders
- Roll out communications and training plans
- Monitor and manage resistance
- Deploy risk-mitigation plans



SUSTAIN

- Monitor adoption of change(s)
- Reinforce behaviors that are aligned to the change
- Measure impact of change(s)
- Adjust as needed based on metrics



Common Obstacles Encountered in Implementing Change

1. Employee resistance.
2. Communication breakdown.
3. Insufficient time devoted to training about the change.
4. Staff turnover during the transition.
5. Excessive change costs.
6. An unrealistic change implementation timeline.

7. Insufficient employee participation in voluntary training.
8. Software/hardware malfunctions.
9. Downturn in the market or the economy.

Managing Varied Types of Major Organizational Change

Organizational change comes in many forms. It may focus on creating new systems and procedures; introducing new technologies; or adding, eliminating or rebranding products and services. Other transformations stem from the appointment of a new leader or major staffing changes. Still other changes, such as downsizing or layoffs, bankruptcy, mergers and acquisitions, or closing a business operation, affect business units or the entire organization. Some changes are internal to the HR function.

In addition to the general framework for managing change, change leaders and HR professionals should also be aware of considerations relating to the particular type of change being made. The subsections below highlight some of the special issues and HR challenges.

Mergers and acquisitions

A merger is generally defined as the joining of two or more organizations under one common ownership and management structure. An acquisition is the process of one corporate entity acquiring control of another by purchase, stock swap or some other method. Nearly two-thirds of all mergers and acquisitions (M&As) fail to achieve their anticipated strategic and financial objectives. This rate of failure is often attributed to HR-related factors, such as incompatible cultures, management styles, poor motivation, loss of key talent, lack of communication, diminished trust and uncertainty of long-term goals.

Downsizing

Successfully implementing a layoff or reduction in force (RIF) is one of the more difficult change initiatives an HR professional may face.

Bankruptcy

Filing for a business bankruptcy and successfully emerging from the process is generally a complex and difficult time for all parties. HR may have to cut staff, reduce benefits, change work rules or employ a combination of such actions.

Closing a business operation

Businesses make the difficult decision to close all or part of their operations for many reasons, including economic recession, market decline, bankruptcy, sale, a realignment of operations, downsizing, reorganization, outsourcing or loss of contracts.

Outsourcing

For several reasons, including cost savings and freeing staff to focus on more strategic efforts, an organization may decide to outsource HR or other business functions. Outsourcing is a contractual agreement between an employer and a third-party provider whereby the employer transfers the management of and responsibility for certain organizational functions to the external provider. Many types of outsourcing options are available to employers, from outsourcing one aspect of a single function to outsourcing an entire functional department. This change can have a similar impact on employees as downsizing or closing a department.

Changes within HR

HR professionals frequently help other parts of the organization respond to change, but what happens when the HR department becomes the epicenter of change? These kinds of transformations, such as moving to a shared services model, integrating with another HR function following a merger or delivering new services to new clients, can be more difficult for HR professionals to manage than other types of organizational changes.

Legal Issues

In addition to managing the "people side" of organizational change initiatives, HR professionals should keep leadership informed of any applicable employment laws and the potential legal implications of various types of change. Typically, HR will be responsible, in consultation with legal counsel, for ensuring compliance with pertinent federal, state, local and international employment laws and regulations.

Global Issues

Significant organizational changes can create ongoing conflict between two locations in the same country. But conflict is more likely to occur, and is harder to address, when differences in language, time zones, institutions and business practices exist. According to research conducted by the Economist Intelligence Unit, companies will continue to become larger and more global, handling operations in more countries than they do today.

Factors That Shape an Organization's Culture

Most company cultures are not that different from one another. Even organizations in disparate industries such as manufacturing and health care tend to share a common core of cultural values. For example, most private-sector companies want to grow and increase revenues. Most strive to be team-oriented and to demonstrate concern for others. Most are driven, rather than relaxed, because they are competing for dollars and market share. Some of the cultural characteristics that distinguish most organizations include the following: -

Values

At the heart of organizations' cultures are commonly shared values. None is right or wrong, but organizations need to decide which values they will emphasize. These common values include:

- **Outcome orientation.** Emphasizing achievements and results.
- **People orientation.** Insisting on fairness, tolerance and respect for the individual.
- **Team orientation.** Emphasizing and rewarding collaboration.
- **Attention to detail.** Valuing precision and approaching situations and problems analytically.
- **Stability.** Providing security and following a predictable course.
- **Innovation.** Encouraging experimentation and risk-taking.
- **Aggressiveness.** Stimulating a fiercely competitive spirit.

