Functional Area 02
HR Administration and Shared Services

Professional in Human Resources – International (PHRi) - 2021

Professional in Human Resources – International (PHRi) Workbook

Module Two: HR Administration and Shared Services

2021 Edition

Introduction

This workbook is not a textbook. These materials include workbooks and practice exams are intended for use as an aid to preparation for the **PHRi** Certification Exam conducted by the HR Certification Institute. By using all of the preparation materials, you will be well-versed in the **six** key functional areas that make up the HR Certification Institute **PHRi** body of knowledge. Studying these materials does not guarantee, however, that you will pass the exam. These workbooks are not to be considered legal or professional advice.

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Part One: HR and Organization

1. Organization

A business organization is an individual or group of people that collaborate to achieve certain commercial goals. Some business organizations are formed to earn income for owners. Other business organizations, called nonprofits (Non-profit Organization, NPO), are formed for public purposes. These businesses often raise money and utilize other resources to provide or support public programs.

Structure is not simply an organization chart. Structure is all the people, positions, procedures, processes, culture, technology and related elements that comprise the organization. It defines how all the pieces, parts and processes work together (or don't in some cases). This structure must be totally aligned with strategy for the organization to achieve its mission and goals. Structure supports strategy.

If an organization changes its strategy, it must change its structure to support the new strategy. When it doesn't, the structure acts like a bungee cord and pulls the organization back to its old strategy. Strategy follows structure. What the organization does defines the strategy. Changing strategy means changing what everyone in the organization does.

When an organization changes its structure and not its strategy, the strategy will change to fit the new structure. Strategy follows structure. Suddenly management realizes the organization's strategy has shifted in an undesirable way. It appears to have done it on its own. In reality, an organization's structure is a powerful force. You can't direct it to do something for any length of time unless the structure is capable of supporting that strategy.

Global organizations in the 21st century must compete with a much wider array of companies than their domestic counterparts do, and have therefore evolved several strategies to become as efficient and cost-effective as possible. The choice of organizational structure reflects where decisions are made, how work gets completed, and ultimately how quickly and cheaply the firm's products can be made. Organizational structure determines how the roles, power and responsibilities are assigned, controlled, and coordinated, and how information flows between the different levels of management.

1.1. Span of Control

Span of control (span of management or span of authority) is an upper limit to the number of subordinates who can be effectively supervised by one person. Beyond a certain number of subordinates, the effectiveness and efficiency of supervision decreases.

Flat organizational structures have relatively few levels from top to bottom. Thus, they have wide spans of control. Flat structures provide fast information flow from top to bottom of the organization and increased employee satisfaction. **Tall organizational structures** have many levels between top and bottom. Hence, they have relatively narrow spans of control. Tall structures are faster and more effective at problem resolution than flat structures because of increased frequency of interaction between superior and subordinate and the greater order imposed by the hierarchical structure.

1.2. Chain of Command

The delegation of authority creates a chain of command, the formal channel that defines the lines of authority from the top to the bottom of an organization. Chain of command specifies a clear reporting relationship for each person in the organization and should be followed in both downward and upward communication.

Centralization is the retention of decision-making authority by a high-level manager. Centralization concerns the concentration of authority in an organization and the degree and levels at which it occurs. Decentralization is the process of distributing authority throughout an organization. In a decentralized organization, an organization member has the right to make a decision without obtaining approval from a higher-level manager. Decentralization in the same way as delegation, that is, as a good way to improve motivation and morale of lower-level employees. Neither centralization nor decentralization is good or bad in itself. The degree to which either is stressed depends upon the requirements of a given situation.

- Decisions cannot be decentralized to those who do not have necessary information, e.g., knowledge of job objectives or measures for evaluation of job performance.
- Decisions cannot be decentralized to people who do not have the training, experience, knowledge, or ability to make them.
- Decisions requiring a quick response should be decentralized to those near the action.
- Decentralization should not occur below the organizational level at which coordination must be maintained (e.g., each supervisor on an assembly line cannot be allowed to decide the reporting time for employees).
- Decisions that are of critical importance to the survival of the organization should not be decentralized.
- Decentralization has a positive influence on morale.

1.3. Bureaucracy

Bureaucracy is a term applied by German sociologist Max Weber (writing in the 1900s) to a type of organizational hierarchy characterized by clear rules, sharply defined lines of authority, and a high degree of specialization. It represents authority and responsibility within the organization.

Authority is the right or power assigned to a job holder in order to achieve certain organizational objectives. It indicates the right and power of making decisions, giving orders and instructions to subordinates. Authority is delegated from above but must be accepted from below i.e. by the subordinates.

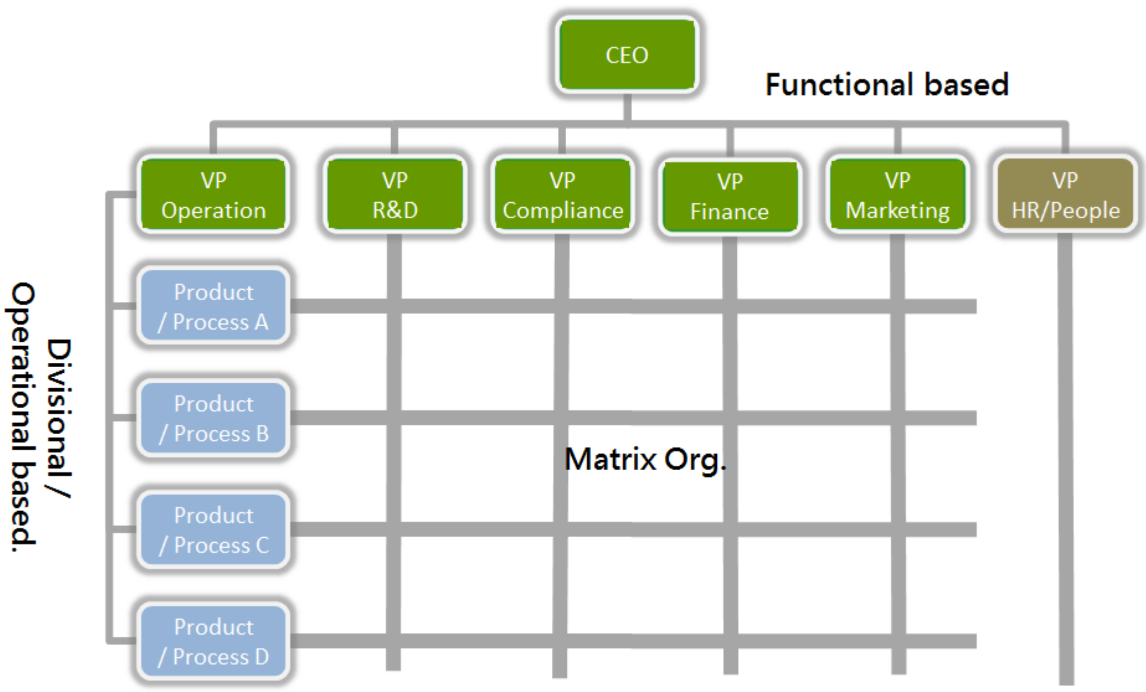
Responsibility indicates the duty assigned to a position. The person holding the position has to perform the duty assigned. It is his responsibility. The term responsibility is often referred to as an obligation to perform a particular task assigned to a subordinate. In an organization, responsibility is the duty as per the guidelines issued.

Accountability is the liability created for the use of authority. Accountability is the obligation of an individual to report formally to his superior about the work he has done to discharge the responsibility.

Responsibility may be bestowed, but accountability must be taken. In other words, responsibility can be given or received, even assumed, but that doesn't automatically guarantee that personal accountability will be taken. Which means that it's possible to bear responsibility for something or someone but still lack accountability.

1.4. Type of Structures

Developing an organizational structure involves defining the framework around which the business operates and provides guidance to all employees by laying out the official reporting relationships that govern the workflow of the company. It is therefore important for every organization to have a well-structured organization chart indicative of how an organization functions, how it is managed, how information flows and is processed within an organization, and how flexible or responsive the organization is.



Source: Daft, R.L. (2012). Organization Theory and Design. Cengage Learning.

1.4.1. Functional Structure

Functional structure is set up so that each portion of the organization is grouped according to its purpose. In this type of organization, for example, there may be a marketing department, a sales department and a production department. The functional structure works very well for small businesses in which each department can rely on the talent and knowledge of its workers and support itself. However, one of the drawbacks to a functional structure is that the coordination and communication between departments can be restricted by the organizational boundaries of having the various departments working separately.

1.4.2. Divisional Structure

Divisional structure typically is used in larger companies that operate in a wide geographic area or that have separate smaller organizations within the umbrella group to cover different types of products or market areas. For example, the now-defunct Tecumseh Products Company was organized divisionally--with a small engine division, a compressor division, a parts division and divisions for each geographic area to handle specific needs. The benefit of this structure is that needs can be met more rapidly and more specifically; however, communication is inhibited because employees in different divisions are not working together. Divisional structure is costly because of its size and scope. Small businesses can use a divisional structure on a smaller scale, having different offices in different parts of the city, for example, or assigning different sales teams to handle different geographic areas.

1.4.3. Process Structure

The process structure divides up the organization around processes, such as research, manufacturing and sales. Unlike a purely functional structure, a process-based organization considers how the different processes relate to each other and the customer. The sales process doesn't begin until the manufacturing process produces something to sell; manufacturing, in turn, waits on research and development to create the product. Process-based structures are geared to satisfying the customer -- the end result of all the processes -- but they only work if managers understand how the different processes interact.

1.4.4. Matrix Structure

The third main type of organizational structure, called the matrix structure, is a hybrid of divisional and functional structure. Typically used in large multinational companies, the matrix structure allows for the benefits of functional and divisional structures to exist in one organization. This can create power struggles because most areas of the company will have a dual management--a functional manager and a product or divisional manager working at the same level and covering some of the same managerial territory.

A matrix structure is a blend of functional and project based organizations that maximize the strength of each structure. There are three types of matrix organizations:

weak, strong and balanced. Weak organizations are characterized by projects that have part-time members, limited control over authority, budget and decisions and multiple lines of responsibility. Strong matrices have dedicated resources, internal control of budget, and moderate levels of control over assets, resources and decision making authority. Balanced matrix organizations represent shared leadership between functional managers and project managers.

In this structure, decision making is decentralized and an employee participating in a project may have two bosses: one from the product side and one from the geographic side. The matrix structure requires a great deal of communication and coordination among managers because lines of authority are not always clear.

1.5. Organizational Charts

An organizational chart is the most common visual depiction of how an organization is structured. It outlines the roles, responsibilities and relationships between individuals within an organization. An organizational chart can be used to depict the structure of an organization as a whole, or broken down by department or unit.

Organizational charts can be used to represent the organizational structure diagram showing reporting relationships a graphic representation of how authority and responsibility is distributed within a company; includes all work processes of the company.

1.6. Levels of Management

In organizations, there are generally three different levels of managers: first-level managers, middle-level managers, and top-level managers. These levels of managers are classified in a hierarchy of importance and authority, and are also arranged by the different types of management tasks that each role does. In many organizations, the number of managers in every level resembles a pyramid, in which the first-level has many more managers than middle-level and top-level managers, respectively. Each management level is explained below in specifications of their different responsibilities and likely job titles.

1.6.1. Top-level managers

Typically consist of board of directors, president, vice-president, chief executive officers, etc. These individuals are mainly responsible for controlling and overseeing all the departments in the organization. They develop goals, strategic plans, and policies for the company, as well as make many decisions on the direction of the business. In addition, top-level managers play a significant role in the mobilization of outside resources and are for the most part responsible for the shareholders and general public.

1.6.2. Middle-level managers

These personnel typically consist of general managers, branch managers, department managers. These individuals are mainly responsible to the top management for the functioning of their department. They devote more time to organizational and directional functions. Their roles can be emphasized as executing plans of the organization in conformance with the company's policies and the objectives of the top management, they define and discuss information and policies from top management to lower management, and most importantly they inspire and provide guidance to lower level managers towards better performance. Some of their functions are as follows:

- Designing and implementing effective group and intergroup work and information systems.
- Defining and monitoring group-level performance indicators.
- Diagnosing and resolving problems within and among work groups.
- Designing and implementing reward systems that support cooperative behaviors.

1.6.3. First-level managers

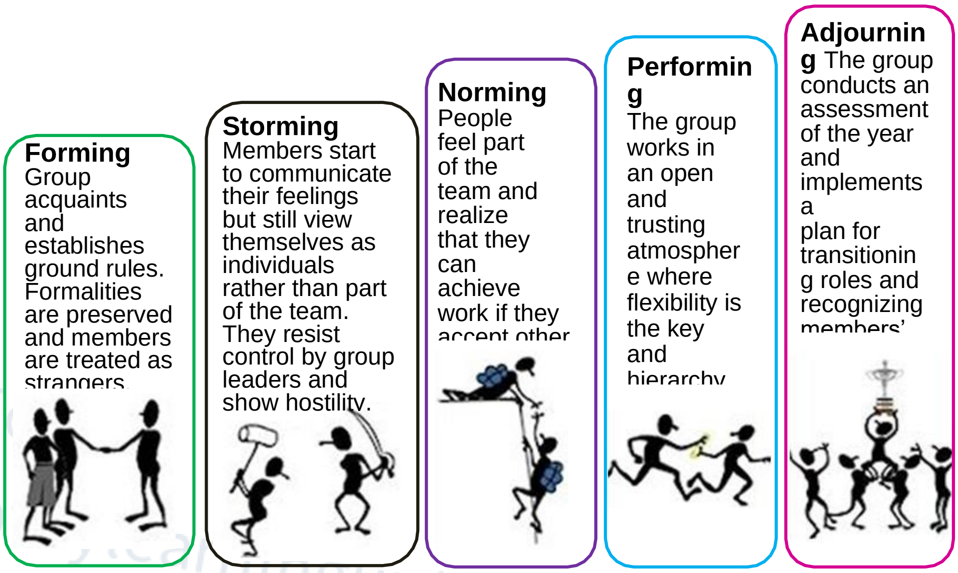
Typically consist of supervisors, section officers, foreman, etc. These individuals focus more on the controlling and direction of management functions. For instance, they assign tasks and jobs to employees, guide and supervise employees on day-to-day activities, look after the quantity and quality of the production of the company, make recommendations, suggestions, and communicate employee problems to the higher level above, etc. In this level, managers are the "image builders" of the company considering they are the only ones who have direct contact with employees.

- Basic supervision
- Motivation
- Career planning
- Performance feedback

2. Group Dynamic

In organizations, most work is done within groups. A group can be defined as several individuals who come together to accomplish a particular task or goal. In organizations, you may encounter different types of groups. **Informal work groups** are made up of two or more individuals who are associated with one another in ways not prescribed by the formal organization. For example, a few people in the company who get together to play tennis on the weekend would be considered an informal group. A **formal work group** is made up of managers, subordinates, or both with close associations among group members that influence the behavior of individuals in the group.

Forming a group takes time, and members often go through recognizable stages as they change from being collections of strangers to united groups with common goals. American organizational psychologist Bruce Tuckman first came up with the memorable phrase "forming, storming, norming, and performing" in his 1965 article, "Developmental Sequence in Small Groups." He used it to describe the path that most groups follow on their way to high performance. Later, he added a fifth stage, "adjourning" (which is sometimes known as "mourning").



Source: mindtools.com

2.1. Forming

In this stage, most group members are positive and polite. Some are anxious, as they haven't fully understood what work the team will do. Others are simply excited about the task ahead. As leader, you play a dominant role at this stage, because group members' roles and responsibilities aren't clear. This stage can last for some time, as people start to work together, and as they make an effort to get to know their new colleagues.

2.2. Storming

Next, the group moves into the storming phase, where people start to push against the boundaries established in the forming stage. This is the stage where many groups fail. Storming often starts where there is a conflict between team members' natural working styles. People may work in different ways for all sorts of reasons, but if differing working styles cause unforeseen problems, they may become frustrated.

Storming can also happen in other situations. For example, group members may challenge your authority, or jockey for position as their roles are clarified. Or, if you haven't defined clearly how the group will work, people may feel overwhelmed by their workload, or they could be uncomfortable with the approach you're using.

Some may question the worth of the group's goal, and they may resist taking on tasks. Group members who stick with the task at hand may experience stress, particularly as they don't have the support of established processes, or strong relationships with their colleagues.

2.3. Norming

Gradually, the group moves into the norming stage. This is when people start to resolve their differences, appreciate colleagues' strengths, and respect your authority as a leader. Now that the group members know one-another better, they may socialize together, and they are able to ask each other for help and provide constructive feedback. People develop a stronger commitment to the team goal, and you start to see good progress towards it. There is often a prolonged overlap between storming and norming, because, as new tasks come up, the group may lapse back into behavior from the storming stage.

2.4. Performing

The group reaches the performing stage when hard work leads, without friction, to the achievement of the team's goal. The structures and processes that you have set up support this well. As leader, you can delegate much of your work, and you can concentrate on developing team members. It feels easy to be part of the group at this stage, and people who join or leave won't disrupt performance.

2.5. Adjourning

Many groups will reach this stage eventually. For example, project teams exist for only a fixed period, and even permanent teams may be disbanded through organizational restructuring. Team members who like routine, or who have developed close working relationships with other team members, may find this stage difficult, particularly if their future now looks uncertain. As a team leader, your aim is to help your people perform well, as quickly as possible. To do this, you'll need to change your approach at each stage.

2.6. Group vs. Team

The words 'group' and 'team' are, for the most part, interchangeable - at least most people use them that way. While all teams are groups of individuals, not all groups are teams. The key properties of a true team include collaborative action in which, along with a common goal, teams have collaborative tasks. Conversely, in a group, individuals are responsible only for their own area.

The use of teams began to increase because advances in technology have resulted in more complex systems that require contributions from multiple people across the organization. Overall, team-based organizations have more motivation and involvement, and teams can often accomplish more than individuals. Groups differ from teams in several ways:

2.6.1. Task orientation

Teams require coordination of tasks and activities to achieve a shared aim. Groups do not need to focus on specific outcomes or a common purpose.

2.6.2. Degree of interdependence

Team members are interdependent since they bring to bear a set of resources to produce a common outcome. Individuals in a group can be entirely disconnected from one another and not rely on fellow members at all.

2.6.3. Purpose

Teams are formed for a particular reason and can be short- or long-lived. Groups can exist as a matter of fact; for example, a group can be comprised of people of the same race or ethnic background.

2.6.4. Degree of formal structure

Team members' individual roles and duties are specified and their ways of working together are defined. Groups are generally much more informal; roles do not need to be assigned and norms of behavior do not need to develop.

2.6.5. Familiarity among members

Team members are aware of the set of people they collaborate with, since they interact to complete tasks and activities. Members of a group may have personal relationships or they may have little knowledge of each other and no interactions whatsoever.

There are several types of temporary teams. An example of a temporary team is a **task force** that is asked to address a specific issue or problem until it is resolved. Other team may be temporary or ongoing, such as **product development teams**. In addition, matrix organizations have **cross-functional teams** in which individuals from different parts of the organization staff the team, which may be temporary or longstanding in nature. **Virtual teams** are teams in which members are not located in the same physical place. They may be in different cities, states, or even different countries.
Often, virtual teams are formed to take advantage of distributed expertise or time— the needed experts may be living in different cities.

Top management teams are appointed by the chief executive officer (CEO) and, ideally, reflect the skills and areas that the CEO considers vital for the company. There are no formal rules about top management team design or structure. The top team often includes representatives from functional areas, such as finance, human resources, and marketing, or key geographic areas, such as Europe, Asia, and North America. Depending on the company, other areas may be represented, such as legal counsel or the company's chief technologist.

Self-managed teams are a new form of team that rose in popularity with the Total Quality Movement in the 1980s. Self-managed teams are empowered teams. The team manages itself but it still has a team leader. Research has shown that employees in self- managed teams have higher job satisfaction, increased self-esteem, and grow more on the job. However, self-managed teams may be at a higher risk of suffering from negative outcomes due to conflict, so it is important that they are supported with training to help them deal with conflict effectively. Special forms of self-managed teams are self-directed teams. The team makes all decisions internally about leadership and how work is done.

Designing an effective team means making decisions about team composition (who should be on the team), team size (the optimal number of people on the team), and team diversity (should team members be of similar background, such as all engineers, or of different backgrounds). Answering these questions will depend, to a large extent, on the type of task that the team will be performing. Teams can be charged with a variety of tasks, from problem solving to generating creative and innovative ideas to managing the daily operations of a manufacturing plant.