Degree of Hierarchy

The degree of hierarchy is the extent to which the organization values traditional channels of authority. The three distinct levels of hierarchy are "high"—having a well-defined organizational structure and an expectation that people will work through official channels; "moderate"—having a defined structure but an acceptance that people often work outside formal channels; and "low" —having loosely defined job descriptions and accepting that people challenge authority.

An organization with a high level of hierarchy tends to be more formal and moves more slowly than an organization with a low level of hierarchy.

Degree of Urgency

The degree of urgency defines how quickly the organization wants or needs to drive decision-making and innovation. Some organizations choose their degree of urgency, but others have it thrust on them by the marketplace.

A culture with high levels of urgency has a need to push projects through quickly and a high need to respond to a changing marketplace. A moderate level of urgency moves projects at a reasonable pace. A low level of urgency means people work slowly and consistently, valuing quality over efficiency. An organization with high urgency tends to be fast-paced and supports a decisive management style. An organization with low urgency tends to be more methodical and supports a more considered management style.

People Orientation or Task Orientation

Organizations usually have a dominant way of valuing people and tasks. An organization with a strong people orientation tends to put people first when making decisions and believes that people drive the organization's performance and productivity. An organization with a strong task orientation tends to put tasks and processes first when making decisions and believes that efficiency and quality drive organization performance and productivity.

Some organizations may get to choose their people and task orientations. But others may have to fit their orientation to the nature of their industry, historical issues or operational processes.

Functional Orientation

Every organization puts an emphasis on certain functional areas. Examples of functional orientations may include marketing, operations, research and development, engineering or service. For example, an innovative organization known for its research and development may have at its core a functional orientation toward R&D. A hospitality company may focus on operations or service, depending on its historical choices and its definition in the marketplace.

Employees from different functions in the company may think that their functional areas are the ones that drive the organization. Organizational leaders must understand what most employees perceive to be the company's functional orientation.

Organizational Subcultures

Any organization can have a mix of subcultures in addition to the dominant culture. Subcultures exist among groups or individuals who may have their own rituals and traditions that, although not shared by the rest of the organization, can deepen and underscore the organization's core values. Subcultures can also cause serious problems.

For example, regional cultures often differ from the overall culture that top leadership tries to instill. Perhaps aggressiveness that is common in one area may not mesh with a culture emphasizing team building. Or an organization with a culture built around equality may have trouble if the national culture emphasizes hierarchy and expects people to bow to authority. Managers and HR professionals must recognize those differences and address them directly.

Learning Activities

The trainees check on the operations of their dining, together they should come up with areas and items that need to be changed to make its operations better for the student's. then they should come up with a change plan to present to their Dean /in charge of student welfare.

Self-Assessment

Case study

Mr. Jorum is a Manager at Techwiz Limited. The firm is changing from manual recoding to computerized systems in all the areas of operation. Mr. Jorum is 45 years and the Assistant Manager is 35 years. The average age of the employees is 38 years. 80% of the employees are up-to-date with technology. Mr. Jorum has not found the need to update to ICT skills as his juniors carry out the work and he reads the printed copies in order to make decisions. His peers who are conversant with ICT have constantly advised him on the need for ICT skills. Mr. Jorum does not agree with this change stating that the company is still young in the industry.

- a) What are the possible reasons for Mr. Jorum's resistance to change?
- b) How can you assist Mr. Jorum?
4. Why would an organization find it necessary to embrace change?
5. Why is it important for an organization to clearly communicate to the employees the changes they want to implement
6. What are some of the cultural characteristics that distinguish one organization from the other?

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Self-Assessment Answers

1. Common obstacles encountered in implementing change

- a) Employee resistance
- b) Communication breakdown
- c) Insufficient time devoted to training about the change
- d) Staff turnover during the transition
- e) Excessive change costs
- f) An unrealistic change implementation timeline
- g) Insufficient employee participation in voluntary training
- h) Software/hardware malfunctions
- i) Downturn in the market or the economy

2. Steps in the change management process:

- i. Create urgency of change
- ii. Identify powerful change leaders
- iii. Communicate vision for change
- iv. Remove obstacles
- v. Create short term achievable targets
- vi. Anchor change on organizational culture

3. Cultural differences between organizations include differences in:

- Values
- Degree of hierarchy
- Degree of urgency
- People/task orientation
- Functional orientation
- Organizational subcultures

4. Why would an organization find it necessary to embrace change?

- To avert complacency of employees
 - Technological reasons
 - Security reasons
 - To remain ahead of competitors
 - Legal reasons
 - Inject new ideas
 - To avoid obsolescence
5. Why is it important for an organization to clearly communicate to the employees the changes they want to implement
- To avert resistance
 - To ensure employees own the change
 - To maintain employee loyalty
 - To take less time in implementing the change
 - To gain employees' contributions toward change

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2.2.10 LEARNING OUTCOME 10: PREPARE DEPARTMENTAL TEAM REPORT

Introduction to the Learning Outcome

This learning outcome involves comparing teams' output with departmental targets and determining variation from plans. Review of departmental team strategy is undertaken and departmental team report is prepared.