A key consideration when forming a team is to ensure that all the team members are qualified for the roles they will fill for the team. This process often entails understanding the knowledge, skills, and abilities (KSAs) of team members as well as the personality traits needed before starting the selection process.

When deciding team size, a good rule of thumb is a size of two to twenty members. Research shows that groups with more than 20 members have less cooperation. The majority of teams have 10 members or less, because the larger the team, the harder it is to coordinate and interact as a team. With fewer individuals, team members are more able to work through differences and agree on a common plan of action. They have a clearer understanding of others' roles and greater accountability to fulfill their roles. Some tasks, however, require larger team sizes because of the need for diverse skills or because of the complexity of the task. In those cases, the best solution is to create sub-teams in which one member from each sub-team is a member of a larger coordinating team.

Team composition and team diversity often go hand in hand. Teams whose members have complementary skills are often more successful, because members can see each other's blind spots. One team member's strengths can compensate for another's weaknesses. Diversity in team composition can help teams come up with more creative and effective solutions. The more diverse a team is in terms of expertise, gender, age, and background, the more ability the group has to avoid the problems of groupthink.

3. Organization Climate and Culture

Culture has a pervasive impact on the management of human resources. Culture influences how blue- and white-collar workers respond to pay and non- pay incentives, how international firms are organized, the success of multinational work teams, and even how executives compose and implement business strategies.

Culture may be defined as a shared system of values, beliefs, and attitudes. It affects our own actions and the way we perceive the actions of others.

3.1. Type of Culture

3.1.1. National Cultures

National cultures comes a host of differences in assumptions, outlook, and rules that can challenge communication and comprehension.

3.1.2. Subcultures

There can be significant distances between subcultures within the same national culture. Subcultures may be defined by ethnicity, geographic region, race, religion, or class.

3.1.3. Organizational/Corporate Cultures

Organizational culture is defined by all of the life experiences, strengths, weaknesses, education, upbringing, and so forth of the employees. While executive leaders play a large role in defining organizational culture by their actions and leadership, all employees contribute to the organizational culture.

3.1.4. Industry Cultures

Industry cultures have shared assumptions based on technological and social histories of the industry.

3.1.5. Professional or Functional Cultures

Professional and functional cultures have shared assumptions based on specifics as they relate to a special function or occupation.

3.2. Layers of Culture

3.2.1. Level 1-Artefacts: Described as being the ‘easiest’ level to observe, called explicit culture.

3.2.2. Level 2-Espoused Values: To better understand and to help decipher why the initial observations in Level 1 are taking place, one needs to ask ‘insiders’ of the organization to try and explain.

3.2.3. Level 3-Shared Tacit Assumptions: To help understand this ‘deeper’ level of culture, one needs to investigate the history of an organization.

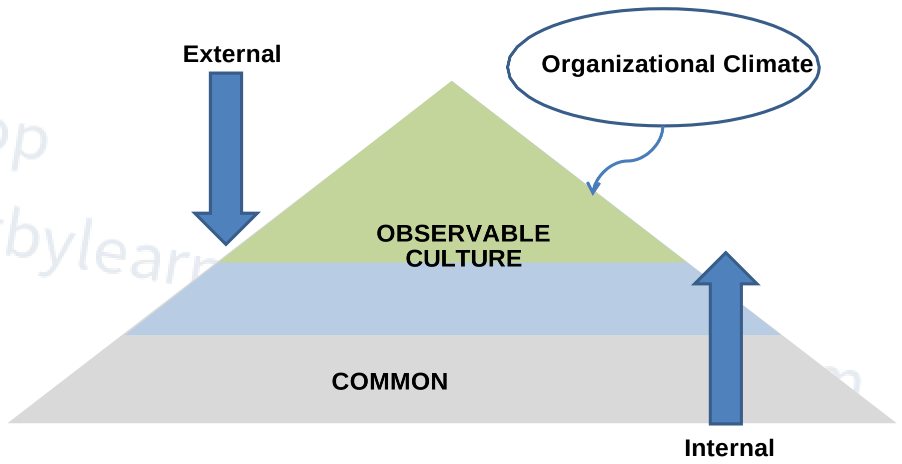
3.3. Values in Culture

The word "value" means worth. It also refers to an ethical precept on which we base our behavior. Values are basic convictions that people have regarding what is right and wrong, good and bad, important or unimportant. Values are shaped by the culture in which we live and by our experiences. However, there are values that are held high by most cultures. These include fairness and justice, compassion and charity, duties and rights, human species survival and human well-being.

Organizational culture and values are closely related because organizations are generally founded with certain values in mind. These values tend to influence the
organizational structure, but they may change over time as different people take on different roles in the organization and the overall culture changes. Organizational culture and values, then, both affect each other over time and tend to change if a conflict exists between them.

3.4. Culture Analysis

Three important levels of cultural analysis in organizations are: observable culture, shared values, and common assumptions. These levels may be envisioned as layers. The deeper one gets, the more difficult it is to discover the culture.



Source: Schemerhorn, J., Hunt, J., & Osbom, R. (2008). Organizational Behavior. Hoboken, NJ: John Wiley & Sons.

3.4.1. Observable Culture

The first level concerns observable culture, or “the way we do things around here.” These are the methods the group has developed and teaches to new members. The observable culture includes the unique stories, ceremonies, and corporate rituals that make up the history of a successful work group.

3.4.2. Shared Values

The second level of analysis recognizes that shared values can play a critical part in linking people together and can provide a powerful motivational mechanism for members of the culture.

Many consultants suggest that organizations should develop a “dominant and coherent set of shared values.” The term shared in cultural analysis implies that the group is a whole. Every member may not agree with the shared values, but they have all been exposed to them and have often been told they are important. At Hewlett-Packard, for example, “quality” is part of everyone’s vocabulary. The firm was founded on the belief that everyone could make a creative contribution to developing quality products.

3.4.3. Common Assumptions

At the deepest level of cultural analysis are common assumptions, or the taken-for- granted truths that collections of corporate members share as a result of their joint experience. It is often extremely difficult to isolate these patterns, but doing so helps explain why culture invades every aspect of organizational life.

3.5. Culture and Climate

Organizational Culture is a system of shared meaning. Just as tribal cultures have rules and taboos that dictate how members will act toward each other and outsiders, organizations have cultures that govern how its members should behave. A strong organizational culture usually provides a sense of identity for employees and a commonality of values and goals that leads to effective change management and problem solving. Organizational climate, on the other hand, is often defined as the recurring patterns of behavior, attitudes and feelings that characterize life in the organization, while an organization culture tends to be deep and stable. Although culture and climate are related, climate often proves easier to assess and change.

In other words, climate consists of the day to day feelings of the members of the organization and is highly susceptible to changes within the organization. The climate will be very good for a time if the staff receives raises or if the company is furnished with new equipment. Conversely, if budget cuts occur or the number of staff reduced the climate will suffer. These conditions are all temporary, whereas culture is more permanent and lasting. Culture can and does change, but at a much slower rate than climate. It is a powerful force that can encourage and support an individual effort or thwart them before they are started. Organizational culture can be used to both explain and create end results.

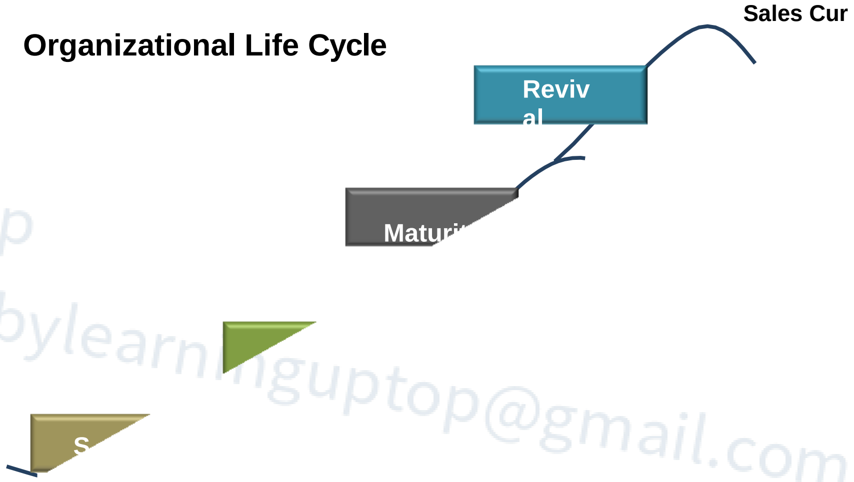
All companies have an organizational culture, which represents the intangible force that centers on a company’s values and beliefs. Individuals typically work at a company with which their values match the most. One result of organizational culture is to develop a climate by which a company can measure successes attached to this intangible force. This starts the relationship between the organizational culture and climate. While organizational culture is often a naturally occurring phenomenon in organizations, the organizational climate often takes more work to implement.

A company’s organizational culture and climate are not always static. As a company evolves, so does its culture. This often leads to changes in the organizational climate as managers and employees change, along with the values and beliefs in the business.

The organizational climate must adjust as necessary to ensure the company measures the correct factors.

4. Organizational Life Cycle

Organizations are not static, they change. Like children, organizations typically go through different phases. Discover the five phases of the organizational life cycle, from start-up to decline. The Organizational Life Cycle (OLC) goes through specific stages as a result of the company's success (or possibly lack of) in the market. Publications on this topic set the number of stages organizations go through anywhere from three to ten, with most settling on a basic set of four or five. Not surprisingly, the major stages are Start-up (or Birth), Growth, Maturity and Decline. A fifth stage, called Revival (or Diversification), can also occur between the Maturity or Decline stages.



Source: Lester, D., Parnell, J. & Carraher, S. (2003). Organizational life cycle: A five-stage empirical scale. International Journal of Organizational Analysis, 11(4), 339-354.

The stages are considered developmental in the life of the firm, much like a biological model, and are sequential, cumulative, imminent, not easily reversed, and involve a broad range of activities and structures. Once at maturity, the stages can become more circular from Maturity to Revival and possibly to Decline. This evolution is the result of three influences in an organization's life. First, administration of the organization becomes more complex as the size increases and more stakeholders become involved. Second, this increased complexity dictates the increased usage of more sophisticated organizational structures, information processing capabilities, and decision-making styles. Lastly, companies alternate between innovative phases and conservative ones - between stages that establish or renew organizational competences and those that exploit them through efficiencies.

The driver behind the OLC is that needs, opportunities and threats, both inside and outside the business, will predictably vary depending on the stage of development. For example, threats in the Start-up stage differ from those in the Maturity stage and changes in the environment exert pressure for change on the business. Organizations move from one stage to another because the firm and the needs of the environment are so misaligned that the company needs to adapt for basic efficiency or possibly even survival. Thus, different stages of the company's life cycle require changes in the firm's objectives, strategies, managerial processes, technology, culture and decision-making.

High tech companies present a unique situation because they can progress through the stages at a fairly rapid rate – from Start-up to Maturity in only a few years. An interesting side note is that firms tend to develop to a structure that mirrors the stage of the market they are in – for example, firms in a mature market will tend to be in a Maturity stage of development.

A complementary view of this model is that each stage represents a stable period of growth for the company - an evolutionary phase - but will reach a point where change is required, leading to a revolutionary or crisis period. It's the firm's ability to handle these crisis periods appropriately that will dictate the future direction and possibly survival of the organization.

The five stages of OLC illustrate changes in organizational structure and managerial processes as the business proceeds through developmental stages. Each stage is discussed, with specific emphasis on the product creation and delivery aspects of the stage.

4.1. Start-Up Stage

At Start-up, firms exhibit a very simple organizational structure with authority centralized at the top of the hierarchy. The main purpose during this stage is for the firm to establish its distinctive competences and generate some initial product-market success.

This is achieved mainly by trial and error as efforts are made to change products and services in a manner that generates distinctive competences and creates a viable business model. This generally involves major and frequent product or service innovations and the pursuit of a niche strategy. Since the firm is small and has no established reputation, it must avoid direct confrontation with its more powerful competitors. It does this by finding gaps or niches in the market which are not being filled, and defends these niches by making extensive innovations.

Start-up firms cater essentially to one type of customer and sell one type of product and thus they face a (relatively) simple administrative task. An intuitive, rather than an analytical, mode of decision-making prevails. For example the owner-manager(s) makes almost all the key decisions, based in large part upon his/her intuitions about the situation.

The product development and delivery organization during the Start-up stage often involves staff wearing many hats. It is not uncommon in a high-tech start-up for at least one founder to be technical, and often multiple founders are. The leaders are involved at both a strategic and tactical levels in crafting and delivering the solution to initial customers. Key attributes of the environment are flexibility and lean management of resources and assets for continued existence. The organization will initially be very heavily weighted towards development staff and over time begins to fill in sparsely in marketing, sales, administration, and operations with an informal and overlapping structure.

Success in the Start-up stage is in finding a sustainable product/market niche that produces enough profit for the company to continue as a viable entity (either directly or with external financing). The Start-up stage, which involves growth through creativity and vision, eventually leads to leadership and organizational problems. More sophisticated and more formalized management practices must be adopted. If the founder(s) do not have the skills or desire to make this transition, then they often need to bring in an outsider and delegate authority to he/she to be able to continue to grow.

4.2. Growth Stage

The emphasis in the Growth stage is on sales growth and early product diversification. Product lines are broadened, but this generally results in a more complete array of products for a given market rather than new positions in widely varying markets. Efforts are also devoted to incrementally tailoring products to new markets, while less stress is placed on major or dramatic product innovations. Market segmentation begins to play a role, with managers trying to identify specific subgroups of customers and to make small product or service modifications in order to better serve them. In other words, the niche strategy is often abandoned as broader markets are addressed. The company may attain profitability during this phase, or the need for additional funding to meet the growth opportunity is often achieved with an IPO.

Typically, a functionally-based structure is established, some authority is delegated to middle-managers, and procedures are formalized. Decisions are now more influenced by customers as major stakeholders, and the goal becomes to fulfill a customer-facing function effectively rather than simply to cater to the wishes of the owner(s). A departmentalized, functionally-based structure is adopted where managers are appointed to head marketing, production, and perhaps accounting or development departments.

The owner-manager plays a less central role in routine administration. In the Start-up stage the owner-manager(s) could take all the risks he/she wanted, but in the Growth stage the delegated leaders cannot. Strategy is still focused at the top of the hierarchy, with input from within the organization. Also, the product innovation emphasis becomes incremental rather than dramatic as the market pull makes extremely dramatic moves less necessary.

From a product development and delivery perspective, roles within the organization become more differentiated, and there is a relative increase in the sizes of the marketing, sales and operations organizations versus development to generate and fulfill demand. Due to the diversification of the product line and customer base, specialization is beginning to occur in responsibilities. In order to maintain control and direction of the firm, more formalized methods of information sharing are required as are cross-functional coordination activities. The formal emergence of project, program, and product managers will likely occur if they have not already appeared.

As indicated, drastic product innovation takes a back seat to incremental innovation. This is primarily the result of the growth of the existing product line being sufficient to drive the organizational success without taking significant risks. In addition, the existing customer base begins to influence the product evolution and resource allocation through smaller feature enhancements and product improvements.

One problem that can occur during the Growth stage is the crisis of autonomy. The limited decentralization of power coupled with less emphasis on major innovation activities makes the organization increasingly less responsive to market changes. The crisis that develops is driven by top-level managers' reluctance to delegate authority and creates the associated frustration at lower levels. The Growth stage officially begins to end as sales start to slow.

4.3. Maturity Stage

At Maturity, sales levels stabilize due to a high level of competitive activity and possibly due to market saturation. The company may be highly profitable and have a cash-cow product. The goal then becomes smooth and efficient functioning to maximize profits in the wake of declining sales growth. Firms demonstrate more concern for internal efficiency and install more control mechanisms and processes. Structures are in some ways similar to those found in the growth phase.

Departmental, functionally-based structures prevail since they continue to suit the focused product-market scope. By now, firms are usually run by professional managers who are somewhat more in favor of a participative management approach.
Nonetheless, firms do remain fairly centralized. There is less delegation of power than in the growth phase, perhaps because the simplicity and stability of operations make it easier for only a few key managers to dominate.

Firms in the Maturity stage are conservative with the level of innovation falling and a more bureaucratic organization structure established. Information processing activity changes in several key ways - there is more emphasis upon formal cost controls, budgets and performance measures. Companies also implement systems of coordination to enable their various business units and departments to work together. These efforts, however, tend to cause an influx of red tape. Coordination techniques such as product groups, formal planning processes, and corporate staff become, over time, a bureaucratic system that causes delays in decision making.

The Maturity stage shows a style of decision making which is less innovative, less proactive, and more risk averse than in any other phase. The aim is to not rock the boat and to focus upon efficiency rather than novelty. The tendency, more than in any other stage, is to follow the competition - to wait for competitors to lead the way in innovating and then to imitate the innovations if it proves to be necessary. The Maturity stage can persist for some period of time depending on the industry. As long as sales and profits are stable, there is not a huge incentive to change the status quo, even if industry threats loom on the horizon.

The product development and delivery structure is highly focused on analysis and cost control. In essence, the finance organization is running the product-based company.
Development is primarily in a product sustaining or me-too development mode

and justification of major activities is strongly tied to business case analysis. The marketing organization will be more focused on monitoring competition and on pricing and promotion strategies in a highly competitive and defined market versus finding innovative new offerings or markets. There may be some projects looking at potential future technologies and products, but they will tend to be underfunded and not prioritized as major initiatives.

Ultimately, the crisis that strikes the firm in the Maturity stage is the envisioned or actual progression to the Decline stage. While the realization may occur, the firm and its managers are paralyzed by a combination of bureaucratic processes and lack of innovation capabilities.

4.4. Revival Stage

The Revival stage is optional and can occur during a Mature or Decline stage for a firm who recognizes and initiates drastic changes to alter their current trajectory. This is typically a phase of diversification and expansion of product-market scope. Firms pursue rapid growth through innovation, acquisition, and diversification and this involves a good deal of risk taking. New top-level leadership is often required to initiate or effectively implement this stage and it is also a period of necessarily increased investment.

It also encourages a focus on innovation rather than imitation of the strategies of competitors as in the Maturity stage. Risk is mitigated and informed by an analytical, reflective and participative approach to decision making. It is common for task forces and project teams to be formed to analyze major capital expenditures, innovations or acquisitions. Groups of experts come together to analyze problems and to generate and evaluate different solution alternatives in a systematic and scientific way. Some firms begin adopting divisional and matrix structures for the first time in order to cope with the more complex and heterogeneous markets. Decision-making needs to be accelerated, and thus typically pushed down lower in the organization and with fewer formal hurdles at an executive level.

Information processing also becomes much more diverse and expanded. Instead of a focus on financial controls and performance reporting, the need for information to inform about market and customer opportunities is required. Reorganizing data around markets and sub-segments is required, in addition to potential research into new trends and opportunities. In order to support an innovation mindset across the organization, information availability and sharing must be enabled.

Significant changes begin to take place in the product-market strategies being followed. For example, there are more major and minor product-line and service innovations than in any other period. Also, new markets are entered for the first time as firms seek to become more diversified. For the product development and delivery organizations, this can be a very exciting time and also very chaotic. The drivers and expectations are on rapid growth and opportunities are high, but analysis and internal coordination across a number of different functions is demanded. Acquisitions require due diligence activities in addition to post agreement product and system integration. Collaboration is key, both through formal structures and processes, and through informal networks and partnerships.

The crisis that results from the Revival stage can follow one of two paths: the revival itself was not successful and sales growth does not occur; or the revival was successful and maintaining continued high growth is challenging for such a diverse and large firm.

4.5. Decline Stage

The Decline stage is market by declining sales and profitability. It is often preceded by market stagnation and firms begin to decline with them. Profitability drops because of the external challenges and because of the lack of innovation. Firms in the decline stage react to adversity in their markets by becoming stagnant. Decision making is characterized by extreme conservatism. There is little innovation, an abhorrence of risk taking, and a reluctance even to imitate competitors' innovations, let alone lead the way.

Firms tend to conserve resources depleted by poor performance by abstaining from product or service innovation. Their sales are poor because their product lines are unappealing versus alternatives, such as new technology solutions. The market scope of declining firms is quite narrow as they begin to sell-off non-core or underperforming divisions, laying somewhere between that of firms in the Start-up and Growth stages. One of the most notable structural features of firms in the Decline stage is the absence of any well-developed information processing mechanisms. Finally, communications between hierarchical levels and across departments are poor.

The product development and delivery functions are likely minimal or non-existent. It’s possible that a Revival stage will be initiated, but the reality may be that the company can no longer afford to invest due to the decline of the entire market. The cash cow is already ground beef.

5. Vision, Mission, and Value

A mission statement is a guiding light for a business and the individuals who run the business. It is usually made up of three parts:

5.1. Vision (big picture idea of what you want to achieve)

Your vision communicates what your organization believes are the ideal conditions for your organization – how things would look if the issue important to you were perfectly addressed. This utopian dream is generally described by one or more phrases or vision statements, which are brief proclamations that convey the organization's dreams for the future. By developing a vision statement, your organization makes the beliefs and governing principles of your organization clear to the greater community (as well as to your own staff, participants, and volunteers).

5.2. Mission (general statement of how you will achieve your vision)

Developing mission statements are the next step in the action planning process. An organization's mission statement describes what the group is going to do, and why it's going to do that. Mission statements are similar to vision statements, but they're more concrete, and they are definitely more "action-oriented" than vision statements. The mission might refer to a problem without going into a lot of detail. They start to hint - very broadly - at how your organization might go about fixing the problems it has noted.

While vision and mission statements themselves should be short, it often makes sense for an organization to include its deeply held beliefs or philosophy, which may in fact define both its work and the organization itself. One way to do this without sacrificing the directness of the vision and mission statements is to include guiding principles as an addition to the statements. These can lay out the beliefs of the organization while keeping its vision and mission statements short and to the point.

5.3. Value (how you will behave during the process)

Whether written to be effective or ineffective, Mission Statements and Vision Statements are relatively common in this sector. But that is where most organizations stop. Vision and Mission Statements of where we are headed, and what we will do to get there. It is the rare organization that takes the time to then define HOW they will do that work - the talk they want to walk.

The only way we can create an amazing future for our communities is if we do our work in a way that reflects universally shared values. This ensures we do not squander our time and resources rationalizing our actions. It helps to ensure we are not potentially squandering our community's goodwill.

Further, if your goal is to create the future of your organization - the lofty goals of your vision statement - then you will want to ensure your work reflects the values you want to see in your organization.

A Values Statement provides the tools for the organization to accomplish that. First, the Values Statement will look outside the organization, to the visionary outcomes you want to create for your community, such as “what values will need to be present in the community for your vision to come to pass?”, “what values would the community need to emphasize?”, and “what values would have to be the norm?”

From there, the Values Statement will look inside, to see how your own work will model those values, to teach those values by example: How will your work reflect those values? How will you ensure you are modeling those values to the community? When you have a tough decision to make, will you always err on the side of those values?

6. Strategy and Organization

Strategy is about positioning an organization to have a competitive advantage by making choices about: 1).which countries/industries to participate in; 2).what products/services to offer; 3).how to allocate corporate resources.

The primary goal of strategy is creating value for shareholders and the other stakeholders by providing customer value. In a global organization, this may be a challenge, since stakeholder expectations may differ from one society to the next.

Strategic planning is a function of strategic management, which is the continuing process of pursuing a favorable competitive fit between the firm and its dynamic environment. A strategic plan is a document used to communicate with the organization the organizations goals, the actions needed to achieve those goals and all of the other critical elements developed during the planning exercise.

Many organizations adopted a formalized top-down strategic planning model. Under this model, strategic planning became a deliberate process in which top executives periodically would formulate the firm's strategy, and then communicate it down the organization for implementation.

6.1. Mission

A company's mission is its reason for being as discussed early. The mission often is expressed in the form of a mission statement, which conveys a sense of purpose to employees and projects a company image to customers. In the strategy formulation process, the mission statement sets the mood of where the company should go.

6.2. Strategic Objectives

Strategic objectives are concrete goals that the organization seeks to reach, for example, an earnings growth target. The objectives should be challenging but achievable. They also should be measurable so that the company can monitor its progress and make corrections as needed.

6.3. Situation Analysis (SWOT Analysis)

Once the firm has specified its objectives, it begins with its current situation to devise a strategic plan to reach those objectives. SWOT Analysis is a useful technique for understanding your situation including your **S**trengths and **W**eaknesses, and both the **O**pportunities open to you and the **T**hreats you face. The aim of any SWOT Analysis is to identify the key internal and external factors that are important to achieving the objective. These come from within the company's unique value chain.

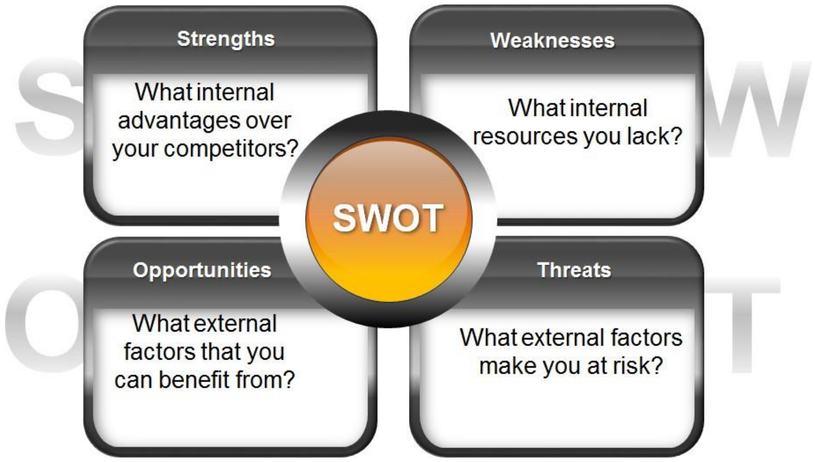
6.3.1. Internal Analysis (Strength and Weakness)

Internal analysis examines the capabilities of the organization (or of the strategy, if the group has already developed and prioritized strategies). This is done by identifying the strengths and weaknesses.

6.3.2. External Analysis (Opportunity and Threat)

External analysis examines the context or environment in which the organization operates, such as partner agencies, authorizing environment, stakeholders, and the influence of economic or other demographic trends. The purpose of this analysis is to identify external factors that could in the future create opportunities for the

organization (or the proposed strategy) and those that pose threats or obstacles to performance.



Source: Mintzberg, H., Lampel, J.B., Quinn, J., Ghoshal, S. (2014). The Strategy Process: Concepts, Contexts, Cases, 5/E . London: Pearson.

6.4. Strategy Formulation

Once a clear picture of the firm and its environment is in hand, specific strategic alternatives can be developed. While different firms have different alternatives depending on their situation, there also exist generic strategies that can be applied across a wide range of firms. Michael Porter identified cost leadership, differentiation, and focus as three generic strategies that may be considered when defining strategic alternatives. Porter advised against implementing a combination of these strategies for a given product; rather, he argued that only one of the generic strategy alternatives should be pursued.

6.4.1. Cost leadership Strategy

Cost leadership is to drive cost down through all the elements of the production of the product from sourcing, to labor costs. This strategy involves the organization aiming to be the lowest cost producer and/or distributor within their industry. The organization aims to drive cost down for all production elements from the sourcing of materials, to labor costs. To achieve cost leadership a business will usually need large scale production so that they can benefit from "economies of scale". Large scale production means that the business will need to appeal to a broad part of the market. For this reason a cost leadership strategy is a broad scope strategy. A cost leadership business can create a competitive advantage:

- by reducing production costs and therefore increasing the amount of profit made on each sale as the business believes that its brand can command a premium price or
- by reducing production costs and passing on the cost saving to customers in the hope that it will increase sales and market share

6.4.2. Differentiation Strategy

Differentiation is to focus its effort on particular segments and charge for the added differentiated value. To be different, is what organization striving for; companies and product ranges that appeal to customers and "stand out from the crowd" have a competitive advantage. Porter asserts that businesses can stand out from their competitors by developing a differentiation strategy. With a differentiation strategy the business develops product or service features which are different from competitors and appeal to customers including functionality, customer support and product quality. New concepts which allow for differentiation can be protected through patents and other intellectual property rights; however patents have a certain life span and organization always face the danger that their idea which gives them a competitive advantage will be copied in one form or another.

6.4.3. Focus (Niche) Strategy

Focus or Niche is to form a competitive advantage for this niche market and either succeeds by being a low cost producer or differentiator within that particular segment.
Under a focus strategy a business focuses its effort on one particular segment of the market and aims to become well known for providing products/services for that segment. They form a competitive advantage by catering for the specific needs and wants of their niche market. A focus strategy is known as a narrow scope strategy because the business is focusing on a narrow (specific) segment of the market.

6.4.4. Corporate Social Responsibility (CSR)

Business sustainability requires organizations to adhere to the principles of sustainable development - Corporate Social Responsibility (CSR). CSR is an organization’s obligation to consider the interests of their customers, employees, shareholders, communities, and the ecology and to consider the social and environmental consequences of their business activities. By integrating CSR into core business processes and stakeholder management, organizations can achieve the ultimate goal of creating both social value and corporate value.

It is thought that CSR can have an important role in how a business is positioned in its environment. Just as a number of strategic analysis tools can describe how a company is strategically positioned, the ethical reputation that a business has is also thought to be important in its overall strategic positioning. So why CSR?

- Satisfied employees: Employees want to feel proud of the organization they work for. An employee with a positive attitude towards the company, is less likely to look for a job elsewhere. It is also likely that you will receive more job applications because people want to work for you.

- Satisfied customers: Research shows that a strong record of CSR improves customers’ attitude towards the company. If a customer likes the company, he or she will buy more products or services and will be less willing to change to another brand.

- Positive Public Relations and Image: CSR provides the opportunity to share positive stories online and through traditional media. Companies no longer have to waste money on expensive advertising campaigns. Instead, they generate free publicity and benefit from worth of mouth marketing.

- More business opportunities: A CSR program requires an open, outside oriented approach. The business must be in a constant dialogue with customers, suppliers and other parties that affect the organization. Because of continuous interaction with other parties, your business will be the first to know about new business opportunities.

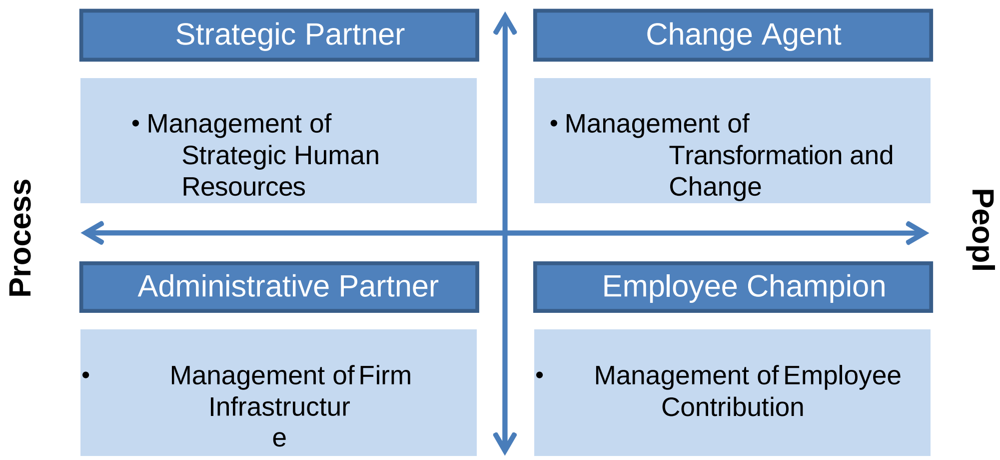
6.5. Strategy Implementation

The strategy likely will be expressed in high-level conceptual terms and priorities. For effective implementation, it needs to be translated into more detailed policies that can be understood at the functional level of the organization. The expression of the
strategy in terms of functional policies also serves to highlight any practical issues that might not have been visible at a higher level. In addition to developing functional policies, the implementation phase involves identifying the required resources and putting into place the necessary organizational changes.

7. HR's Main Roles

In the new economy, winning will spring from organizational capabilities such as speed, responsiveness, agility, learning capacity, and employee competence. Successful organizations will be those that are able to quickly turn strategy into action; to manage processes intelligently and efficiently; to maximize employee contribution and
commitment; and to create the conditions for seamless change. The need to develop those capabilities brings us back to the mandate for HR set forth at the beginning of this article. Let's take a closer look at each HR imperative in turn.

Future / Strategic Focus



Day-to-Day / Operational Focus

Source: Ulrich, D. (1998). A new mandate for human resources. Harvard Business

Review, Jan-Feb, 76(1):124-134.

7.1. Becoming a Partner in Strategy Execution

We’re not going to argue that HR should make strategy. Strategy is the responsibility of a company’s executive team—of which HR is a member. To be full-fledged strategic partners with senior management, however, HR executives should impel and guide serious discussion of how the company should be organized to carry out its strategy.
Creating the conditions for this discussion involves four steps.

First, HR should be held responsible for defining an organizational architecture. In other words, it should identify the underlying model of the company’s way of doing business. Several well-established frameworks can be used in this process. Jay Galbraith’s star model, for example, identifies five essential organizational components: strategy, structure, rewards, processes, and people. The well-known 7-S framework created by McKinsey & Company distinguishes seven components in a company’s architecture: strategy, structure, systems, staff, style, skills, and shared values.

It’s relatively unimportant which framework the HR staff uses to define the company’s architecture, as long as it’s robust. What matters more is that an architecture be articulated explicitly. Without such clarity, managers can become myopic about how the company runs—and thus about what drives strategy implementation and what stands in its way. They might think only of structure as the driving force behind actions and decisions, and neglect systems or skills. Or they might understand the company primarily in terms of its values and pay inadequate attention to the influence of systems on how work—that is, strategy execution—actually gets accomplished.

Senior management should ask HR to play the role of an architect called into an already-constructed building to draw up its plans. The architect makes measurements; calculates dimensions; notes windows, doors, and staircases; and examines the plumbing and heating infrastructures. The result is a comprehensive set of blueprints that contains all the building’s parts and shows how they work together.

Next, HR must be accountable for conducting an organizational audit. Blueprints can illuminate the places in a house that require immediate improvement; organizational- architecture plans can be similarly useful. They are critical in helping managers identify which components of the company must change in order to facilitate strategy execution. Again, HR’s role is to shepherd the dialogue about the company’s blueprints.

Consider a company in which HR defined the organization’s architecture in terms of its culture, competencies, rewards, governance, work processes, and leadership. The HR staff was able to use that model to guide management through a rigorous discussion of “fit”—did the company’s culture fit its strategic goals, did its competencies, and so forth. When the answer was no, HR was able to guide a discussion of how to obtain or develop what was missing.

The third role for HR as a strategic partner is to identify methods for renovating the parts of the organizational architecture that need it. In other words, HR managers should be assigned to take the lead in proposing, creating, and debating best practices in culture change programs, for example, or in appraisal and reward systems. Similarly, if strategy implementation requires, say, a team-based organizational structure, HR would be responsible for bringing state-of-the-art approaches for creating this structure to senior management’s attention.

Fourth and finally, HR must take stock of its own work and set clear priorities. At any given moment, the HR staff might have a dozen initiatives in its sights, such as pay-for- performance, global team-work, and action-learning development experiences. But to be truly tied to business outcomes, HR needs to join forces with operating managers to systematically assess the impact and importance of each one of these initiatives.
Which ones are really aligned with strategy implementation? Which ones should receive attention immediately, and which can wait? Which ones, in short, are truly linked to business results?

Because becoming a strategic partner means an entirely new role for HR, it may have to acquire new skills and capabilities. Its staff may need more education in order to perform the kind of in-depth analysis an organizational audit involves, for example.
Ultimately, such new knowledge will allow HR to add value to the executive team with confidence. In time, the concept of HR as a strategic partner will make business sense.

7.2. Becoming an Administrative Expert.

For decades, HR professionals have been tagged as administrators. In their new role as administrative experts, however, they will need to shed their traditional image of rule- making policy police, while still making sure that all the required routine work in companies is done well. In order to move from their old role as administrators into their new role, HR staff will have to improve the efficiency of both their own function and the entire organization.

Within the HR function are dozens of processes that can be done better, faster, and cheaper. Finding and fixing those processes is part of the work of the new HR. Some companies have already embraced these tasks, and the results are impressive. One company has created a fully automated and flexible benefits program that employees can manage without paperwork; another has used technology to screen résumés and reduce the cycle time for hiring new candidates; and a third has created an electronic bulletin board that allows employees to communicate with senior executives. In all three cases, the quality of HR work improved and costs were lowered, generally by removing steps or leveraging technology.

But decreased costs aren’t the only benefit of HR’s becoming the organization’s administrative expert. Improving efficiency will build HR’s credibility, which, in turn, will open the door for it to become a partner in executing strategy. Consider the case of a CEO who held a very low opinion of the company’s HR staff after they sent a letter to a job candidate offering a salary figure with the decimal point in the wrong place. (The candidate called the CEO and joked that she didn’t realize the job would make her a millionaire.) It was only after the HR staff proved they could streamline the organization’s systems and procedures and deliver flawless administrative service that the CEO finally felt comfortable giving HR a seat at the strategy table.

HR executives can also prove their value as administrative experts by rethinking how work is done throughout the organization. For example, they can design and implement a system that allows departments to share administrative services. At Amoco, for instance, HR helped create a shared-service organization that encompassed 14 business units. HR can also create centers of expertise that gather, coordinate, and disseminate vital information about market trends, for instance, or organizational processes. Such groups can act as internal consultants, not only saving the company money but also improving its competitive situation.

7.3. Becoming an Employee Advocate / Champion.

Work today is more demanding than ever—employees are continually being asked to do more with less. And as companies withdraw the old employment contract, which was based on security and predictable promotions, and replace it with faint promises of trust, employees respond in kind. Their relationship with the organization becomes transactional. They give their time but not much more.

That kind of curtailed contribution is a recipe for organizational failure. Companies cannot thrive unless their employees are engaged fully. Engaged employees—that is, employees who believe they are valued—share ideas, work harder than the necessary minimum, and relate better to customers, to name just three benefits.

In their new role, HR professionals must be held accountable for ensuring that employees are engaged—that they feel committed to the organization and contribute fully. In the past, HR sought that commitment by attending to the social needs of employees—picnics, parties, United Way campaigns, and so on. While those activities must still be organized, HR's new agenda supersedes them. HR must now take responsibility for orienting and training line management about the importance of high employee morale and how to achieve it. In addition, the new HR should be the employees' voice in management discussions; offer employees opportunities for personal and professional growth; and provide resources that help employees meet the demands put on them.

Orienting and training line management about how to achieve high employee morale can be accomplished using several tools, such as workshops, written reports, and employee surveys. Such tools can help managers understand the sources of low morale within the organization—not just specifically, but conceptually. For instance, HR might inform the line that 82% of employees feel demoralized because of a recent downsizing. That's useful. But more than that, HR should be responsible for educating the line about the causes of low employee morale. For instance, it is generally agreed by organizational behavior experts that employee morale decreases when people believe the demands put upon them exceed the resources available to meet those demands. Morale also drops when goals are unclear, priorities are unfocused, or performance measurement is ambiguous. HR serves an important role in holding a mirror in front of senior executives.

HR can play a critical role in recommending ways to ameliorate morale problems.

Recommendations can be as simple as urging the hiring of additional support staff or as complex as suggesting that reengineering be considered for certain tasks. The new role for HR might also involve suggesting that more teams be used on some projects or that employees be given more control over their own work schedules. It may mean suggesting that line managers pay attention to the possibility that some employees are being asked to do boring or repetitive work. HR at Baxter Healthcare, for example, identified boring work as a problem and then helped to solve it by redesigning work processes to connect employees more directly with customers.

Along with educating operating managers about morale, HR staff must also be an advocate for employees—they must represent the employees to management and be their voice in management discussions. Employees should have confidence that when decisions are made that affect them (such as a plant closing), HR's involvement in the decision-making process clearly represents employees' views and supports their rights. Such advocacy cannot be invisible. Employees must know that HR is their voice before they will communicate their opinions to HR managers.

7.4. Becoming a Change Agent.

To adapt a phrase, Change happens. And the pace of change today, because of globalization, technological innovation, and information access, is both dizzying and dazzling. That said, the primary difference between winners and losers in business will be the ability to respond to the pace of change. Winners will be able to adapt, learn, and act quickly. Losers will spend time trying to control and master change.