Performance Standard

1. Teams output is compared with departmental targets according to set operational plans.
2. Variations from plans are determined in accordance with reporting procedures.
3. Review of departmental team strategy is undertaken in accordance to HR Plan and finance Policy.
4. Departmental team report is prepared and shared according to SOPs.

Information Sheet

Definition of terms

A report is

It is a document that presents information in an organized format for a specific audience and purpose. Although summaries of reports may be delivered orally, complete reports are almost always in the form of written documents

Business goals

These are written parts of a long-term vision detailing what results your company aims to accomplish and by what deadline

Targets

These can be considered as smaller, interim steps towards a goal that are aligned with the details and deadlines of larger goals.

Performance indicator or key performance indicator (KPI)

It is a type of performance measurement. It evaluates the success of an organization or of a particular activity (such as projects, programs, products and other initiatives) in which it engages

Measure Performance and Set Targets

A growing business needs to be closely and carefully managed to ensure the success of new investment decisions and expansion plans. However, many owner-managers find that as their business grows they feel more remote from its operations.

Putting performance measurement systems in place can be an important way of keeping track on the progress of your business. It gives you vital information about what's happening now and it also provides the starting point for a system of target-setting that will help you implement your strategies for growth.

This guide sets out the business benefits of performance measurement and target-setting. It shows you how to choose which key performance indicators (KPIs) to measure and suggests examples in a number of key business areas. It also highlights the main points to bear in mind when setting targets for your business.

Benefits of Performance Measurement

Knowing how the different areas of your business are performing is valuable information in its own right, but a good measurement system will also let you examine the triggers for any changes in performance. This puts you in a better position to manage your performance proactively.

One of the key challenges with performance management is selecting what to measure. The priority here is to focus on quantifiable factors that are clearly linked to the drivers of success in your business and your sector. These are known as **Key Performance Indicators** (KPIs).

Quantifiable isn't the same as financial. While financial measures of performance are among the most widely used by businesses, nonfinancial measures can be just as important.

For example, if your business succeeds or fails on the quality of its customer service, then that's what you need to measure - through, for example, the number of complaints received.

Benefits of Target-Setting

If you've identified the key areas that drive your business performance and found a way to measure them, then a natural next step is to start setting performance targets to give everyone in your business a clear sense of what they should be aiming for.

Strategic visions can be difficult to communicate, but by breaking your top-level objectives down into smaller concrete targets you'll make it easier to manage the process of delivering them. In this way, targets form a crucial link between strategy and day-to-day operations.

Deciding What to Measure

Getting your performance measurement right involves identifying the areas of your business it makes most sense to focus on and then deciding how best to measure your performance in those areas.

Focusing on Key Business Drivers

Performance measurement will be a more powerful management tool if focus is on those areas that determine the overall business success. This will vary from sector to sector and from business to business. So it is important to put some time into developing a strategic awareness of what it is that drives success for businesses.

It's crucial that measurements are tailored to specific circumstances and objectives. A manufacturer producing and selling low-cost goods in high volume might focus on production line speed, while another company producing smaller quantities using high-cost components might focus instead on reducing production line errors that result in defective units.

Finding the Specific Measures

Once key business drivers are identified it is important to find the best way of measuring them. The priority should be to look for as close a link as possible with those elements of performance that determine success. For example, one may decide that customer service is a strategic priority for a business and to therefore start measuring this. But there are many ways of doing so.

Other areas of measurement include:

- The proportion of sales accounted for by returning customers

- The number of customer complaints received
- The number of items returned to you
- The time it takes to fulfil an order
- The percentage of incoming calls answered within 30 seconds

None of these is necessarily better than any other. The challenge is to find which specific measure (or measures) will enable a company to improve its business.

This type of measurement unit is often referred to as a key performance indicator (KPI). The two key attributes of a KPI are quantifiable (i.e. you must be able to reduce it to a number) and that it directly captures a key business driver.

Using Standardized Measures

There are standardized performance measures that have been created which almost any business can use. Examples include balanced scorecards, ISO standards and industry dashboards.

Choosing and Using Key Performance Indicators

Key Performance Indicators (KPIs) are at the heart of any system of performance measurement and target-setting. When properly used, they are one of the most powerful management tools available to growing businesses.