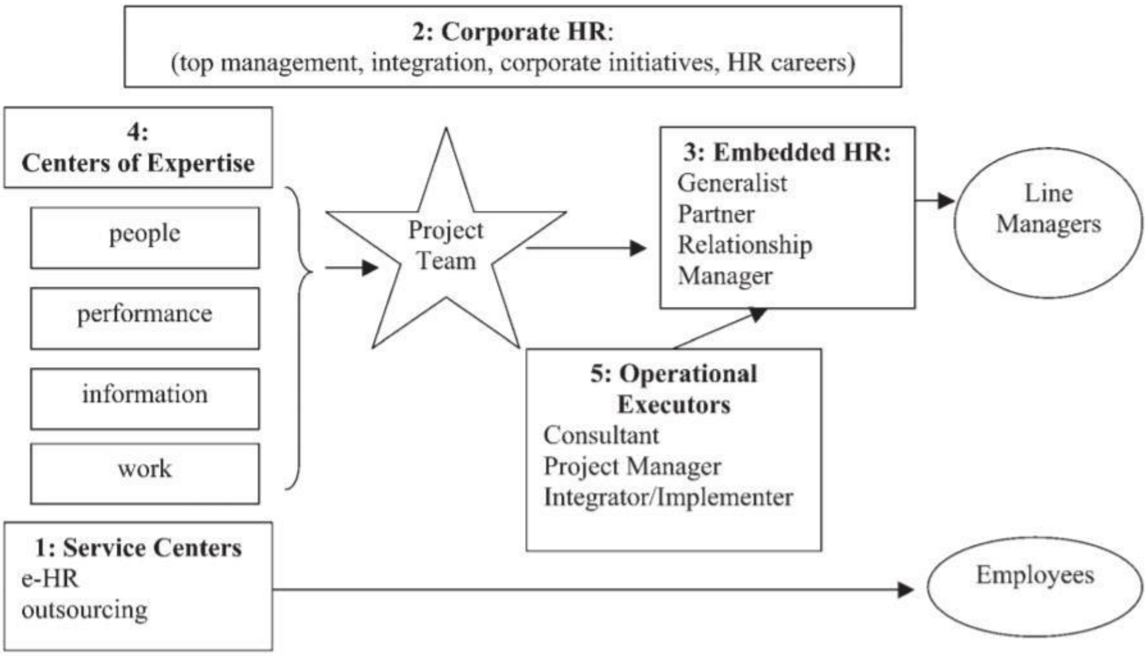
The new HR has as its fourth responsibility the job of building the organization's capacity to embrace and capitalize on change. It will make sure that change initiatives that are focused on creating high-performing teams, reducing cycle time for innovation, or implementing new technology are defined, developed, and delivered in a timely way. The new HR can also make sure that broad vision statements (such as, We will be the global leader in our markets) get transformed into specific behaviors by helping employees figure out what work they can stop, start, and keep doing to make the vision real. At Hewlett-Packard, HR has helped make sure that the company's value of treating employees with trust, dignity, and respect translates into practices that, for example, give employees more control over when and where they work.

Change has a way of scaring people—scaring them into inaction. HR's role as a change agent is to replace resistance with resolve, planning with results, and fear of change with excitement about its possibilities. How? The answer lies in the creation and use of a change model. HR professionals must introduce such a model to their organizations and guide executive teams through it—that is, steer the conversation and debate that answers the multitude of questions it raises. The model, in short, must be a managerial tool championed by HR. It helps an organization identify the key success factors for change and assess the organization's strengths and weaknesses regarding each factor. The process can be arduous, but it is one of the most valuable roles HR can play. As change agents, HR professionals do not themselves execute change—but they make sure that it is carried out.

8. HR Organization

An HR structure must match the business structure. A holding company business structure would lead to a decentralized and dispersed HR organization. A single-business company would have an HR department organized by functions (staffing, training, rewards,

organization design, etc.). But, since most large organizations diversify and operate with a multiple-business-unit structure, most HR departments are governed by more complex organization structures. Most large HR departments are emerging into five distinct roles and responsibilities, each with unique contributions.



Overview of the HR organization

Source: Ulrich, D., Young, J., & Brockbank, W. (2008). The twenty-First-Century HR Organization, Human Resource Management, 47(4), 829-850.

HR departments increasingly are split into transactional work and transformational work. Transactional duties are standardized, routine and administrative, and are handled through service centers, e-HR and outsourcing. Transformational work, which is differentiated and strategic, is centered in embedded HR and HR centers of expertise.

8.1. Service Centers

Service centers emerged in the late 1990s as HR leaders realized that many administrative tasks are more efficiently done in a centralized, standardized way. Employees are increasingly willing to find answers to routine, standard questions through a service center, and technology enables these centers to access employees as well or better than other ways. Service centers enjoy economies of scale, enabling employee needs and concerns to be resolved by fewer dedicated HR resources. In addition, service centers require a standardization of HR processes, thus reducing redundancy and duplication. Service centers offer new ways to do traditional HR work like employee assistance programs, relocation administration, benefits claims processing, pension plan enrollment and administration, applicant tracking, payroll and learning administration.

Human Resource Information System (HRIS) or Electronic Human Resource Management (E-HRM) has gained use as technology enables employees to manage much of their own HR administrative work. They can access information on HR policy and usage, such as vacation days allotted and taken, retirement provisions, job or career opportunities and qualifications needed, and their own skill levels (via self- assessment surveys). They can also take care of many routine transactions whenever they wish, because automated systems don’t keep office hours. About 60 percent of employee HR questions or transactions can be answered online by employees themselves.

Outsourcing draws on the premise that knowledge is an asset that need not be owned to be accessed. HR expertise can be shared across boundaries by means of alliances, where two or more firms get together to create a common service, or by outright purchase from vendors who specialize in offering it. Vendors take advantage of economies of both knowledge and scale. Economy of knowledge allows them to keep up with the latest research on HR issues and with the latest technology, so as to offer transaction support that accesses the most recent ideas and is delivered in the most efficient way. Economies of scale make it possible to invest in facilities and technologies beyond what is realistic for a single company.

8.2. Corporate HR

HR professionals who perform corporate HR roles address six important areas of need within the emerging HR organization:

- They create a consistent culture face and identity to serve external stakeholders like customers, investors and communities.
- They shape the programs that implement the CEO’s agenda such as innovation, globalization or customization.
- They ensure that all HR work done within the corporation is aligned to business goals.
- They arbitrate disputes between centers of expertise and embedded HR.
- They take primary responsibility for nurturing corporate-level employees.
- They ensure HR professional development.

8.3. Embedded HR

In complex organizations, some HR professionals work in organization units defined by geography, product line or function. These HR professionals, whom we call “embedded HR,” go by many titles: relationship manager, HR business partner, HR generalist.

Whatever their specific title, they work directly with line managers and with the leadership team of an organizational unit to clarify strategy, perform organization audits, manage both the talent and the organization, deliver supportive HR strategies and lead their HR function.

- They engage in business strategy discussion, represent employee interests and explore the implications of change.
- They define requirements to reach business goals and identify where problems may exist.
- They select and implement the HR practices that are most appropriate to the delivery of the business strategy.
- Finally, they measure and track performance to see whether the HR investments made by the business deliver the intended value.

8.4. Centers of expertise (CoE)

Centers of expertise or centers of excellent (CoE) operate as specialized consulting firms inside the organization. Depending on the size of the enterprise, they may be corporate-wide or regionally based—Europe, for example, or by country. They often act like businesses with multiple clients —the business units—using their services. In some cases, a fee for use or a "chargeback" formula plus an overhead charge for basic services may fund them. The financing of centers of expertise is sometimes set to recover costs, and in other cases is pegged at market prices. Typically, businesses are directed to go to the center by their embedded HR units before contracting for independent work from external vendors. If, in working with the center experts, the decision is made to go to outside vendors, the new knowledge provided by these vendors is then added to the menu for use throughout the enterprise. CoE HR professionals play a number of important roles:

- They create service menus aligned with the capabilities driving business strategy.
- They diagnose needs and recommend services most appropriate to the situation.
- They collaborate with embedded HR professionals in selecting and implementing the right services.
- They create new menu offerings if the current offerings are insufficient.
- They manage the menu.
- They shepherd the learning community within the organization.

8.5. Operational Executors

A large number of HR departments have attempted to operationalize the above model with shared services (service centers and centers of expertise) and embedded HR. But many of these departments are finding that some work continues to fall through the cracks.

While embedded HR professionals are asked and expected to be strategic and conduct organization diagnosis, they often find themselves overwhelmed by operational HR work that conflicts with their main purpose. This renders them unable to make time to be strategic. They report that they spend a growing amount of time doing individual casework (e.g., handling disciplinary issues), performing operational tasks (e.g., setting up and attending recruiting interviews), doing analysis and reporting (e.g., managing compensation reviews), delivering initiatives (e.g., creating development experiences), or implementing business initiatives (e.g., doing the analysis and execution for a new organization structure).

Service centers typically do not perform these operational tasks because they require personal attention; centers of expertise do not do them because they usually require deep and unique knowledge of the business and strong internal business relationships. Line managers do not do them because they lack the technical expertise. Hence, embedded HR professionals feel drawn into this operational work by the volume of it, even when they have the skills and self-confidence to be more strategic and are encouraged to focus on their transformational role.

A second driver is the velocity of program change emanating from corporate HR or centers of expertise. Particularly in times of corporate change and transformation, embedded HR professionals are expected to keep up with a wide number of corporate initiatives—from new measures and measurement to required corporate training and communication programs to new modifications to the performance management and development system. As a result, many embedded HR people are encouraged to do strategy by their line management but required to do implementation by corporate HR. Some HR executives might be led to say, “We are asked to be business partners and strategists, but we end up acting as ‘pairs of hands’ for corporate HR.”

It is also the case that often these embedded HR professionals come from an implementation background and lack the skill or self-confidence (or both) to comfortably function at a more strategic level. For these individuals, the urgency (and comfort) of immediate operational requirements outweigh the importance (and developmental interest) of the more strategic future. Too often HR professionals in centers of expertise offer insight and menus of choice, but they do not facilitate or partner in the operational implementation of these ideas. Service centers deal with administrative challenges, but they, too, do not deal with implementation of new administrative systems and practices at the business level.

What has been missing in some HR restructurings is the capacity to deliver and implement the ideas from the center, while maintaining focus on the business and its customers. While this work ideally occurs through an integrated team, someone needs to be charged with this team and how it works. We are finding that companies are responding to these missing implementation requirements in different ways:

One company established the role of junior business partners to be assigned to the HR generalists or business partners. These individuals would be required to turn the strategic ideas into operational practice within the business.

Another company created a team of HR operational consultants who were assigned to a business to help turn the strategy into action. They were focused on project work with an emphasis on implementing specific projects within the business. The consulting pool had HR professionals who were gifted at making HR initiatives happen, and it secondarily served as a preparatory and testing ground for individuals slated as potential incumbents for senior embedded HR professional roles.

Another company uses a case advisor who comes from the service center to follow through on employee requests.

As an international company transforms into a truly global company, there is a greater need for common practice in how people are developed for succession management and for the development of leadership competencies. Thus, the centers of excellence deliver a steady flow of innovative HR practices with the expectation that embedded HR groups within business units will implement them. But embedded groups are already extremely busy managing the strategic and day-to-day requirements of their business units. Tensions have inevitably arisen. The company may begin to think through how it might establish an operations HR unit that would provide support to both the centers of expertise and to embedded HR units.

Some companies create a fifth leg called the HR consulting pool. The consulting pool operates as a team of high-performing midlevel HR professionals and is managed as a cohesive unit. The unit reports to the head of regional (e.g., embedded) HR. Team members are deployed to assist joint center and embedded HR teams to implement solutions to important HR projects—for example, to develop and implement a strategy to reduce workforce turnover rate. Historically, center and embedded HR professionals would have worked together to scope the need but would not have had the resources to actually implement. Inevitably, the problem—while well defined—would not be effectively addressed and would often be delegated to line management, the worst possible outcome. The operational HR pool solves this problem and has been responsible for a number of important deliverables.

Each of these companies, and many others, are experimenting with how to solve this common problem: how to make sure that HR implements state-of-the-art strategies tailored to the needs of the business. Dave Ulrich and the other scholars call this an operational executor role. These HR professionals will be required to meld what the business requires for success (driven by the embedded HR professionals) with innovative and state-of–the-art HR practices (driven by the centers of expertise) into an operational plan that can be executed in a timely way.

Operational HR roles require a particular set of competencies. These roles are best for people who are execution and implementation oriented rather than focused on strategic relationships (embedded HR) or new knowledge creation (centers of expertise). However, operational HR roles can also be excellent developmental opportunities for both embedded and center professionals. Over time, HR organizations will find that operational HR is best considered a mix of long-timers (people who like to do this work) and rotational resources.

9. HR Outsourcing

Increasingly, many HR administrative functions are being outsourced to vendors. This outsourcing of HR administrative activities has grown dramatically in HR areas such as

employee assistance (counseling), retirement planning, benefits administration, payroll services, and outplacement services. The primary reasons why HR functions are outsourced are to save money on HR staffing, to take advantage of specialized vendor expertise and technology, and to be able to focus on more strategic HR activities.
Reporting is crucial as a means of demonstrating HR's value to the business, and technology can play an important role in helping the HR team operate as efficiently as possible.

9.1. Outsourcing

Managing different aspects of employee management processes on a day-to-day basis is a complicated task—one that requires a substantial amount of energy, time, and expertise. By adopting a sound and cost-effective human resources outsourcing solution, HR can transfer this responsibility to a third party and focus solely and completely on what HR do best- managing and growing your business!

Many large and midsized companies turned to outsourcing as a way to realize the future state of HR service delivery. They transferred a large portion of the HR department's processes, technology, and people to outsourcing providers with the expectation that those firms would effectively transform the delivery of HR by providing an outsourced shared services model.

9.2. Offshoring

Outsourcing HR is gaining momentum both locally and overseas. Offshoring is the process by which companies undertake some activities at offshore location instead of in their country or origin. The biggest reasons for outsourcing offshore are lower administrative costs and increased access to a highly skilled workforce. More and more organizations are handing over back office operations and transactions processes, offshoring payroll, paperwork, processing and administration, among other HR functions. Among the factors that often attract companies to offshore outsourcing is the opportunity to access best HR practices, as well as critical mass expertise and technology.

Not surprisingly, global outsourcing is not without controversy – and consequently not without risks. Exchange rates can be volatile so cost advantages often fluctuate along with them. Also, one of the biggest issues companies face is potential backlash from the public and unions, as well as opposition from politicians. People are fearful of job losses and offshoring can sometimes create a publicity nightmare.

And sometimes the day-to-day running of the business can also be difficult from abroad. There can be issues with infrastructure in terms of finding consistent telephones and power and water supplies that are reliable. With offshoring there's a number of key decisions that have to be made, ranging from deciding where best to locate the offshore operation to how best to resource and manage it and how best to operate and deliver the services.

Extensive research, transparency, a solid understanding of the scope of the project, the capabilities of the workers and the global reach and a well-planned transitional approach are keys to making offshore outsourcing run smoothly.

9.3. HR Outsourcing Services

HR outsourcing services generally fall into four categories: PEOs, BPOs, ASPs, or e- services. The terms are used loosely, so a big tip is to know exactly what the outsourcing firm you are investigating offers, especially when it comes to employee liability.

9.3.1. Professional Employer Organization (PEOs)

- A Professional Employer Organization (PEO) assumes full responsibility of your company's human resources administration. It becomes a co-employer of your company's workers by taking full legal responsibility of your employees, including having the final say in hiring, firing, and the amount of money employees make. The PEO and business owner become partners, essentially, with the PEO handling all the HR aspects and the business handling all other aspects of the company.
- By proper definition, a service is only a PEO when it takes legal responsibility of employees. But take note--some HR outsourcing services like to use the recognized term "PEO" when they handle the primary aspects of HR like payroll and benefits, yet they do not take this legal partnership.

9.3.2. Business Process Outsourcing (BPOs)

- Business Process Outsourcing is a broad term referring to outsourcing in all fields, not just HR. A BPO differentiates itself by either putting in new technology or applying existing technology in a new way to improve a process. Specifically in HR, a BPO would make sure a company's HR system is supported by the latest technologies, such as self-access and HR data warehousing.

9.3.3. Application service providers (ASPs)

- Application service providers host software on the Web and rent it to users-some ASPs host HR software. Some are well-known packaged applications (People Soft) while others are customized HR software developed by the vendor. These software programs can manage payroll, benefits, and more.

There are no clear-cut price ranges with HR outsourcing. The fees range greatly between services, as well as within the services. Aspects like number of employees, the options you choose to use, and even geography, will affect your overall cost. Contracts with HR outsourcing firms will usually run a year. But you should work in a clause in
which you can give 30 days' notice to break the contract if you are dissatisfied with the services or don't need the services anymore.

There are some definite drawbacks to not having an HR manager in-house. An in-house HR person handles perks that you can't necessarily count on an outsourcing service to carry out-like looking into group offerings, building employee incentive programs, even taking care of recognition for employees' birthdays. And employees may want someone in-house--an impartial co-worker they can trust and see daily--to turn to if they have a work-related problem or dispute with another co-worker.

Because an in-house HR person interacts daily with your employees, they will likely have more of an interest in your employees. Also, in the case of using a PEO, giving up the right to hire and fire your employees may not be desirable for your particular business. Most PEOs insist that they have the final right to hire, fire, and discipline employees. While having the extra time and not having to deal with the stress of this may be appealing, you may not want this responsibility out of your hands.

If you have fewer than 100 employees, you should consider outsourcing HR. At this size, you often don't have the resources for an in-house HR staff, so outsourcing is just right for you. You don't have to worry about managing all the details that are so critical to HR in your business, and most small-business owners just don't have the skills and experience to do so. Remember, HR functions must be handled correctly as close to 100 percent of the time as possible; slip-ups can cause your business major problems.

If you're uncertain about outsourcing everything but know you don't have the staff or experience to keep it in-house, try outsourcing only certain parts, such as payroll and benefits. You can also purchase HR software right off the shelf to support any in-house efforts. And if you decide to use an e-service, the same issues you'd have with any ASP remain. When everything is stored and handled online, there are concerns about security as well as potential crashes, both of which can be detrimental to your business.

9.4. Cosourcing and Insoucing

Cosourcing arrangement refers to an enterprise outsources only one part of a function. Co-sourcing is a way of attacking the problem by providing a service without having to be fully outsourced RPO.

Insourcing refers to contracting a function out to another entity that manages and performs the function on-site, transferring a previously outsourced function back in- house, or the hiring of local workers by foreign companies operating subsidiaries locally. Open sourcing is a way of eliciting innovative ideas from nonemployees or contractors.

9.5. Outsourcing Process

9.5.1. Analyze needs and objectives

- A thoughtful needs analysis is the most critical stage in which project goals and expectations of the potential third-party contractor are defined.

9.5.2. Plan the budget

- Know what can be spent for the outsourced service and what it costs to provide that service ill-house. This information provides a look at the expected financial return on investment.

9.5.3. Develop request for proposal (RFP)

- An RFP is a written request asking contractors to propose solutions and prices that fit the customer's requirements. The purpose of all RFP is not only to ensure that responses actually meet HR's needs but also to ensure some consistency among responses so that the responses may be more easily compared.

9.5.4. Forward RFPs to potential vendors

- Instructions on the manner and date for submission should be included in this request.

9.5.5. Evaluate vendors

- These variables differ based on the organization's size, priorities, and industry. For procuring HRIS, their ability to meet specifications, customization options, and price should be considered.

9.5.6. Choose vendor

- Get the names of possible contractors, state contractor licensing, ask to see their certificates for insurance, and assess their business longevity.

9.5.7. Set up contract

- This written contract will describe not only the key deliverables of the project but will include additional information such as implementation time frames, payment terms, performance standards, training expectations, and upgrade costs and responsibilities.

9.5.8. Develop and execute project plan

- Conduct an initial project planning meeting to review and refine implementation targets in the project schedule. Outsourcing may curtail loss of morale, and therefore it is important to have an employee briefing when an outsourcing partner is announced. This enables employee questions to be answered, and it provides the business rationale for the outsourcing decision in a consistent manner for all employees.

9.5.9. Measure project performance

- All payment terms are -usually settled and the contractor could ask for an evaluation of its services.

9.5.10. Restructure Outsourced Organization (if applicable)

- It challenges management to build a more flexible organization structured around core competencies and long-term relationships.

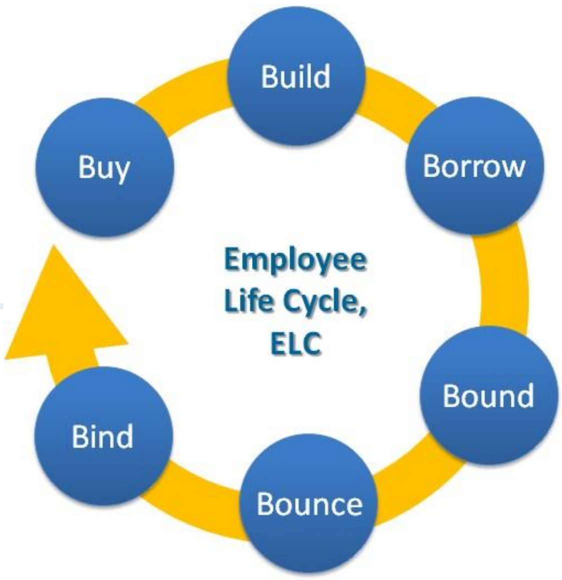
Focus on Core Competencies and Outsource the Rest.

Source: Kock, H., Wallo, A., Nilsson, B., Höglund, C. (2012). Outsourcing HR services: the role of human resource intermediaries. European Journal of Training and Development, 36(8),
772-790.

Part Two: Employee Life Cycle

1. Employee Life Cycle Model

The employee life cycle (ELC, also sometimes spelled as employee lifecycle) is a human resources model that identifies stages in staffing administration and optimize people
investment processes. Specific employee life cycle models vary but common ELC stages according to “HR Transformation” by Dave Ulrich include:



Source: Urlich, D., Allen, J., Brockbank, W., Younger, J., & Nyman, M. (2009). HR Transformation: Building Human Resources From the Outside In. McGraw-Hill.

1.1. Buying

Acquire new employees by recruiting individuals from outside or from other departments or divisions within the organization. HR can recruit, source, secure, and assimilate new talent into the organization according to the following trends:

- Internet recruiting continues to be critical. Approximately 98% of all job seekers go online to look for a new job.
- Online recruiting reaches both active and passive candidates (local, national, and global)
- Instant access to all required resources, such as job applications, shortens the time to hire and the streamlined environment drives down cost per hire.
- Employee networks/affinity groups are being used to reach out to targeted communities.

- Referral programs are stronger than ever, including referral of family members.
- Keeping contact with and re-hiring former talented employees is also an increasing practice.
- Client involvement in recruitment and hiring processes is being used in many companies.
- Positioning the organization as an “employer of choice“, by building, developing and maintaining employer brands and employee value proposition

1.2. Building

Develop people through training, education, formal job training, job rotation, special assignments, and action learning. HR can help people grow through training, on the job or life experiences according to the following trends:

- Action learning, in-house programs, coaching and mentoring are increasing vs. traditional formal training courses.
- Offering on-the-job growth and development opportunities, like involvement in task forces, special team projects are used more frequently for skills development and are reported as highly rewarding for employees.
- Customer involvement as presenters and/or participants in different training programs is also a current trend.

1.3. Borrowing

Partner with consultants, vendors, customers, and suppliers outside the organization in arrangements that transfer skill and knowledge. HR can bring knowledge into the organization through outside advisors or partners by the following reasons:

- Transferring knowledge and know-how, outsourcing and/or joint ventures:
  -Mitigate Risks
  -Accelerate Innovation
  -Reach otherwise inaccessible talent.
- It allows organizations to tailor outside ideas to business.
- Its important to know when to in-source and when to outsource.
- Participation in trade associations – which exist for almost every industry- allows organizations to learn from each other, share information benchmark industry’s performance and team up with similar companies to obtain mutual benefits.

1.4. Bounding

Move the people through the organization and into higher positions. HR can promote the right people into key positions by:

- Retaining talent is a challenge and should be an everyday effort.
- Effective rewards (financial and non-financial) that are personally significant to the recipient, will motivate employees in the short term and help engage them for the long haul.
- Providing flexibility and a broader benefits/award selection is an actual trend:
  -Flexible hours and work arrangement
  -Job-sharing (two employees sharing one position)
  -Home-based jobs
  -Customized benefits

1.5. Bouncing

Remove low-performing or underperforming individuals. HR should remove poor performers from their jobs, and from the organization if they don't fit anywhere when:

- If involuntary downsizing:
  -Use early retirements.
  -Create severance packages.
  -Learn with and rely on outplacement firms.
  -Find new ways to accomplish work, e.g., subcontract a work unit.
- If performance based:
  -Have clear standards and expectations.
  -Ensure a due process which is fair, have a clear criteria and legal support.
  -Be bold.

1.6. Binding

Retain employees with high growth potential and valued talent. HR should find ways to retain the highest-performing employees. While money certainly does talk, other rewards can articulate the message better when it comes to boosting employee productivity and retention in an increasingly competitive marketplace.

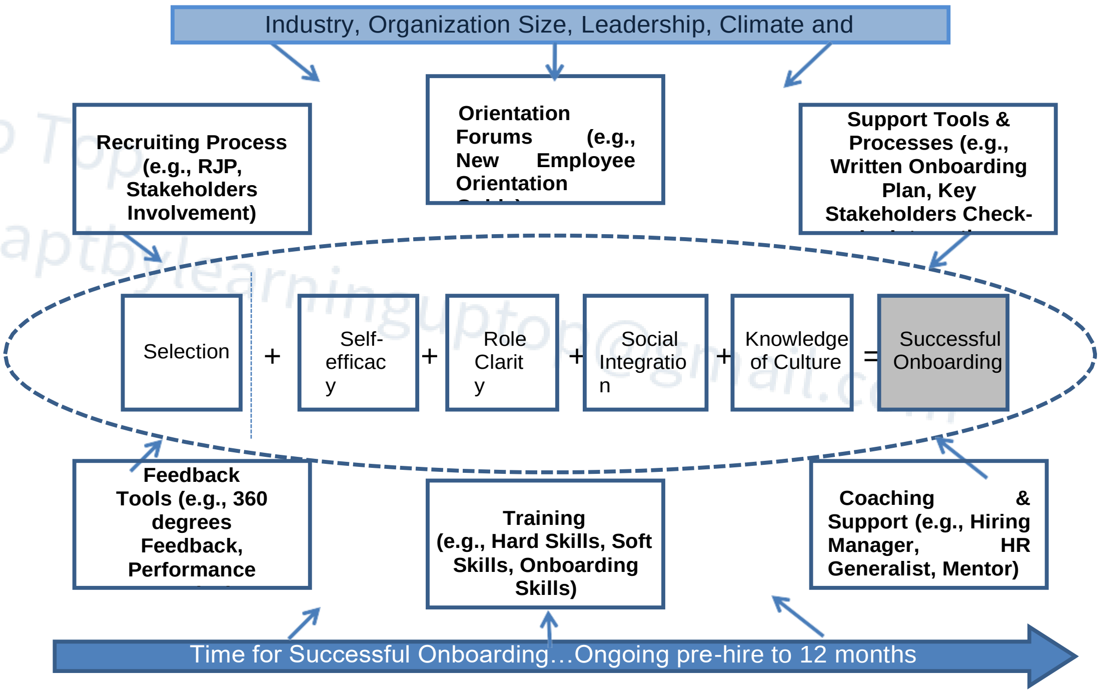
2. Onboarding

After effective recruitment and selection, one of the most important ways that organizations can improve the effectiveness of their talent management systems is through the strategic use of onboarding. Onboarding is the process of helping new hires adjust to social and performance aspects of their new jobs quickly and smoothly. This should always be a priority for HR departments.

Until recently, academics have studied the onboarding process under the larger category of "socialization," and onboarding has been considered a minor part of human resource management (HRM). Today, however, both academic researchers and those responsible for onboarding within their organizations understand that the best programs are those that are based on solid research and also make sense in practice. Below is a diagram of research about factors that play a role in successful onboarding of new employees. The model summarizes both new employee adjustment and outcomes of successful onboarding. The recruitment and selection process is actually the first step to effective onboarding. Clearly identifying valued behaviors and hiring candidates who demonstrate them will increase the likelihood of a smooth onboarding process.

During onboarding, firms engage in a variety of activities that may facilitate the process. Successful onboarding is the result of several HRM functions working together in a coordinated fashion. Although here each function is discussed separately, the key to successful onboarding is for HRM functions to work together seamlessly to support new employees. The process starts even before a new employee arrives: the first HRM
function, and the first interaction of a new employee with the firm, is recruiting.

A RESEARCH-BASED MODEL OF ONBOARDING



Source: Bauer, T.N. (2010). Onboarding New Employees: Maximizing Success. SHRM Foundation's Effective Practice Guidelines Series.

2.1. Recruiting

In Passive Onboarding, organizations' recruiting processes are unrelated to new employee onboarding plans. Rather than viewing recruitment as a time to begin the onboarding process, it is seen as a separate function. In fact, the entire goal of recruitment should be to get candidates to the next step— selection—and then to help them fit into the organizational environment and get to know organizational
insiders and stakeholders. The recruitment process provides information, but it also helps new employees form realistic expectations and engage coping mechanisms. In this way, the quality of recruitment practices relates to higher organizational
commitment.

<u>Realistic Job Previews</u>

Organizations can provide employees with realistic job previews (RJPs) regarding both the specific job to be done and the organizational culture. RJPs have advantages and disadvantages. As an experiment, one firm randomly assigned prospective employees to either an RJP group or a non-RJP group. As expected, the RJP group was more likely to reject a job offer, but they had 50 percent less turnover than the non-RJP group.

Realistic previews help to prevent new employees from suffering unmet expectations. Past research has found that new employees receiving large amounts of accurate information about a company and their new job tend to adjust better than those who don't acquire this information.40 RJPs can be provided during recruitment and hiring or through more on-the-job experiences such as internships.

2.2. Orientations

Some organizations now use some type of new-employee orientation—either in person or online. Formal orientation programs help new employees understand many important aspects of their jobs and organizations, including the company's culture and values, its goals and history, and its power structure. Orientation programs also serve a social role, helping newcomers feel welcome by introducing them to their co-workers and other individuals within the organization. Orientations, which may last a few hours to a few months, can provide new employees with valuable information and the chance to process a lot of paperwork and procedures quickly, using tools that include discussions, lectures, videotapes and written material. During short orientations, companies often use computer-based information systems and intranets to help support new employees. This approach lends consistency to orientations in different locations and at different times.

2.3. Support Tools and Processes

Both during and after the orientation, readily available support tools, such as those discussed below, are invaluable for onboarding success.

- A written onboarding plan. A formal document, or roadmap, that outlines the specific timeline, goals, responsibilities and support available to new hires will help them succeed because it spells out what they should do and what assistance they can expect. The most effective onboarding plans are usually written, communicated to all members of the company, consistently applied and tracked over time.

- Stakeholder meetings. Some organizations often create check-in meetings at specific intervals to help new employees get the information they need in a timely manner. Many stakeholders should be involved in these onboarding meetings, and the schedule should identify who is involved at what point in time. With regular "touching base" meetings, potential problems can be solved before they expand into large problems.

- Onboarding online. Some organizations use technology to deliver initial orientation programs, but one study shows that benefits may not be quite as positive in computer-based orientations. Researchers compared employees taking part in a regular, face-to-face orientation to those in a computer-based orientation and found less understanding of the job and the company for those in the computer-based version. Technology also can be used to follow the onboarding process, automate basic forms, track progress against development and career plans, and help stakeholders monitor new employees to see when they may need additional support.

2.4. Coaching and Support

As mentioned above, stakeholder involvement is extremely valuable for successful new employee onboarding because stakeholders can help newcomers manage and meet expectations. Stakeholders include those involved in hiring, training, HR, and normal coaching and support. They can influence new hires by not only sharing information but also serving as role models to be emulated.

Mentors are a similar resource to help new employees learn the ropes. A mentor can teach new employees about the organization, offer advice, help with job instruction, and provide support in social and political terms. New employees may go to mentors with questions that they are hesitant to ask their managers for fear of seeming incompetent. One study found that new employees with mentors became more knowledgeable about their new organizations than new employees who did not have mentors. Researchers have also found that new employees are more likely to have learned and internalized the key values of their organization's culture if they had spent time with a mentor. Mentoring programs, opportunities for informal interaction with colleagues and adequate information certainly will help the new employees adapt more easily to the new work environment.

Both internal and external coaching can be critical in the success or failure of new employees. External coaches can be especially important for executive onboarding, where the stakes are high. An objective coach can help new executives by offering a safe sounding board for ideas and approaches. External coaches can also help new executives prepare for their onboarding process before they enter, as well as assist with any challenges they encounter in their new organization.

2.5. Training

A new employee needs the confidence, clarity and skills to do the job he or she has been hired to do. Potential training for new employees includes hard skills, soft skills and onboarding skills, and each skill set is important. If a new employee has low levels of self-efficacy at the start, training is even more necessary to boost subsequent ability to cope and job performance. Training can show newcomers how to proactively help their own adjustment and therefore encourage successful onboarding.

2.6. Feedback Tools

New employees often make missteps and may find it challenging to understand and interpret positive or negative reactions they receive from co-workers. This means they will often need feedback and guidance. Research consistently shows the benefits of feedback for new employee adjustment. During onboarding, feedback is a two-way process. New employees seek and receive information, and companies vary in how well they use feedback tools during the onboarding process. A couple of common approaches to employee feedback are:

- Performance appraisals and 360-degree feedback. Within the HRM system, performance appraisals can give new employees developmental feedback.
  Normally, however, organizations conduct appraisals only once or twice a year. When integrating appraisals into the onboarding process, quarterly meetings can be helpful. The benefit of 360-degree feedback is that it helps new employees understand how others view them. Feedback from all sides can help resolve any disagreements early on.

- Employee-initiated information and feedback seeking. Employees can help or hinder their own onboarding. Information-seeking and feedback are proactive
  new employee behaviors that may help them adjust as they ask questions about different aspects of their jobs, company procedures and priorities—all to make sense of the new workplace. Workers may seek information using more passive methods—monitoring the environment, viewing the company web site, reading the employee handbook or other written literature. But very little insight about company culture and unwritten rules will emerge from passive methods. As time passes, employees should start asking more questions of supervisors about
  expectations and evaluation, but they may be reluctant to do so if they believe such questioning will reveal their own weaknesses. Yet asking questions will often communicate to others that the new employee is interested in learning the norms and performing well. The need for new employees to ask the most basic questions is lessening as more organizations institute formal onboarding programs that
  include help desks, online information centers and regularly scheduled meetings with stakeholders.

3. Transferring

Transferring is “a lateral shift causing movement of individuals from one position to another usually without involving marked change in duties, responsibilities, skills needed or compensation”. Transfer may be initiated either by the company or the employee. It also can be temporary or permanent.

3.1. Reasons for employee transfers

Transfer of employees is must and essential in an organization for the purpose of minimizing politics between employees, to ensure cordial relationship between
employees, to increase transparency in work, to obviate syndicate of employees for unethical purpose and to obviate nepotism in organization.

Employee transfers is considerable, as most essential when a position of employee is a top-level in hierarchy. Especially in the governmental organizations employees holding top-level positions are affected with frequent transfers for the reason, to obviate
nepotism into increase transparency in the work. Organizations having no transfers for their employees may create their own informal groups for their common interest and their own benefit. Subsequently, this may leads to secrecy in the flow of work,
eventually, no transparency in work. Employee transfers less organization may definitely see organizational politics among employees, which leads to fall in
coordination in between employees, eventually may lead to drop in overall.

Transfers are generally affected to build up a more satisfactory work team and to achieve the following purposes:

- To increase the effectiveness of the organization.
- To increase versatility and competence of key positions.
- To deal with fluctuations in work requirements.
- To correct incompatibilities in employee relations.
- To correct erroneous placement.
- To relieve monotony.
- To adjust workforce.
- To punish employees. (Generally in government organizations, employees who commits mistakes or malfeasance will be treated with transfer to other place where he cannot act according to his wish or misuse his job position.)

3.2. Drawbacks from employee transfers

Inauguration point of view, transfer of employees will definitely benefit organization and also keeps away disturbances and misunderstandings in between employees.
However, there are a few drawbacks out of employee transfers that effect individuals or employees. Below listed are a few drawbacks due to employee transfers.

- Employees who are having attachment with the organization and their morale maybe disturbed due to transfer to some other location.
- Family members of employee who got transferred maybe psychologically disturbed because they have to shift their entire family to new location for which it may take time to get accustomed to new place.
- Definitely, employee transfer will financially cost to him by way of shifting of his households and furniture in transportation.
- In case of your employees, employee transfer may lead to resignation for the reason he may not willing to leave current location if that location is his native place.

3.3. Types of Transfers

Employee transfers may be classified as below.

3.3.1. Production transfers

Such transfers are made to meet the company requirements. The surplus employees in one department/section who are efficient might be absorbed in other place where there is a requirement. Such transfers help to stabilize employment.

3.3.2. Replacement transfers

This takes place to replace a new employee who has been in the organization for a long time and thereby giving some relief to an old employee from the heavy pressure of work.

3.3.3. Versatile transfers

It is also known as rotation. It is made to develop all round employees by moving them from one job to another. It also helps to reduce boredom and monotony.

3.3.4. Personnel or remedial transfers

Such a transfer is made to rectify mistakes in selection and placement. As a follow up, the wrongly placed employee is transferred to a more suitable job.

3.3.5. Shift transfers

This is pretty common where there is more than one shift and when there is regularized rotation.

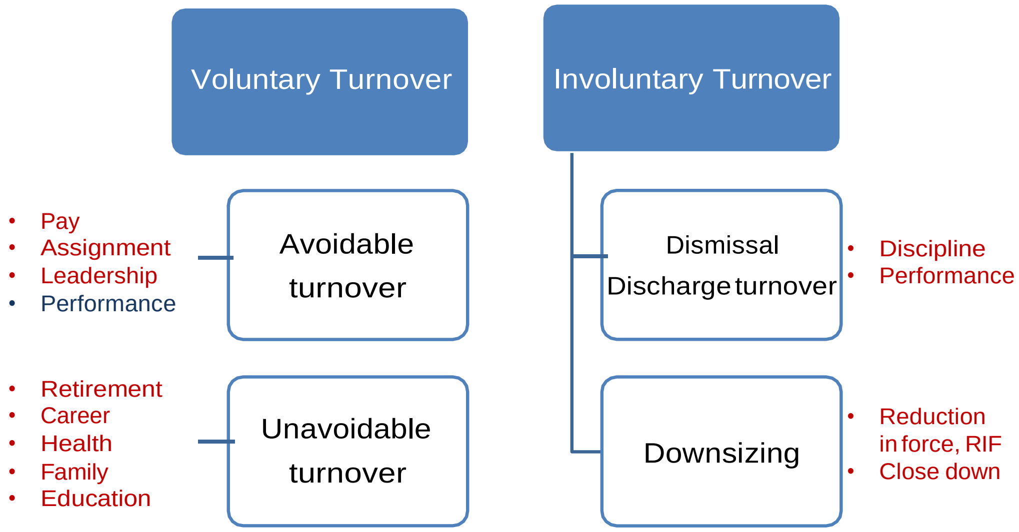
Every organization should have a fair and impartial transfer policy which should be known to each employee. The responsibility for effecting transfers is usually entrusted to an executive with power to prescribe the conditions under which requests for transfers are approved. Care should be taken to ensure that frequent or large-scale transfers are avoided by laying down adequate selection and placement procedures for the purpose.

4. Offboarding

Offboarding refers to employee lifecycle processes surrounding the removal of an identity for an employee who has left the organization. The term may also be used to describe the restriction of certain access rights when an employee has changed roles within the organization.

All companies have employee turnover. An excessively high rate is negative, but an excessively low rate is not positive either. Employee turnover is generally defined as the percentage of employees who are replaced at the company during a certain period of time in relation to the average number of employees.

Turnover is classified in a number of ways. One classification uses the following categories, although the two types are not mutually exclusive:



Turnover Rate: (number of employees leaving/average number of employees)*100

4.1. Voluntary Turnover

Voluntary turnover too can be caused by many factors, some of which are not employer controlled. Common voluntary turnover causes include job dissatisfaction, pay and benefits levels, supervision, geography, and personal/family reasons. Career opportunities in other firms, when employees receive unsolicited contacts, may lead to turnover for individuals, especially those in highly specialized jobs such as IT. Voluntary turnover may increase with the size of the organization, most likely because larger firms are less effective in preventing turnover and have more employees who are inclined to move. Voluntary turnover, in turn, is broken down into avoidable and unavoidable turnover.

4.1.1. Avoidable Turnover: Employees leave for reasons that could be influenced by the employer. Avoidable turnover is that which potentially could have been prevented by certain organization actions, such as a pay raise or a new job assignment.

4.1.2. Unavoidable Turnover: Unavoidable turnover represents employee quits that the organization probably could not have prevented, such as people who quit and withdraw from workforce through retirement or returning to school. Other examples of unavoidable turnover are people who quit due to: dual career problems, pursuit of a new and different career, health problems that require taking a different type of job, child care and elder care responsibilities, and leaving the country. Even though some turnover is inevitable, employers recognize that reducing turnover saves money, and that they must address the turnover that is controllable. Organizations are better able to keep employees if they deal with the concerns of those employees that might lead to the controllable turnover.