Key criteria that KPIs should meet:

- They should be as closely linked as possible to the top-level goals for a business. See the page in this guide on deciding what to measure.
- KPIs need to be quantifiable. If you can't easily reduce your measurement to a number, there will be too much scope for variation and inconsistency if different people carry out the measurements at different times.
- KPIs should relate to aspects of the business environment over which you have some control. For example, interest rates may be a crucial determinant of performance for a given business, but you can't use the Bank of Canada base rate as a KPI because it's not something that businesses have any power to change. By contrast, a business' exposure to fluctuations in interest rates can be controlled and so this might make a useful KPI.

Getting the Most from KPIs

The purpose of performance measurement is ultimately to drive future improvements in performance. There are two main ways you can use KPIs to achieve this kind of management power.

The first is to use your KPIs to spot potential problems or opportunities. Remember, your KPIs tell you what's going on in the areas that determine your business performance. If the trends are moving in the wrong direction, you know you have problems to solve. Similarly, if the trends move consistently in your favour, you may have greater scope for growth than you had previously forecast.

The second is to use your KPIs to set targets for departments and employees throughout your business that will deliver your strategic goals. For more information about using target-setting to implement your strategic plans, see the page in this guide on how to set useful targets for your business.

Managing Your Information

As with most areas of business operations, the more detailed and well-structured the information to keep about KPIs is, the easier it will be to use as a management tool. Computer-based management information systems are available for this purpose.

Measurement of Your Financial Performance

Getting on top of financial measures of your performance is an important part of running a growing business. It will be much easier to invest and manage for growth if you understand how to drill into your management accounts to find out what's working for your business and to identify possible opportunities for future expansion.

Measuring Your Profitability

Most growing businesses ultimately target increased profits, so it's important to know how to measure profitability. The key standard measures are:

- **Gross profit margin** - this measures how much money is made after direct costs of sales have been taken into account, or the contribution as it is also known.
- **Operating margin** - the operating margin lies between the gross and net (see below) measures of profitability. Overheads are considered, but interest and tax

payments are not. For this reason, it is also known as the EBIT (earnings before interest and taxes) margin.

- **Net profit margin** - this is a much narrower measure of profits, as it takes all costs into account, not just direct ones. So all overheads, as well as interest and tax payments, are included in the profit calculation.
- **Return on Capital Employed (ROCE)** - this calculates net profit as a percentage of the total capital employed in a business. This allows you to see how well the money invested in your business is performing compared to other investments you could make with it, like putting it in the bank.

There are a number of other commonly used accounting ratios that provide useful measures of business performance. These include:

- **Liquidity ratios**, which tell you about your ability to meet your short-term financial obligations.
- **Efficiency ratios**, which tell you how well you are using your business assets.
- **Financial leverage or gearing ratios**, which tell you how sustainable your exposure to long-term debt is.

Cash Flow

Bear in mind that even though you are likely to use an increasing number of financial measures as your business grows, one of the most familiar – cash flow - remains of fundamental importance. Cash flow can be a particular concern for growing businesses, as the process of expansion can burn up financial resources more quickly than profits are able to replace.

Measurement and Your Employees

As your business grows the number of people you employ is likely to increase. To keep on top of how your staffs are doing, you may need to find slightly more formal ways of measuring their performance.

Measuring Through Meetings and Appraisals

Informal meetings and more formal appraisals provide a very practical and direct way of monitoring and encouraging the progress of individual employees. They allow frank exchanges of views by both sides and they can also be used to drive up productivity

and performance through setting employee targets and measuring progress towards achieving them.

Regular staff meetings can also be a very useful way of keeping track on wider developments across a business. These meetings often give an early indicator of important concerns or developments that might otherwise take some time to come to the attention of the management team.

Quantitative Measurement of Employee Performance

Looking at employee performance from a financial perspective can be a very valuable management tool. At the level of reporting for the overall business, the most commonly-used measures are sales per employee, contribution per employee and profit per employee. These measures shouldn't be thought of as an alternative to the broader appraisals outlined above, but can flag up issues that might later be explored in more detail in those meetings.

Expressing employee performance quantitatively is easier for some sectors and for some types of worker. For example, it should be quite easy to see what kind of sales an individual sales person has generated, or how many units manufacturing employees produce per hour at work.

But with a bit more effort, these kinds of measures can be applied in almost any business or sector. For example, using timesheets to assess how many hours an employee devotes each month to different projects or customers under their responsibility gives you a way of assessing what the most profitable use of their time is.

Variation

Variation is a normal feature of process characteristics. For production processes, some variations are statistically random, while others are due to the actions of production workers. When the workers don't act consistently, they introduce non-random variations that reduce product quality. The key for using variation as a tool in TQM is to identify the random variations, which are natural to the process, and those due to worker inconsistency. TQM reduces the non-random variations by acting to reduce worker inconsistency.