4.2. Involuntary Turnover

Involuntary turnover is triggered at all levels by employers terminating workers due to organizational policies and work rule violations, excessive absenteeism, performance standards that are not met by employees, and other issues. Involuntary turnover is split into discharge and downsizing types.

4.2.1. Discharge turnover is aimed at the individual employee, due to discipline and/or job performance problem.

4.2.2. Downsizing turnover typically targets groups of employees and is also known as reduction in force (RIF) caused by organizational restructuring or cost-reduction program.

4.3. Causes of Turnover

4.3.1. Voluntary turnover depends on three factors:

- Desirability of leaving: low job satisfaction, shocks to employee, and personal (non- job) reason.
- Ease of leaving: favorable labor market conditions, general & transferable KSAOs, and low cost of leaving.
- Alternatives: internal new job possibilities and external job offers

4.3.2. Discharge turnover is due to extremely poor person/job matches, particularly the mismatch between job requirements and KSAOs. One form of the mismatch
involves the employee failing to follow rules and procedures. The other form of discharge turnover involves unacceptable job performance.

4.3.3. Downsizing turnover is a reflection of a staffing level mismatch in which the organization actually is, or is projected to be, overstaffed. In other words, the head count available exceeds the head count required, which may be due to poor workforce planning.

4.4. Functional or Dysfunctional Turnover

Not all turnover is negative for organizations; on the contrary, functional turnover represents a positive change. Some workforce losses are desirable, especially if those who leave are lower-performing, less reliable, and/or disruptive individuals. Of course, dysfunctional turnover also occurs. That happens when key individuals leave, often at crucial times.

4.4.1. Functional Turnover: Lower-performing or disruptive employees leave

4.4.2. Dysfunctional Turnover: Key individuals and high performers leave at critical times

For example, a software project leader who leaves in the middle of a system upgrade in order to take a promotion at another firm could cause the system upgrade timeline to slip due to the difficulty of replacing the employee and could also lead other software specialists in the firm to seek out and accept jobs at competitive firms.

4.5. Turnover and “Churn”

Hiring new workers while laying off others is called churn. This practice raises a paradox in which employers complain about not being able to find skilled workers while they are laying off others. As organizations face economic and financial problems that result in layoffs, the remaining employees are more likely to consider jobs at other firms. In this situation, turnover is more likely to occur, and efforts are needed to keep existing employees. HR actions such as information sharing, opportunities for more training/learning, and emphasis on job significance can be helpful in lowering turnover intentions of individuals.

4.6. Measuring Employee Turnover

The turnover rate for an organization can be computed as a monthly or yearly cost. The following formula, in which separations means departures from the organization, is widely used:

*Turnover Rate: (number of employees leaving/average number of employees)*100*

Other areas to be included in calculating detailed turnover costs are also available. Some of the most common areas considered include the following:

4.6.1. Separation costs: HR staff and supervisory time, pay rates to prevent separations, exit interview time, unemployment expenses, legal fees for separations challenged, accrued vacation expenditures, continued health benefits, and others.

4.6.2. Vacancy costs: Temporary help, contract and consulting firm usage, existing employee overtime, and other costs until the person is replaced.

4.6.3. Replacement costs: Recruiting and advertising expenses, search fees, HR interviewer and staff time and salaries, employee referral fees, relocation and moving costs, supervisor and managerial time and salaries, employment testing costs, reference checking fees, pre-employment medical expenses, relocation costs, and others.

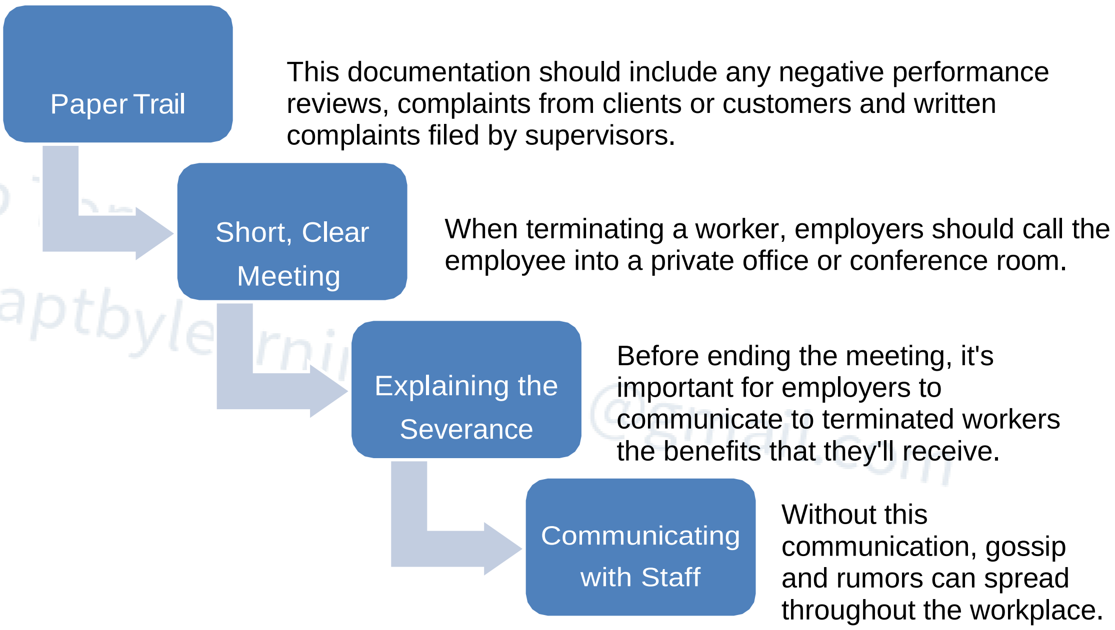
4.6.4. Training costs: Paid orientation time, training staff time and pay, costs of training materials, supervisor and manager time and salaries, coworker ’coaching’ time and pay, and others.

4.6.5. Hidden/indirect costs: Costs that are not obvious, such as reduced productivity, decreased customer service, additional unexpected employee turnover, missed project deadlines, and others.

Please be noted that not all turnover is negative. Turnover of low performers should be considered positive. There may be an “optimal” amount of useful turnover in order to replace low performers and add part-time or contract workers with special capabilities to enhance workforce performance.HR professionals should take actions to reduce negative turnover and to address the retention of key employees.

5. Termination

It's one of the most unpleasant tasks that employers face: firing an employee. It's a task that employers must handle carefully, calling for direct communication with the fired employee and the company's remaining staffers. Employers need to explain clearly to employees the reason behind their termination and build a paper trail that protects them in case a fired worker files a lawsuit. Employers must also communicate with remaining staffers, briefly and in general terms, about what the termination means to them and the future of the company.



Mader-Clark, M. & Guerin, L. (2007). The Progressive Discipline Handbook: Smart Strategies for Coaching Employees. Berkeley, CA: Nolo.

5.1. Paper Trail

Before employers terminate a worker, they should take the time to build a paper trail detailing the reasons for the dismissal. This documentation should include any negative performance reviews, complaints from clients or customers and written complaints filed by supervisors. Such written evidence can protect the company if the terminated employee decides to file a lawsuit alleging unlawful termination.

5.2. Short, Clear Meeting

When terminating a worker, employers should call the employee into a private office or conference room. Once away from other staffers, employers should immediately but politely tell the worker that he is being terminated. Employers should always include concrete reasons for this firing: The worker's job performance may not have improved.
The worker may have been turning in shoddy work. Clients and customers may have filed too many complaints against the worker. Perhaps he violated company policy.

5.3. Explaining the Severance

Before ending the meeting, it's important for employers to communicate to terminated workers the benefits that they'll receive in their severance package. Tell a fired employee how many additional weeks of pay she will receive, if any job training services are available and how many weeks of health insurance coverage she will receive.

5.4. Communicating with Staff

After the termination is complete, employers must then communicate with the rest of their workers about the firing. Without this communication, gossip and rumors can spread throughout the workplace. Employers should say that a certain worker was terminated, but shouldn't go into details about the reason for the firing. They should instead focus on future plans: Will a new worker be hired immediately? Is the fired employee's position being eliminated, too? If so, how will the fired worker's workload be dispersed among remaining employees? The more information about the future that employers can provide, the less likely it is that employees will form their own, incorrect, assumptions about the company's direction.

5.5. Discharge, Layoff, and Resignation

Discharge, layoffs and resignation are three means by which employment relationships are severed, but each carries distinctly different connotations and implications.
Discharges and layoffs are generally viewed as a negative necessity, but resignations can occur under positive or negative conditions. Understanding the difference between these three terms can give you more insight into employees' relationships with their employers.

5.5.1. Discharge

Discharging an employee can also be referred to as firing an employee. Companies fire employees for a wide range of reasons. Employers may fire specific employees due to a lack of performance after numerous attempts to help the employee improve his productivity, for example. Employees can be fired after continual confrontations with management or co-workers, as a way to prevent subversive influences from creating a hostile work environment. In extreme cases, companies may fire employees on the spot for exhibiting violent or threatening behavior, or for committing a criminal act such as fraud or theft on the job.

5.5.2. Layoff

A layoff is similar to a discharge, except that layoffs are not performed due to the negative behavior or poor performance of employees. Companies lay off workers when they cannot afford to pay them anymore due to financial hardship. Layoffs can also occur when two companies merge, due to human resources redundancies that need to be right-sized. Companies also lay off employees as a precursor to outsourcing departments internationally.

5.5.3. Resignation

A resignation occurs when an employee takes the initiative to terminate the

employment relationship. Employees resign for a wide range of reasons. Employees may leave their employers due to the type of continual confrontation mentioned, or for purely financial reasons. Employees may resign while maintaining a good relationship with their employer, to pursue other career opportunities, to move their home to a
different area or a host of other possibilities. In rare cases, employees may voluntarily resign after committing an act that would require the company to discharge them.

5.5.4. Re-hiring

The three ways to end an employment relationship each carry different implications for the possibility of re-hiring employees. Discharged employees are the least likely to be re-hired, and many companies have policies in place preventing them from re-hiring any employee who has been fired. Laid-off employees are the most likely to be offered their jobs back, as long as the jobs actually come back, and some employers actually
lay off employees with the intention of re-hiring them when the company gets back on its feet.

Re-hiring employees who have resigned is a highly subjective matter. Employees who quit for negative reasons may present the same type of problems that previously
discharged employees do if they are brought back on board. On the other hand, re-hiring these employees can instill in them a stronger sense of loyalty than ever before.

5.6. Termination Tips

Firing an employee is one of the most unpleasant tasks you face, not to mention legally risky, and should be navigated with much caution, preparation, and deliberation. Here are 15 tips for effective, compliant, and professional terminations as follows:

5.6.1. Terminate in-person

Always conduct the termination meeting in person and have the decision-maker and another management official present in the meeting as a witness. The decision-maker regarding the termination is usually a manager or executive in the organization. In most cases the immediate supervisor of the worker should be responsible because he or she is usually most familiar with the reasons for the discharge. Also, the supervisor will usually be most familiar with the worker's personality and will be most able to handle him or her in the face of bad news. If you are not the immediate supervisor, let him or her handle the meeting.

Besides the supervisor (which will usually be you) and the worker who's being fired, there are situations where you may want to have a third party attend the meeting. If the person being terminated requests a witness, it's probably best that you allow this, so that the person doesn't feel that he or she is being railroaded out the door unfairly.
But do explain that the person is there as an observer only, not to act as a representative or argue on behalf of the worker.

5.6.2. Choose a time and day early in the day/week

If possible, terminating employees as early in the day and week as possible is best. Hold the meeting in a private and neutral location. A “late afternoon” termination meeting may be of assistance, since the employee will not have to face other employees on the way out, particularly if the termination is to take effect immediately.

5.6.3.Keep it short

The meeting should last no longer than 10–15 minutes. It should simply provide a short, clear statement about the final decision, inform the employee of the effective date of their termination, and how logistical details will be handled (final paycheck, benefits, removal of personal property, etc.).

5.6.4.Give reasons for the termination with caution

Most states do not require employers to disclose reasons for the termination, but an employer may choose to provide them. Explaining reasons for the termination should be handled cautiously:

- List two or three reasons for the termination
- Do not reference personal reasons or character
- Do not state suspected misconduct that has not been proven
- Describe factual and objective behavior

However, do not engage in a debate. The decision has been made. Arguments should be avoided.

5.6.5.Have documented, legitimate reasons to terminate

The decision to terminate an employee carries a risk of legal action, so be sure that you have sufficient grounds to terminate, including clearly documented conduct or performance issues. This information can include:

- Performance reviews
- Formal warnings
- Write-ups
- Documented counseling or coaching
- Company policies and procedures

5.6.6.Never terminate on-the-spot

It's never wise to terminate an employee on-the-spot without any investigation, conversation, or discipline—no matter how grave the offense is. Rather, if the issue or misconduct is very serious, consider suspending the employee pending an investigation and carefully review all of the evidence.

5.6.7.Consult with an employment attorney

If an employee is in a protected class, has a known medical condition or disability, has taken job protected medical leave, or if there is suspicion of any other legal issue (e.g. harassment, retaliation), be sure to consult with an employment attorney before terminating.

5.6.8. Anticipate reactions

These should be based on your knowledge of the employee and how they may react to the termination notice. Though the employee should not be surprised with a termination if you've done your due-diligence, taken steps prior to warn them, and used a progressive discipline process, a firing can be a traumatic experience.

5.6.9. Avoid emotional reactions

If you are conducting the termination meeting, avoid displays of emotional reactions. Keep away from getting angry or upset, raising your voice, using forceful words/behaviors, or blaming the individual being terminated.

5.6.10. Treat employees with dignity and respect

When employees are treated with empathy and respect during their terminations, they are less likely to file a lawsuit, claim wrongful termination, or backlash against the company. This can involve:

- Giving the individual a few moments to pause and gather their thoughts
- Escorting them out of the office in a dignified manner
- Having another member of your staff clean out their desk or office
- Offering information regarding post-termination, and even outplacement help

5.6.11. Do not use the termination meeting to conduct an exit interview

The termination meeting is not the time or place to conduct an exit interview so avoid these types of questions during the meeting. In general, exit interviews are more relevant and useful for voluntary terminations.

5.6.12. Have the employee immediately return company property

All company property in the employee's possession such as keys, credit card, cell phone, or company, should be given back to the organization immediately following termination.

5.6.13. Use prompted resignation only in some circumstances

Offering an employee the opportunity to resign versus being terminated can be considered when an employee is being terminated because of their failure to meet certain performance standards and when no misconduct or violation of a company policy has occurred. But be aware that, traditionally, employers are responsible for unemployment claims for prompted resignations.

In cases of prompted resignation, employers should consider the following for protection:

- Using a termination agreement/release
- Providing a severance package in exchange for the resignation

- Making performance issues known ahead of time to the employee

5.6.14. Conclude on a friendly note

End the meeting in a friendly and positive manner by wishing the employee well in the future and possibly providing them with an outplacement resource. Some companies offer customized solutions that deliver high quality services at an affordable price.
Consider offering outplacement counselling. For more difficult terminations or particularly sensitive employees, it may be appropriate to have the outplacement counselors on site.

5.6.15. Meet with your other employees as soon as possible

Communicate to your remaining employees that the individual is no longer employed at the organization. Do not make any negative comments about the terminated employee and keep your communication objective. Be available to employees for questions and concerns.

Sometimes terminations are a necessary evil in the workplace. Using these tips will help your organization manage terminations in a professional manner and also reduce the likelihood of a wrongful termination lawsuit.

6. Exit Interview

Exit interviews are structured discussions held with employees before, or shortly after, they leave an organization to gauge their perception of working in the organization. The real reason businesses conduct exit interviews is to get information about an employee's work experience with the company. This information could be valuable all on its own or used with other exit interview data.

6.1. Who will conduct the interview?

Many companies have an employee's supervisor administer the exit interview. Not a good idea. If an employee had an issue with their supervisor, then chances are it will not come to the surface during the interview.

An exit interview is a meeting with a terminating employee that is generally conducted by Human Resources staff. The exit interview provides your organization with the opportunity to obtain frank, honest feedback from the employee who is leaving your employment.

Since HR is considered the keeper of employee references, employees may not open up to HR. At this point in their career, they don't want to burn bridges. So this becomes an exercise in futility. If you really want employees to provide open, honest and unfiltered feedback, consider engaging a neutral, third party to conduct the interview.

6.2. When do you conduct the interview?

Some firms like to do exit interviews at the point a person announces their resignation. Experts suggest that waiting not only until after a person leaves but even giving them a couple of weeks. Time allows employees to gain perspective. I've seen many situations where departing employees were upset with the company or their manager. A couple weeks later, they still aren't happy but they're able to talk about it with less emotion. They are able to offer some constructive criticism.

6.3. What's the purpose of the interview?

An employee's need to leave on good terms drives their answers regarding their resignation. For example, when an employee tells you they are resigning and you ask why, they'll say more money, flexible schedule, less driving time, more benefits, etc.
And all of that might be true. But what the employee didn't tell you was the catalyst that started them looking for a new opportunity in the first place. Something made them read the classified ads, take the headhunters call, etc. The purpose of an exit interview is to find out what that 'something' was.

If you want to improve the workplace and increase engagement, then create an exit interview process that yields good results. And include in the process a solid plan to review and act on those results. With solid information, you can incorporate positive change and, hopefully, reduce the need for exit interviews.

7. Employee Resignation

If an employee leaves the company and his or her departure is marked by some sort of "going away" event, e.g., lunch or celebration, there may be no need to make a formal announcement about the departure. A simple note in a company newsletter or the like may be enough, or a simple announcement advising of the employee's last day.

However, if an employee is terminated by the employer or resigns in lieu of being discharged, the employer should act quickly to manage communication and dispel rumors related to the departure.

7.1. Whom to Notify

If the company is organized by clearly defined departments, the employer should first address the staff in the departing employee's department. If the organization is small, the employer may wish to address the entire staff at once.

Although more personal communication is usually preferable, in a large organization, it may be necessary and appropriate to send an email informing the staff of an employee's departure.

7.2. What to Communicate

If an employee is leaving for another job opportunity, following a spouse or partner to a new location, or leaving for any reason without conflict, the employer may simply announce the employee's departure date and wish the employee well.

If the employee is leaving involuntarily, the employer must be particularly discreet in what is said. Often the announcement is made after the employee's departure. A simple announcement that the employee has left the company or that the employee has resigned may be sufficient. Employers should avoid providing details to avoid any risk of defamation claims or the like.

7.3. Develop a Transition Plan

The absence of a departing employee will create a gap in productivity that you may need to fill with other employees. Thus, management should develop a plan to fill this void and share the plan with concerned employees. A transition plan to address an employee resignation should include:

- A decision about whether to:
- Hire a replacement from within the company;
- Recruit externally; or
- Divide the departing employee's responsibilities among existing staff
- A determination of which employees will be called on to pick up all or a portion of the departing employee's duties
- An estimated timeframe for how long other staff will need to share the departing employee's responsibilities
- A projection of additional costs of the shared responsibilities, i.e., overtime, covered meals

7.4. Alert Clients

Finally, if the departing employee has established a professional relationship with one or more of your company's clients, it is prudent to alert any such clients to the employee's departure. When dealing with a trusted employee who is leaving on positive terms, you may want to allow the employee to have this conversation directly with the client. Doing so may help the client understand that nothing troublesome occurred between the employee and the company that could negatively impact the client. In addition, it is important to consider doing the following:

- Inform clients of the employee's departure date.
- Reach out to clients and introduce the person who will be replacing the departing employee to ensure a smooth transition.
- Refrain from any criticisms of the departing employee. Any perceived deficiencies in the employee's past performance will reflect just as poorly on your organization as the individual who will no longer be part of it.

8. Outplacement

When an organization makes the tough economic decision to terminate employees, any assistance the company provides is appreciated. A severance package that covers two weeks, or more, of pay for each year that an employee worked and continuation of benefits for a period of time are the most common severance package components.

Heathfield, S.M. (2015). Outplacement Is a Service for Laid Off Employees. Available on humanresources.about.com.

Outplacement is a systematic process by which a laid-off or terminated employee is counseled in the techniques of career self-appraisal and in securing a new job that is appropriate to his or her talents and needs. It is frequently offered as part of a severance package; benefit packages may vary in length between three months to one year or, in some instances, until a suitable job is accepted.

Outplacement is a rapidly growing component of a severance agreement. Whether outplacement is effective in helping employees find jobs more quickly is up for debate. Experiences of former employees vary and employers appear to do very little vetting or measuring of the results of the outplacement firms they use.