Uncontrolled Variation

Once TQM has identified the non-random variations, it examines their source. TQM looks for inconsistencies that result from uncontrolled actions. If a product sometimes fails due to a loose bolt, it may be because the worker is not tightening the bolt consistently. If a product's color varies, it may be because the paint composition varies. TQM introduces controls to reduce inconsistency. It may train the worker in the use of a torque wrench and specify a single supplier for the paint. In this way, TQM converts uncontrolled variation into variation it can control.

Controlled Variation

When TQM introduces controls to reduce inconsistency, it must check to see if the controls reduced the variations initially observed. If use of the torque wrench eliminates product failure due to a loose bolt, the controls have eliminated the variation. If the product color still varies, the variation is still uncontrolled. It may be that the color variation is due to inconsistent drying time. If controlling the drying time increases color consistency, the variation is controlled and the product quality increases with respect to the desired characteristics.

Importance of Variation in Manufacturing

Customer satisfaction determines customer loyalty, customer purchase intentions and in turn, a company's revenue stream. Product quality improves customer satisfaction. Reducing variation in both key product features and manufacturing processes is a primary means of decreasing product defects and improving product quality. In turn, improved product quality may lead to decreased production costs.

Product Quality

The quality of a manufactured product is described in terms of:

- i. Its construction and reliability,
- ii. Its suitability for a specific purpose and
- iii. The degree to which it satisfies customers' needs.

Each of these quality objectives is supported by product and manufacturing process specifications that reflect the product attributes essential to create customer value. A company's quality assurance department works to reduce variability in production processes to ensure the characteristics of a manufactured product are consistent with its specifications through quality control measures including quality inspections and analysis.

Product Characteristic

A quality characteristic is a predefined product attribute that is precise and unambiguous, which can be measured or tested to determine a product's conformance with its specifications. Any difference between a defined product specification and an actual product characteristic is referred to as a variation in either product performance or a manufacturing process.

Manufacturing Variation

Variation is a disparity between an actual measure of a product characteristic and its target value. Excessive variation is outside the upper and lower acceptable limits established for a product specification, which can lead to product discard or salvage.

Therefore, a key manufacturing performance objective is the establishment of stable and predictable processes that limits variation to what can be described as random, minimum variation around target values. Walter Shewhart suggests in "Economic Control of Quality of Manufactured Product, Volume 59" that doing so leads to an economic production scheme, uniform product quality, a reduction in tolerance limits and a minimization of quality inspection costs and product rejection costs.

Uniform Product Quality

Stable manufacturing processes are those for which process variation is the result of random causes. As a result, stable processes produce products that adhere to specifications to a greater degree than those produced by unstable processes.

The more variation in measured product characteristics, the less the product adheres to specifications, the more heterogeneous the population, and the greater the required inspection scope, inspection severity and inspection costs.

In turn, the more homogeneous the population, the greater the adherence of the measured characteristics to specifications, the smaller the inspection scope, the less the inspection severity and the lower the inspection costs.

Reduction in Tolerance Limits

Overall product quality is gauged on the basis of the sum of the individual measurements of product quality characteristics, which are evaluated in terms of the relationship of the measured values to upper and lower tolerance limits established for product specifications. The more accurately characteristics can be measured, the more appropriate a reduction in tolerance limits used to evaluate characteristic variability and

the fewer the number of measurements required. In turn, product quality increases and quality costs decrease.

Minimization of Product Rejection Costs

Excessive variation in manufacturing is outside the upper and lower acceptable limits defined in manufacturing or product specifications, which can lead to product discard or salvage. To achieve the benefits of quantity production, quality must be maintained as indicated by measures of a product characteristic that lie within a predefined tolerance range. Otherwise, defective materials or defective products lead to product rejects and reworks, decreasing manufacturing process efficiency and increasing manufacturing costs.

Importance of Quality Control in Supply Chain Management

Competitive pressures and customer demands have led companies to introduce new strategies to better control processes and get the results they need. W. Edwards Deming, considered the "Father of Modern Quality," developed the Total Quality Management approach as an industrial strategy to improve business performance. In his 1982 book "Out of the Crisis," he identifies variation as a disease that results in waste and poor quality. Many U.S. businesses have used TQM principles to improve the quality of their products.

Total Quality Management

Total Quality Management (TQM) analyzes a production process for unnecessary complications, inefficient procedures and work flows that introduce waiting times. TQM defines these problems as poor-quality processes that result in poor-quality products. It identifies the problem processes by analyzing variations in their basic characteristics.

A high-quality process is consistent and has control of the variation of key aspects. TQM modifies production processes to reduce the possibility of variation, and the resulting products have a consistently high quality.