8.1. Outplacement Services

Outplacement is a service that is supplied by companies that specialize in helping employees’ job search following a layoff, discharge, or job loss. Outplacement services are contracted for by the employer who is laying off employees to help employees
make a swift transition to a new job.

People can pay for outplacement themselves but it is a bonus when provided by the employer as part of a severance agreement.

Outplacement normally consists of individual or group career counseling and advising. Since many laid off employees are unfamiliar with current job searching techniques, training in job searching is provided.

Outplacement firms help develop resumes and cover letters and even apply for jobs for individuals. Outplacement firms also provide job leads and follow-up counseling and advice.

Outplacement firms supply offices for job searching employees in some agreements and group training in all aspects of job searching and career transition.

Increasingly, interactive outplacement services are becoming available online, so an employee does not need to travel to see his or her career coach. Additional outplacement services are provided over the phone, by instant message (IM) and even texting.

Outplacement assistance generally includes:

- Helping dismissed workers deal with the psychological aspects of losing a job,
- Retraining workers to develop skills that are in demand,
- Conducting personal assessments or vocational tests to determine workers' abilities and job preferences, and
- Helping workers with job searches.

8.2. Benefits to the employer

The success of outplacement draws mixed reviews. Participants claim that too many people are served by too few career coaches. Others claim that the advice they receive is trivial and not very helpful in a serious job search.

Others are unhappy with the resumes and cover letters that outplacement firms develop and claim that they are boilerplate and embarrassing, especially when a candidate is competing with other clients of the same outplacement firm for the same job.

Otherwise, outplacement is still beneficial to the employer:

- Ensures that future reductions will be less stressful and traumatic
- Enhances the morale of those who remain
- Enables employees to find jobs faster than might otherwise be possible
- Reduces the threat of litigation
- Underscores the organization's moral and ethical responsibility toward its employees

In general, employers provide outplacement services to assist employees to transition to a new job. They are also constantly aware of the impact of their actions, how they treat laid off employees, on the minds and hearts of their remaining employees.

Pragmatically, employers offer outplacement to protect their reputations as desirable employers, to head off potential lawsuits and, in the instance where a lawsuit is filed, look like good guys, and to minimize their liability for unemployment compensation payments.

Employers can use outplacement effectively to help employees bridge the gap between unemployment and a new job. The key is to utilize an outplacement firm that provides effective services for former employees.

Employers are advised to measure and track the effectiveness of the outplacement firm they use and to gather the opinions and experience of former employees who utilized the outplacement service.

There is a reason, according to the WSJ, why around 40% of employees, who receive outplacement as part of their severance, never show up to partake of the services.

Some of these employees ask for cash instead of outplacement. But, the percentage of laid off employees who don't use the outplacement services, or quit quickly, is not really a wonder when you consider that outplacement firms, on average, don't even track the percentage of clients who find work before their outplacement programs end.

8.3. Adjust to Retrenches’ Needs

A study suggested that outplacement needs to adjust how it assists retrenches (people receiving the outplacement), as it could offer assistance to further ameliorate the defined effects of retrenchment such as grief and loss of self efficacy. There is a concern that those who experience outplacement are continually exposed to the patterns and norms of their previous organization if mass retrenchments are enacted and result in whole departments or organizations utilizing the same outplacement provider. This may maintain their former organizational identity. Where an organization retrenches a number of people at one time and uses the same outplacement firm, the retrenchee may feel as though the ‘organization’ has just moved offices. The retrenchees can still be referred to by their previous organizational name and interact on a daily basis with their colleagues and friends as if nothing has changed. In reality, these retrenchees become kindred spirits, previously working together, then retrenched together and now job searching together. Outplacement providers should be aware of this phenomenon and assist these retrenchees to shift their corporate identity.

Further, outplacement professionals need to offer more than a standard model. The people providing the advice need to be able to adapt as required which could be difficult within the fixed price model that is offered for organizations to be able to purchase such a service. As outplacement providers are paid an all inclusive up front fee there would appear to be a business need to get retrenchees into the system as quickly as possible and then to move retrenches through the system as expediently as possible. Additionally, quick employment of retrenchees makes the outplacement provider appear successful on the current success criteria. In order for the outplacement provider to provide such a service at profit, it needs to be able to process retrenchees as effectively as possible and that is with the conclusion of the retrenchee gaining employment or no longer considering themselves unemployed, such as starting a business. What the retrenchee is looking for appears to be support, individual assistance and time to transition into the next stage of their life with or without employment.

Outplacement providers are in a precarious position, given that the retrenching

organization pays for the service. Outplacement providers could be confused about who the customer truly is. If the ultimate customer is the person receiving the
outplacement, then the program needs to consider the retrenchees' needs. However, as there are two customers with competing and, in some instancesing needs,
outplacement providers appear to be driven by the payer rather than the receiver of the program.

Part Three: Employee Attendance

1. Managing Attendance

Managing employee attendance has become an increasingly complicated and risky task for employers. The high price of absenteeism affects organizations even more when lost productivity, morale and temporary labor costs are considered. The cost of absence is often misunderstood, seen as not easily measured or dismissed as a negligible amount because the costs are largely included in payroll expenses.

1.1. Understanding absence

Not all employee absence is the same. The reasons workers take time off fall into three broad groups.

- Authorized absence includes annual, family and education leave. It’s usually managed through the employment contract.
- Short-term and long-term sickness is often the primary concern of absence management policies. Minor illness is a major cause of absence, while around a quarter of businesses say non-genuine sick absence is a problem.
- Unauthorized absence includes persistent lateness that costs working time. It’s usually managed as an employee conduct issue.

1.2. Measuring lost time

By measuring lost time you can understand the extent and cause of absence issues. Useful measurements include the lost time rate (the percentage of possible working time lost to absence), the frequency rate (the average number of absence periods per employee) and the Bradford Factor (a method of identifying persistent short-term absence for individuals).

1.3. Creating an absence policy

A clear absence policy helps employees understand their sickness absence rights and responsibilities. Rules on sick leave and pay form part of your employment terms and conditions, so you’re legally obliged to inform workers about them. You can also use an absence policy to support your absence goals and culture. Policies often include:

- Rules for notifying managers about absence, when self-certificate forms and fit notes are needed, and return-to-work interviews
- How you’ll support employees to return to work through adjustments
- What you expect during severe weather and other major events

2. Managing Absence

When employees know what you expect attendance-wise, you can actively manage absence through established methods.

2.1. Short-term absence

Popular interventions include return-to-work interviews that can help identify problems early, disciplinary procedures for unacceptable absence and involving trained line managers. Further methods utilize absence data to trigger attendance reviews and pay restrictions.

2.2. Long-term absence

A few long-term absences can easily account for a large proportion of total absence. That's why it's useful to have a formal return-to-work strategy, which can rehabilitate workers to return faster. Your strategy might include regular reviews with sick employees, planning workplace adjustments and involving occupational health professionals.

2.3. Continuous Period of Leave

Handling long-term absence is a delicate matter:

- the illness may be serious, and also involve an operation and recovery time, or could be a mental health problem. These require a sympathetic approach.
- or HR may suspect an illness is being drawn out to delay a return to work.

However, these two scenarios, although contrasting, still mean the absence can be a strain on the business. How HR manage them in some areas can be similar. But remember, these situations are poles apart and will require sensitivity to be used in very different ways. HR should:

- assess if colleagues can manage for a while without a replacement, or whether HR need to hire someone on a temporary contract
- keep in regular contact with the employee about their position, be clear about their sick pay and explain any updates - for example, promotion opportunities or any other important workplace changes
- consider whether it might be best, in some cases, to simply keep in touch and give them the time they need to get better
- think whether you need to ask the employee for permission to contact their doctor, or whether they would see the company doctor, to assess:
- when a return to work will be possible
- will there be a full recovery and is a return to the same work advisable?
- should it be phased - may be part-time or flexible hours to begin with?
- whether the employee is disabled - if so, reasonable adjustments must be made so they can return to work
- whether a return to lighter, less stressful, work would be advisable.

3. Attendance Policy Template

The organization places great emphasis on the attendance of all employees at work and will monitor each employee's attendance record. Attendance is an important aspect of job performance and the organization aims to ensure that lateness and absence are kept to a minimum. The purpose of this policy is to regulate the procedure for attendance and to apply consistent standards throughout the organization.

3.1. Authorized absence

The following constitute authorized absence from work, once proper notification procedures are followed:

- approved annual leave;
- protective leave (e.g., maternity, parental leave);
- approved business trips or external training courses;
- compassionate or other leave approved in advance by the organization.

3.2. Unauthorized absence

An employee who is absent from work and who has not notified the organization or supervisors as to the reason for the absence, will be written to by the HR Department seeking confirmation of the employee's situation. Failure to cooperate with the organization in this instance will result in the disciplinary procedure being applied.

3.3. Procedure for reporting absence

Unless prior approval has been given, an employee absent from work must notify the line manager as to the cause and likely duration of absence within half an hour of their scheduled starting time on the first day of absence.

Your supervisor or manager must be contacted directly and spoken too. Voice messages or text messages are not acceptable, nor is leaving a message with another staff member. In cases of absence due to illness, absences of more than two days must be supported by medical certification. Certificates should be sent to the organization, no later than the (third) day of absence. For absence extending beyond one week, a weekly medical certificate is required. Medical certificates must include the following details:

- name and address of doctor;
- name and address of patient;
- statement indicating, in general terms, the nature of the illness or injury;
- opinion of doctor that patient is unfit for work;
- expected duration of incapacity;
- dates of issue and doctor's signature.

3.4. Return to work (RTW)

On the employee's return to work the line manager will conduct a return-to-work interview. This interview allows the manager to discuss the health and welfare of the employee; provide support to employees; review the employee's attendance and lateness record and highlight any concerns about attendance levels.

3.5. Medical appointments

Wherever possible, appointments should be arranged in the employee's own time. Alternatively, where there is minimum disruption to the working day, managers may agree with employees that the hours are made up at another time. Where this is not possible, employees should notify their manager of an appointment at the earliest opportunity, and may be required to provide documentation in evidence of the appointment.

3.6. Support

It is the aim of the organization to ensure that any employee with a disability or who requires ongoing medical attention will be supported by the organization. Employees are encouraged to talk to their manager or the HR department in this regard. All information will be kept strictly confidential.

3.7. Time-keeping

The organization places great emphasis on punctuality and will monitor each employee's time-keeping record. Each employee has a responsibility to ensure they are at their workplace ready to start work at the appointed start time. Employees are also required to make a prompt start following lunch and breaks. Managers are expected to monitor and manage time-keeping.

Employees are considered to be late if they arrive at their work place after the scheduled start time. If an employee arrives for work more than (15) minutes late, he or she must report to the supervisor or line manager. The appropriate stage of the disciplinary procedure will be instituted where an employee is persistently late. (An organization should communicate to all employees what it deems to be persistent lateness.)

Having reported to work, an employee may not leave the premises without prior permission of the supervisor or line manager and without clocking out, where appropriate.

3.8. Record keeping

Employees are required to ensure that the time recording system is accurate and up- to-date at all times. Inaccurate or poor recording may lead to the initiation of the disciplinary procedure. Recording the information (or clocking in or out) for another employee is not allowed and may also lead to the initiation of the disciplinary procedure.

3.9. Review

Attendance and lateness is monitored on a regular basis. The organization will report on absenteeism on a monthly rolling basis, in accordance with established practice. Where levels of absenteeism fall below acceptable standards, the organization will seek to identify probable causes and rectify them.

4. Return-to-work (RTW) Program

Although some absences are necessary and allow time for recuperation and rejuvenation, employers must work to manage absences whenever possible given their impact on productivity, profit, and employee morale.

One way to manage time away from work is to promote—through plans, processes, training, and communication — Return to work (RTW) initiatives. Establishing an RTW program, including stay-at-work (SAW) elements, demonstrates an organizational commitment to employees, while also prioritizing corporate goals and objectives.

The roots of RTW, for most firms, are linked to safety programs and accident prevention tied to workers compensation. The goal has consistently been to develop programs that enable employees to return to a safer environment, as well as limit accidents and recurring exposures to foster a SAW mentality. Over time, the core concepts of RTW have and continue to be leveraged for not only workers compensation but also non-occupational disability. Although RTW is still primarily focused on accidents, illnesses, and injuries, employees out for any reason (e.g., family medical leave, personal leave) benefit from a smooth transition back to their role.

4.1. Definition of RTW

RTW is getting employees back to their jobs, taking into account individual circumstances, but establishing streamlined processes to treat employees in a similar manner. When examined in more detail, RTW is less about the short-term gain of returning an employee to his or her specific job and more about a sustainable culture that fosters employees' needs and considers not what keeps them from doing their jobs but what jobs they can accomplish and how they can be more productive in the short and long term. Given this, programs promoting return to employment vary based on the employer and its culture.

Typically, an RTW program can be defined as either a formal or an informal program. A formal RTW program is one based on specific written and disseminated organizational policies and practices that instruct and direct supervisors and employees in the RTW process following a leave of absence due to an injury, illness, or chronic disease. A formal RTW program's intent is to expedite the individual's recovery and return to productivity through referral, counseling, coordination of medical care, or modifying the work space or work duties. Formal RTW programs may include vocational rehabilitation services coupled with transitional work to reintegrate the individual back to full productivity. A formal RTW program may or may not be integrated with other benefits or absence or leave management services, although these are highly recommended. Reasons to have a formal RTW program include reduction of lost time, it being the "right" thing to do, statutory requirements, and protection of the investment in the workforce.

An informal RTW program is one where there are few or no written policies or practices to guide the management team or the employees who are absent due to injury, illness, or chronic disease. Any employer response is based primarily on a case- by-case basis guided by the personal relationships, communication, and/or local practices at the department or work unit level. Companies often begin with an informal process and move to a formal program to increase their success. Reasons to have an informal RTW program include reduction of lost time, implementation of the simplest strategy, and greater flexibility.

RTW can be considered both a plan feature and a process. As a plan feature, RTW coordinates with absence plan design. Within occupational and nonoccupational disability, participation in specific vocational rehabilitation programs that promote RTW may be required to validate the absence by an employer or have the absence qualified for compensability. When considering plan design, the most important factors are program goals, roles and responsibilities, and intervention or trigger points.

4.2. Reasons for RTW

The reasons for implementing either a formal or an informal program can be as varied as the organization. As defined above, both formal and informal programs have advantages and disadvantages. However, research has shown that a number of compelling factors play into the decision.

4.2.1. Economic Factors

Medical costs, claim incidents, and duration are all corporate challenges. One study found that 66 percent of companies found these to be chronic, serious, or consistent problems.

4.2.2. Productivity

Saving lost workdays and protecting your human capital are two of the most influential factors driving the decision to implement a formal RTW program.

4.2.3. Governmental Regulations

Federal, state, and local regulations and subsequent compliance are a source of possible influence, especially if employers are required to have a program in place.

4.2.4. Inclusiveness

An aging workforce leads to more attention to strategies to keep workers at work and making sure that all lost time is connected.

4.2.5. Proactive Stance

Managing lost time benefits society through longer-term positive effects on labor force participation.

There is a substantial body of knowledge that illustrates the effectiveness of RTW "best practices" if applied in a timely and appropriate manner.

4.3. Develop for RTW

It makes good business sense to support an injured worker to return safely to work as quickly as possible. As an employer, you also have certain legal responsibilities if an employee is injured at work.

Any concerned supervisor and motivated employee can engage in RTW; no formal process is required. These ad hoc initiatives are beneficial for all parties involved, but they can create some inconsistencies in processes, which may be frustrating to employees and perhaps result in noncompliant interactions with employees or even legal implications. Without support, managers and supervisors cannot be expected to be aware of all federal and state requirements, and, therefore, they may innocently ask questions that may be inappropriate or forget to track cases in line with regulatory standards (e.g., state disability, family medical leave, etc.).

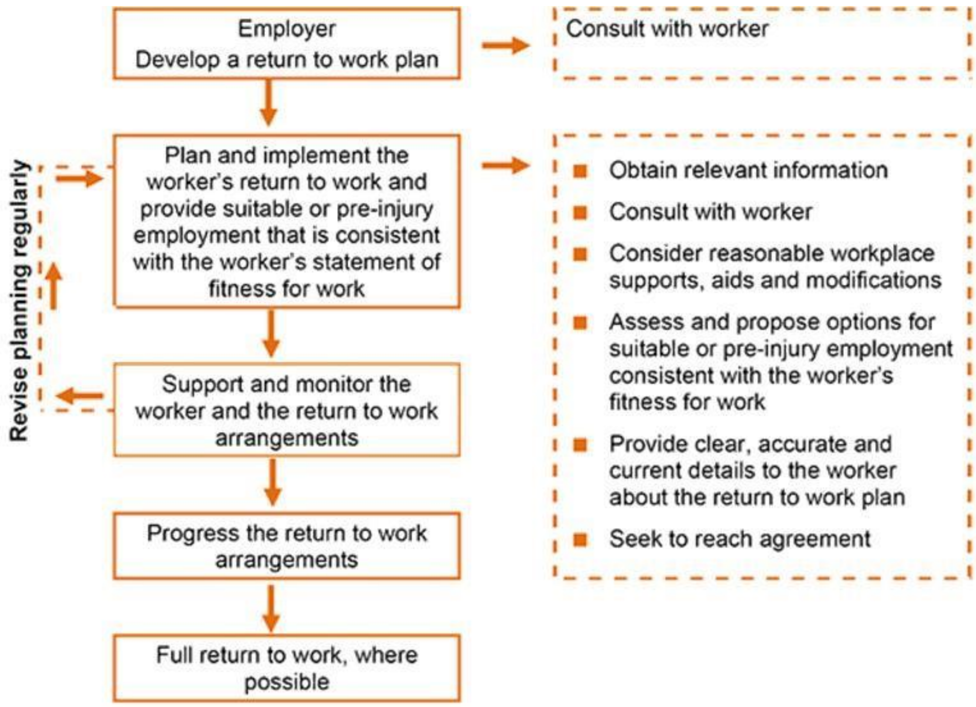
By developing a more structured program with an RTW focus, an organization can better manage its features. Expectations will be communicated, and all core parties (employees, supervisors, physicians, etc.) will know what is expected of them. Also, a formal process usually includes a provision for supplying physicians with details surrounding job requirements. This may translate into a greater comfort level for returning an employee to work with modifications or in a limited capacity.

The longer injured employees are away, the less likely they are to return to the workplace. Ideally, return-to-work (RTW) programs enable employees who have suffered illness or injury to resume work sooner, even while still recovering. Typically, back-to-work programs begin with HR personnel setting a formal policy in writing.
Components of a typical back-to-work program might include:

- A return-to-work coordinator to facilitate communication between stakeholders, such as the employer, the employee, medical providers, workers' compensation and disability insurers, and others.
- Letters and forms to document actions taken to facilitate a return to work.
- Tools to track absences.
- A liaison authorized to communicate between company managers and medical providers.
- A system for identifying alternative jobs and modified duties.
- Education for supervisors and co-workers.

Implementing an RTW program from scratch may be challenging because many organizations have not rigorously analyzed their causes and costs related to absence. Absent an established baseline, predicting or demonstrating savings can be difficult.
Employers should study the experiences of industry peers or competitors to appreciate that their companies can replicate successes by other organizations if they install appropriate plans and processes. It is imperative that when considering implementing an RTW program, tracking is part of the overall solution. It is only through tracking the plans, processes, and outcomes

(qualitative and quantitative) that results can be monitored and changes can be made to improve on the program over time.



4.4. RTW Arrangement

Getting back to work can reduce the financial and emotional impact on a worker and their family. It can also be an important factor in helping them recover and return to normal life. However, a worker should not feel pressured into returning to work. Make sure they are given enough time to recover from the injury or illness, have a reasonable return-to-work plan and appropriate duties when they return.

When a worker does return, make sure that they are given appropriate duties and assistance while they recover from the injury or illness. This might include making **reasonable adjustments to the workplace**.

Following a period of absence from the workplace due to a non-work related injury or illness, an employer has a duty to assist the injured worker with returning to work through a RTW arrangement. Some planning is essential to ensure a smooth return, and communication amongst all persons involved.