Review of Departmental Team Strategy

The modern business organization team is often comprised of personnel from across many different departments, and is increasingly led by individuals with little training

on how to successfully manage the many different components and dependencies of a large initiative, launch, programme or project. This guide addresses the composition of a well-balanced team, and highlights the skills needed to effectively execute in a business organization

12 Crucial Strategies for Promoting Team Collaboration

1. Share the company's mission over and over again.

Everyone needs a reason to show up each day -- a cause to be part of, and a broader objective to work towards. Defining a company's mission is the first step towards bringing people together under one common goal and working together towards making it happen. The mission should be simple but meaningful. The more compelling a mission is, the better.

It's your job to give your employees a reason - beyond the paycheck - to show up each day and get passionate about their work. And the more passionate they are, the more likely they are to work together with their teammates to achieve the company's mission. And make sure you're bringing it up often to make sure everyone is clear on the mission -- to the point where everyone on your team can repeat it on their own. That way, when confronted with conflict or challenges, they'll be able to keep the mission in mind to stay focused.

2. Communicate your expectation for collaboration.

Similarly, if a team doesn't know that you want them to work together, you can't expect them to do so. From the start, set your expectation for collaboration as a minimum standard. Even better, it should be part of the on boarding process so that potential recruits know teamwork is prioritized.

Employees' job descriptions should include details about their own individual roles, as well as roles they're expected to carry out collaboratively. By differentiating these, clear boundaries are being set between what they should be taking personal responsibility for, and what they need to work on collectively.

3. Define and communicate your team's goals.

Letting your team know what their goals are is not a monthly conversation. Not even weekly. Ideally, you should be discussing your team's goals on a daily basis. A team that knows their individual -- as well as collective -- goals helps to reduce silos and keep everyone productive.

Morning meetings held at the same time each day can help to foster the idea that everyday team members are working towards something specific together. A manager can take a step back and let the team define their own daily goals.

4. Highlight individuals' strengths.

Recent research by Office Team shows that 66% of employees would quit their jobs if they felt unappreciated. This number jumps to 76% among millennials. People start to look elsewhere if their unique sets of skills aren't being used, and their value isn't being recognized.

Not everyone is a leader. Not everyone is a confident public speaker. But a successful team thrives when each member is able to bring their own set of skills to the table.

As part of the recruiting process, Employees' specific strengths will be identified. Make sure you build on these strengths and emphasize them in collaborative environments. You can build on this by getting everyone to take a personality or skills test and share the results in a group setting.

5. Promote a community working environment.

A sense of community is crucial for collaborative working environments. 54% of employees state that a strong sense of community led them to stay at a company longer than was in their own interests.

When people feel that their opinion matters, they are more likely to apply themselves more. Conversely, when people know their opinion doesn't count for anything, they feel redundant and team-playing disintegrates.

But it can be tricky to get the conditions right. You don't want to inundate your team with endless meetings and insist on collaboration for collaboration's sake. After all, not all tasks need to be worked on as a team.

A daily morning meeting is a good starting point. At the same time each day, invite your team to get together and discuss their goals, tasks for the day, and opportunities where teamwork would be beneficial. These environments can help teams to align themselves and avoid duplication or oversights.

6. Foster honest and open communication.

Good team collaboration relies on open and truthful communication. The more people feel they can contribute; the more ideas can be shared, the more productive the team will become. However, for the more introverted team members, this part of the process might not come naturally.

If you create a psychologically-safe working environment in which team members feel safe from judgment, they are more likely to speak openly and contribute their ideas freely. The safer the environment for communication, the more collaborative that space will become.

7. Encourage creativity.

A collaborative team is an innovative one. Likewise, creating the space for creativity will help foster collaboration. It's a virtuous circle.

Brainstorming sessions can be a great way of opening up your team to creative thinking. An environment in which they can put forward and challenge ideas will help employees feel like they have a stake in the company's mission.

For some team members, brainstorming sessions can be daunting, especially if it's sprung on them without warning. To work around this, give them a heads-up the day before to allow everyone to prepare their thoughts in advance.

8. Share knowledge, insights, and resources.

Knowledge, as they say, is power. And if knowledge is shared amongst your team, they will feel more empowered to contribute on an even playing field. File-sharing software can help your team access the resources they need to do their jobs -- as can internal collaboration software.

But further than that, create spaces -- both physical and virtual -- where your team can share their insights, discuss their failures, and give each other constructive feedback.

9. Lead by example.

You can strategize for collaboration as much as you like, but if you're not exhibiting collaborative behaviors yourself, then this will filter down to your employees. As a leader of a collaborative team, you need to demonstrate cooperation at every turn. One-to-ones are a great place to start. Focusing some one-on-one time at regular intervals with each of your team members demonstrates that you are ready for dialogue.

The way you deal with requests and the way you make promises also indicates how you really feel about collaboration. When your employee comes to you asking for support, then honor their request. And only make promises that you know you can keep. The more your team can trust you to have their back, the more that trust will filter down through your team. And, in turn, the more productive they will become.

10. Get out of the office.

Getting out of the office regularly helps teams build relationships based on mutual interests rather than what they share in common within working hours. It helps employees see each other as humans rather than just colleagues.

But this doesn't need to wait for offsite events. An impromptu morning coffee or a beer after work can help to solidify relationships and gets your team gelling. Some smaller companies adopt a more regular arrangement, in which members of the team "buddy up" and go for lunch one-to-one, rotating amongst the team.

11. Celebrate and reward successful teamwork.

How you measure the success of your team will send out signals about what kind of company you are. If you reward effective teamwork and successful collaboration then you are communicating the values that underpin your business.

When you design your employee appraisal metrics, focus on team collaboration as well as individual successes. Make it clear that your employees' team efforts will be noted and collaborative successes rewarded.

12. Invest in collaboration tools.

Creating a digital workplace is the most practical thing you can do to ensure long-term collaboration among your team. And uptake is increasingly high, with 80% of businesses using social collaboration tools to advance business processes.

Given that nearly 1.5 million full-time professionals in the country consider their home as their main workplace; it's worth investing in the right tools to enable teams to work together without being in the same physical space.

Social tools assist in workplace collaboration. Predictably, millennials support the use of collaborative tools the most: 49% of the millennials surveyed back social tools for collaboration, with 31% of baby boomers and 40% of Generation X agreeing.

Your digital workspace can look like whatever you need it to be. You don't have to go all-out right away, and you can spend modest at first. The trick is to try different tools and see what works best for your team.

Challenges of Cross-Departmental Teamwork

Obstacle 1 – Tunnel Vision

When employees get too limited by the tunnel vision of their own job descriptions and team functions, frustration often ensues. This is often the root of communication breakdowns and interpersonal conflict. For example, an employee might make an unreasonable request from another team, assuming it was a simple request when it actually created a huge hassle.

Solution

Cross-over-train. Offer employees frequent opportunities to step into each other's shoes, job-shadow each other, or train each other. The idea is not to make everyone essentially interchangeable, but to give employees a basic understanding of how each department functions, individually and as part of the bigger picture. This is especially important for regular processes that touch multiple departments.

Obstacle 2 – Ineffective Meetings

One poll found that 17 percent of employees would rather watch paint dry than attend a meeting. Ouch. Face-to-face time is essential to healthy collaboration – or at the very least, being on the same conference line or web conference. But meetings tend to clog up calendars, disrupt the workday, go off-topic or off-schedule, or otherwise not accomplish their objectives.

Solution

Meet more mindfully. Before scheduling a meeting, think hard about how to make the most of that time. Meetings should have designated leaders, note-takers, and time-watchers. An agenda, prepared and provided in advance, can keep everyone on track. And there should be a plan in place to follow up on the meeting's objectives and action steps before they are forgotten. Be mindful of scheduling, too – make sure employees have a chance between sessions to make meaningful progress.

Obstacle 3 – Social Silos

Consciously or unconsciously, each department can wind up so isolated from the others that it's effectively in its own silo. Its members only interact among themselves and rarely cross over to other territories. The result is a series of micro-cultures that aren't always compatible. Much like the tunnel vision that prevents employees from understanding each other's jobs, social silos prevent employees from understanding each other, period.

Solutions

Celebrate together. Create opportunities for employees to socialize with each other, during and after office hours. For example, you might consider a casual gathering on the final Friday of each month, and rotate the duty of "hosting" this gathering between departments or teams. You can use these opportunities to highlight positive progress and accomplishments from various teams – but unlike meetings, these gatherings don't need a strict agenda.

Uniting around a common goal is one of the best ways to break down personal walls. So another way to get groups to mix up or interact could be to introduce a goal or project that isn't directly related to work functions. Examples include: a charitable drive, a company 5K team, annual outings, regular "Happy Hours," or some friendly competition like a costume contest around Christmas. All of these can break the ice and help employees see each other as people, not just co-workers.

Obstacle 4 – Top-Down Direction

Cross-departmental collaboration can't happen unless managers lead by example. Direction and leadership are not the same. Cross-departmental collaboration requires buy-in from all involved, including and especially the designated leaders of any given group. Otherwise, the entire effort feels inauthentic. Managers, after all, are just as susceptible to social siloes and tunnel vision as their staff.

The other side of this coin is whether or not employees feel they have a voice in how their departments are run, and in how departments interact. If they don't feel they have an opportunity to raise an issue, ask a question, or be proactive, there's little motivation to simply follow orders.

Solutions

This one is twofold. First, department heads should be modeling cross-departmental collaboration by regularly and visibly engaging with each other – and with each other's teams. If they notice that their department is becoming too isolated or is hesitant to collaborate with others, these leaders should be the first to start building bridges, and not just directing others to do so. Second, you need a mechanism in place to effectively collect employee feedback, in a way that makes employees feel safe from any negative consequences for speaking up. CSP highly recommends a Voice of the Employee program to gather this kind of data.

Culture is the result of actions and priorities. Cross-departmental collaboration is not the kind of thing that can be enforced upon members of staff. It must be nurtured at all levels of the organization, with deliberate intention, even when other priorities seem more immediately urgent.

Team Status Report

Containing detailed summaries of information and activities done by the team to carry out a project, a regular team status report offers a reliable means of getting the team updated with latest developments on the project and the challenges they encountered. Through this type of report, team members will have an idea of the progress made and where it's heading.

How Does It Benefit the Team?

It is an important project management tool that keeps the project on track and within the expectations of the project team, the clients, and other stakeholders.

The project manager and the team can easily spot issues and problems that may come up during the project implementation and can work on a solution to address it. Since they were able to see it in advance, they are given an ample amount of time to accommodate the changes and transition smoothly, thus, eliminating any sudden changes.

Keys to an Effective Team Status Report

Basically, the most important thing to remember in coming up with a team status report is that its content should be relevant to the project and the team, as major decisions may be based on the data presented in this report. The report should reflect the team's accomplishments for the reporting period, issues and challenges encountered and the performance objectives and targets for the succeeding reporting period. The project manager need not take all the responsibilities in the generation of team status report. In fact, different sections of the report may be assigned to each team member for him or her to update and work on based on his or her role or responsibility on the project. This will give the team members a deeper awareness, understanding, and also ownership of the project and their assignments. The role now of the project manager is to discuss with the team member and approve what they've written

As a result, in its absence, the team may use other means of communication such emails, phone calls, and meetings. There are also useful collaboration tools of but nothing beats having a single document that reflects everything everyone is doing.

Learning Activities

The trainees accompanied by the trainer to visit a .wholesale business within the local market and request to be provided by the owners their previous sales report and then they should compare the sales with the business set targets. Trainees to prepare a report highlighting causes of the discrepancies between actual sale and targeted sales

Self-Assessment

Case studies

Activity 1

A large insurance company developed a new suite of products to meet unique customer needs. But as the products were rolled out, it became clear that the product development and marketing teams had not worked closely enough with the IT and customer service teams that were supposed to support these products. These teams knew about the general product development strategy, but they were not included in the detailed planning and rollout decisions, so they were left scrambling to catch up by the time the products were launched. As a result, customers experienced delays and errors in

processing, the call centers were unprepared for questions, and the overall end-to-end cost of the new products ended up being much higher than planned. Prepare a speech to give to your customers apologizing for this situation.

Activity 2

A global manufacturing firm wanted to customize a product component for one of its major customers. Doing so required extensive design reconfiguration, with changes to electronics, cooling, power, weight, pricing, and product delivery. Although every function agreed to take on the changes that affected them, they all worked on them independently and with different time frames. What each function didn't realize was that their changes triggered adjustments for other departments, and this led to a continual cycle of design changes. As a consequence, the product manager was unable to finalize an integrated design and still couldn't give the customer a firm quote or delivery schedule 18 months later. What measures should the HR manager have taken to avoid this situation?

1. As a HR supervisor, one needs to encourage creativity and innovativeness from their team members to enhance collaboration. Give one way that can be used to enhance this?
2. What are the benefits of target setting?
3. What criteria should be used when selecting your key performance indicators (KPIs)

Tools, Equipment, Supplies and Materials

- Writing materials
- Developed questionnaires
- Tablets
- Computers
- Cameras
- Mobile phones
- Projectors
- Format templates

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Answers to Self-Assessment

1. Brainstorming sessions can be a great way of opening up your team to creative thinking. An environment in which they can put forward and challenge ideas will help employees feel like they have a stake in the company's mission.
2. The Benefits of Target-Setting
 - Gives everyone in your business a clear sense of what they should be aiming for.
 - By breaking your top-level objectives down into smaller concrete targets you'll make it easier to manage the process of delivering them.
3. Key criteria that your KPIs should meet:
 - First, they should be as closely linked as possible to the top-level goals for your business.
 - Second, your KPIs need to be quantifiable. If you can't easily reduce your measurement to a number, there will be too much scope for variation and inconsistency if different people carry out the measurements at different times.
 - Third, your KPIs should relate to aspects of the business environment over which you have some control.

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