With any approved RTW arrangement, co-operation and consultation between management and the ill/injured employee is essential to ensure the health and safety of both the ill/injured employee and other employees at the workplace, and to ensure there is no risk of further injury or aggravation. A RTW arrangement may not be granted where the medical condition is not temporary and the associated (medical) restrictions and provision of suitable duties are onerous or impractical. An employer should:

- Ensure that the worker is given appropriate and meaningful duties and assistance

- Grant the worker enough time to recover from the injury or illness and apply a reasonable return-to-work plan with appropriate timeframes
- Make reasonable changes to the workplace or hours to help them return safely. Consider workplace support aids or modifications to assist their return to work
- Ensure they are not treated unfairly, bullied or harassed because of their injury/illness
- Consider any restrictions or limitations to the role – this will help clarify any modifications or adjustments required

Before returning an injured worker to work, an employer must consider their obligations to ensure the health and safety of every employee and how they may be affected by the duties of an injured worker. They also need to ensure they can provide a safe working environment for everyone that may be impacted by the duties of an injured worker, including other workers, contract staff, clients and customers. The employer must assess the impact of the injury on the work tasks and any use of plant and equipment, what they can do safely and have a right to check with a doctor whether a worker can do their job safely.

4.5. Best Practices of RTW

A culture of RTW begins though an internal champion (or group of supporters) who values the employees and truly wants them to regain useful employment. The champion's intentions are not based solely on costs or productivity, although he or she knows both are affected by positive RTW. Instead, the champion's personal commitment to employees is demonstrated in his or her ability to work with them in a proactive manner to achieve positive outcomes for all parties.

RTW programs (and "best practices" of effective programs) need to match the goals of the employer. This is done through the following.

- Attention to the implementation process, which emphasizes:
  - ✓ Consistency with organizational values
  - ✓ Adequate human and financial resources
  - ✓ Development/motivation/empowerment of an internal program champion
- Education and communication with all stakeholder groups (specifically supervisors and physicians)
- Simplicity, accessibility, and flexibility in program design
- Professionalism and accountability on the part of those assigned to manage the program
- Accessibility to all individuals with all types of impairments
- Monitoring by an evaluation system that uses multiple outcome measures, occurs periodically (quarterly), and demonstrates value to the employer; in

addition, employers need information on how to design and implement concrete steps to gather and interpret appropriate RTW data.

- Support by incentives from the disability insurer or third-party administrator to support implementation and maintenance of an RTW program
- Integration and coordination with all stakeholders to avoid a silo mentality yet maintain an employee-centric focus. Many organizations silo their various benefits programs into various operational categories to include environmental health and safety, health promotion, employee assistance programs, disability, RTW, group health, workers compensation, and other programs. The advocated approach integrates RTW with worker health, safety, and productivity as an overall business strategy. When organizations operate their benefit programs semi-independently and piecemeal, dysfunction and inefficiency eventually ensues. An integrated approach to RTW is recommended as a best practice, and this coordination will foster an effective culture of RTW over time.
- Endorsement by upper management is essential, as it is certain that RTW must command senior management support.

5. Work Time Management

5.1. General Definition

5.1.1. Workweek

The total number of regular working hours or days in a week - A continuous period of 7 days starting from Monday and ending on Sunday. In most of the Western world, workweek is Monday to Friday.

5.1.2. Hours of work

The period during which employees are expected to carry out the duties assigned by their employers. It does not include any intervals allowed for rest, tea breaks and meals.

5.1.3. Break times

Employees are generally not required to work more than certain consecutive hours without a break. However, if the nature of the work requires continuous work for up to 8 hours, breaks must be provided for meals.

5.2. Common Types of Leave

Common types of leave your employees will take include annual leave, excused absences, holidays, and sick leave. When your employee is “on leave,” he or she is absent from their job during regularly scheduled work hours. Some of the most common types of leave include:

5.2.1. Annual Leave

A paid number of days each year that an employee is allowed to be away from work.

5.2.2. Excused Absences

In an excused absence, an employee receives advance permission from her supervisor to not be at work. An excused absence is the scheduled or unscheduled time off from work that occurs when an employee is not present at work during a normally scheduled work period. An excused absence is further defined as:

- Scheduled in advance with the employee's manager or supervisor, such as a vacation.
- The employee notifies their employer in advance of their scheduled shift in the case of an unexpected emergency or illness.
- Or, the employee provides an acceptable reason upon return to work, often with proof backing up their excuse.
- Events that cannot be scheduled outside of regular work hours. This includes vacations, medical appointments, military service, family activities, surgery, jury duty, funerals and more.

5.2.3. Unexcused Absences

An unexcused absence is an absence that was not prescheduled or authorized by an employee's supervisor. In some cases, an unexcused absence may be the result of an unavoidable circumstance, such as a death in the family or a sudden illness. In other cases, the employee may decide not to show up for work because he wants a "day off" without making advance arrangements or because he has used up his personal days. Your employee handbook should define acceptable reasons for an unexcused absence and instruct employees in the appropriate way to notify their supervisor that they will not be coming into work.

5.2.4. Holiday Leave

Holiday leave allows employees to take time off on specific days they would otherwise be required to work. Governments have designated certain days as holidays, however, that does not mean employees are entitle to take time off, either paid or unpaid, on those days.

5.2.5. Sick Leave

Sick leave (or paid sick days or sick pay) is time off from work that workers can use to stay home to address their health and safety needs without losing pay. Paid sick leave is a statutory requirement in many nations.

5.3. Overtime

Overtime includes any hours in excess of those specified hours, which constitute the worker's schedule, as ordered or approved by management. For example, employees on a 4/10, overtime is work in excess of 10 hours in a day or 40 hours in a week that is ordered or approved by management.

5.3.1. Regularly Scheduled Overtime.

Regularly scheduled overtime, includes any hours in excess of those specified hours, which constitute the worker's schedule. For example, employees on a traditional work schedule, overtime is work in excess of 8 hours in a day or 40 hours in a week that is ordered or approved by management.

5.3.2. Compressed

Overtime for a compressed work schedule is defined as any hours in excess of those specified hours which constitute the compressed schedule, which is ordered or approved by management. For example, employees on a 4/10, overtime is work in excess of 10 hours in a day or 40 hours in a week that is ordered or approved by management. For employees on a 5-4/9, overtime is work in more than 9 hours a day, or 8 hours on the 8 hour day, or 89 hours in a pay period, which is ordered or approved by management.

5.3.3. Variable Week and Maxiflex

For variable week and maxiflex work schedules, overtime is defined as work officially ordered or approved by management, which is in excess of 80 hours in a pay period, not including credit hours. Employees are not entitled to overtime if they voluntarily elect to work more than 8 hours a day or 40 hours a week as allowed under these flexible work schedules.

5.3.4. Flexitour and Gliding

Overtime for flexitour and gliding work schedules is defined as work officially ordered or approved by management in excess of 8 hours in a day or 40 hours in an administrative work week. This does not include any credit hours worked; although they are approved in advance by management, they are worked voluntarily.

5.3.5. Variable Day Work Schedule

Overtime for a variable day work schedule is defined as work in excess of 8 hours in a day or 40 hours in an administrative work week, not including credit hours, which is officially ordered or approved by management. However, employees are not entitled to overtime if they voluntarily elect to work more than 8 hours a day as allowed under this flexible work schedule including credit hours. If they are ordered by management to work more than 8 hours in a day or 40 hours in an administrative work week, then they are entitled to overtime.

5.4. Alternative Work Schedule

Work-life balance and flexible workplace scheduling are concepts many human resources practitioners consider when they're searching for options to improve job satisfaction, engagement and productivity. Alternative Work Schedules are being offered to enhance work-life balance for employees as well as to ease the burden of costly commutes. An Alternative Work Schedule (AWS) is a change from a traditional 8-hour work week. The AWS options include Flextime, Compressed work weeks, job sharing or Teleworking.

5.4.1. Flextime

Flextime is an AWS that offers an arrival and departure time, that differs from the standard operating hours of 8:30 a.m. – 5:00 p.m. Flextime will differ by no more than two (2) hours. For example, a flextime arrangement may be arriving at 10:00 a.m. and departing at 6:30 p.m. with a ½ hour lunch. Giving employees flextime allows them to schedule their lives around work in a more according way without sacrificing work productivity. Flextime is possible for any job function; however, it’s much harder to offer flextime to customer- and client-focused employees, especially when it’s expected they’re in during certain hours.

5.4.2. Compressed workweeks

A compressed work schedule is an AWS comprised of four 10-hour days per week or 80 hours in a two week period worked over nine days instead of ten. Employees often prefer compressed work schedules because it means an extra day off each week and less commuting. This can save employees money in gasoline costs and reduce the stress of a long commute. Because employees have more free time, they tend to be healthier and take fewer sick days. However, an ongoing schedule of ten-hour or nine- hour days, while it may be the norm for some professionals already, can be physically and mentally draining.

5.4.3. Job sharing

Job sharing occurs when two employees share a single full-time job by each working part-time, pro-rating the salary. Employees who want to maintain a job in a professional field but are interested in only working part-time often use job sharing. For example, two doctors might share a single physician position at a medical clinic in which each works at least 20 hours per week. Job sharing allows the two employees to trade hours as needed. As the employees become more aware of each other’s strengths, they can complete their work more efficiently, which increases productivity for the employer. Job sharing can also pose difficulties if the employees do not communicate well, are absent during meetings, have scheduling conflicts or disagree as to how to complete their tasks.

5.4.4. Teleworking

Teleworking is an AWS that allows employees to perform their usual job duties away from their primary work place (i.e. at home or in a satellite location). Teleworking is limited to two (2) work days per week/four (4) days per pay period. Other provisions are described in the teleworking policy.

Consistent management is key to the effective flextime policies as above. HR should set guidelines for alternative scheduling and provides department supervisors with training on how to manage teams with varied schedules. In addition, HR measures how alternative workplace options affect job satisfaction and employee retention. HR also is responsible for the record-keeping by accurately tracking employees' work schedules to ensure accurate payroll, especially if it's a small business where payroll is manually processed.

Part Four: HR Documents and Records

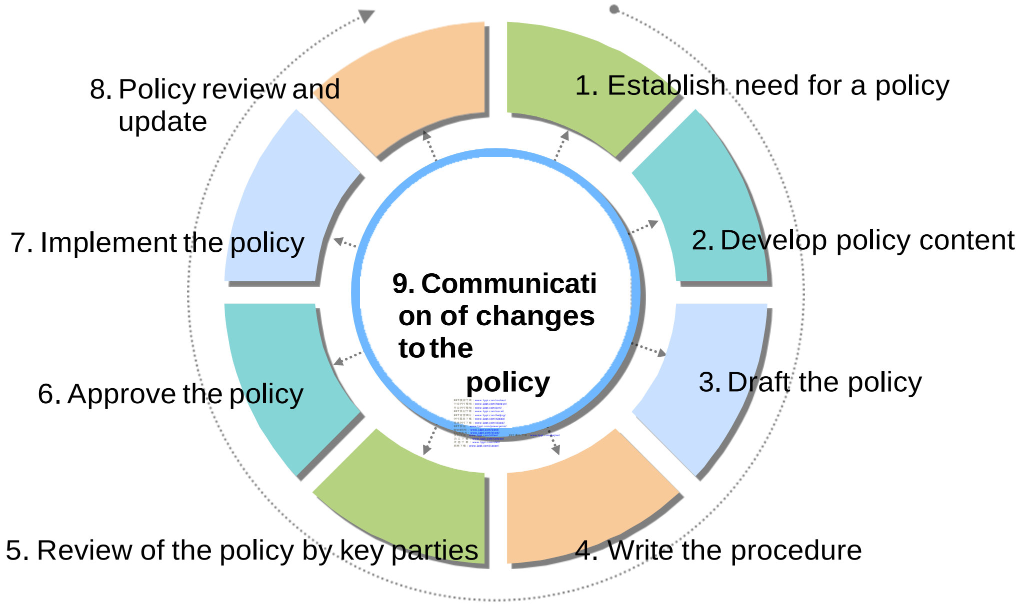
1. Document Development

Workplace is unique and therefore HR professionals may need to develop policies very specific to the organization and type of work, for which there are no templates or
benchmarks. Typically, policy development will follow the following steps:

1.1. Step 1: Establish need for a policy

In its simplest form, a policy is a written record of a workplace rule. It is time to develop a policy when:

- There is legislation that expressly requires an organization has a policy in place
- There is legislation that does not expressly require an organization have a policy, but the regulations and steps to be followed are tightly defined and a policy will help to ensure the organization is in compliance
- There is inconsistency in how employees behave or managers make decisions that is negatively impacting the work environment or accomplishment of business
- There is significant confusion about certain areas of the business or how things are done and the organization would benefit from a policy
- Making the decision to develop a new policy should not be taken lightly:



Source: www.hrcouncil.ca

Policies are developed for the many, not the few – when you bring a policy into force you are establishing a standard that will apply broadly across the organization - not just to a few individuals who may be causing problems

A policy creates a rule or standard to be followed consistently and reduces management's flexibility to treat each situation as unique. Poorly written and implemented policies can harm rather than protect your organization. It can be difficult to change policies once they have been implemented and become part of your organization's culture and ways of working. You want to be sure that any policies you bring into the organization address a real need and are in line with what your company values and how work should be accomplished. You also need to ensure managers have the skills and resources to be able to implement and monitor the policy.

Be sure to review employment legislation to understand the policies that are required for compliance in your jurisdiction. Organizations commonly have written policies in the following areas:

1.1.1.Code of Conduct

A code of conduct is a set of rules outlining the social norms and rules and responsibilities of, or proper practices for, an individual, party or organization. Related concepts include ethical, honor, moral codes and religious laws.

1.1.2.Confidentiality Agreements

Confidentiality agreements, sometimes called secrecy or nondisclosure agreements, are contracts entered into by two or more parties in which some or all of the parties agree that certain types of information that pass from one party to the other or that are created by one of the parties will remain confidential. Such agreements are often used when a company or individual has a secret process or a new product that it wants another company to evaluate as a precursor to a comprehensive licensing agreement.

1.1.3.Conflict of Interest Policy

A conflict of interest policy should (a) require those with a conflict (or who think they may have a conflict) to disclose the conflict/potential conflict, and (b) prohibit interested board members from voting on any matter in which there is a conflict.

1.1.4.Code of Working Conditions

Code of working conditions cover a broad range of topics and issues, from working time (hours of work, rest periods, and work schedules) to remuneration, as well as the physical conditions and mental demands that exist in the workplace.

1.1.5.Attendance Policy

The policy addresses attendance requirements for employees in organization.

3.1.6. Termination (Voluntary and Involuntary)

The policy provides guidelines for termination of employment from an organization and is intended to ensure that the organization fulfills its responsibilities in relation to all termination decisions.

1.1.7.Recruitment Policy

Police on recruitment outlines how workforce recruitment will be done and provide guidelines for the selection and hiring process. The policy is designed to ensure that we select the best possible candidate for the job, on the basis of their relevant merits and abilities as measured against the requirements of the job.

1.1.8.Compensation Policy

Compensation policies range from basic shift differentials for employees who work outside normal business hours – such as swing shifts or graveyard shifts – to strategies that reward employees for high-level performance that reaches organizational goals.
In addition, employers regularly monitor their compensation policies to ensure they are paying employees in an equitable manner and as competitively as possible when compared to other businesses in the industry.

1.1.9.Performance Management Policy

The purpose of an effective performance management system is for employees to have a clear understanding of the work expected from them, to receive ongoing feedback regarding how they are performing relative to expectations, to distribute rewards accordingly, to identify development opportunities, and to address performance that does not meet expectations. A comprehensive performance management system empowers employees to have greater input to their personal career progression and will enable managers to better identify, recognize, and reward individuals based upon an agreed set of criteria.

1.1.10. Learning and Development Policy

This Learning and Development Policy describes the responsibilities of individual staff and their Line Managers in implementing key aspects of the training cycle, and is intended to guide all individuals in meeting their learning and development requirements and responsibilities.

1.1.11. Benefits and Eligibility Policy

This policy is designed to work in tandem with an employer's benefits policies where there are length-of-service provisions determining how much service is required to be eligible for a particular benefit.

1.1.12. Overtime Policy

The policy outlines the rates of pay applied to overtime worked and sets out eligibility criteria. It should be noted that there is no contractual entitlement to overtime working and that all overtime must be authorized in advance.

1.1.13. Privacy Policy

A privacy policy is a statement or a legal document (in privacy law) that discloses some or all of the ways a party gathers, uses, discloses, and manages a customer or client's data. It fulfills a legal requirement to protect a customer or client's privacy.

1.1.14. Employee Information

In line with Privacy Policy, Personal information can be anything that can be used to identify an individual, not limited to but including name, address, date of birth, marital status, contact information, ID issue and expiry date, financial records, credit

information, medical history, where one travels, and intentions to acquire goods and services

1.1.15. Bereavement Leave

Bereavement leave is paid leave that an employee is entitled to because of the death of a family or household member as defined by the terms of the employee’s employment program or collective bargaining agreement. Bereavement leave is available in addition to an employee’s accrued sick and annual leave.

1.1.16. Compassionate Leave

Compassionate leave is available to employees where they wish to spend time with an immediate family member or member of their household who has a personal injury or illness that is serious or life-threatening. Employees are also entitled to take compassionate leave after the death of a member of their immediate family or household.

1.1.17. Vacation and Holiday

A vacation is a leave of absence from a regular occupation, or a specific trip or journey, usually for the purpose of recreation or tourism. Local governments may use the word 'holiday' to talk about days that are celebrated by a lot of people, including religious holidays and national holidays. If everyone that employee work with is out of work on the same day, it's not a "vacation". In other word, a “vacation” is one that you plan. A "holiday" is one that is planned by government.

1.1.18. Sick Leave, Short Term Disability, Long Term Disability

A common situation is that an employer provides sick leave with full pay to employees for brief absences from work and disability coverage (short- or long-term) to provide partial pay for longer absences. Short term disability is a type of insurance that pays a percentage of an employee’s salary for a specified amount of time, if they are ill or injured, and cannot perform the duties of their job. Long-term disability is a more typical insurance product in that it protects employees from catastrophic illness or injury that end their ability to earn a paycheck. These policies usually pick up where short-term disability policies leave off.

1.1.19. Maternity, Parental, and Adoption Leave

Maternity leave is a combination of health related and voluntary leave for female staff members. Parental/Adoption Leave is type of leave following the birth or adoption (both parents may access this leave).

1.1.20. Unpaid Leave

Unpaid leave is time off from work which is provided without pay. When an employee takes or is given this type of leave, he or she retains a position in a company, and many retain benefits as well, but the employee receives no salary.

1.1.21. Grievance/Conflict Resolution

A grievance is a formal process whereby a full-time employee alleges a violation, inequitable application, or misinterpretation of a specific company rule, regulation, policy, or procedure pertaining to the employment relationship between the grievant and the company that cannot be resolved through informal conflict resolution avenues. Conflict resolution is an informal process whereby full-time employees resolve workplace disputes.

1.1.22. Formal complaint procedure

Employers should establish internal complaints procedures for dealing with discrimination and harassment complaints to maximize the possibility of in-house resolution. There is no one 'right' internal complaints procedure – so employers have the flexibility to design a system that suits their organization's size, structure and resources.

1.1.23. Disciplinary Procedure

It is a written, step-by-step process which a firm commits itself to follow in every case where an employee has to be warned, reprimanded, or dismissed. Failure to follow a fair, transparent, and uniform disciplinary procedure may result in legal penalties (damages) and/or annulment of the firm's action.

1.1.24. Discrimination and Harassment/Respectful Workplace

A respectful workplace is free from unlawful discrimination and harassment, but it involves more than compliance with the law. It is a work environment that is free of inappropriate or unprofessional behavior. Discrimination and Harassments are prohibited by respectful workplace. Discrimination occurs when a member of a protected class (women and minorities, for example) is treated differently than her peers. Sexual harassment is bullying or coercion of a sexual nature, or the unwelcome or inappropriate promise of rewards in exchange for sexual favors.

1.1.25. Health and Safety Policy

The policy is a written statement, usually comprises three elements: a). a statement section (often a single page) detailing how safety will be managed and that demonstrates the organization's commitment to health and safety; b). an organization section that details where responsibilities are allocated and how employees fit into the overall safety management system; c).an arrangements section that contains details of how specific activities and functions are managed.

1.1.26. Accident Reporting

There must be a process put in place to report accidents, incidents or near misses for immediate action and to help track causes. The organization needs to identify what needs to be reported, to whom it is to be reported, and how to report it, then put this process into a written procedure.

1.1.27. Workplace Violence

Workplace violence as violent acts, including physical assaults and threats of assaults, directed toward persons at work or on duty. Workplace violence ranges from offensive or threatening language to homicide. It may include domestic violence, sexual violence-including sexual harassment or sexual assault, dating violence, and stalking. The management of an organization is committed to the prevention of workplace violence and is ultimately responsible for worker health and safety.

1.1.28. Alcohol and Drug Use Policy

The aim of this policy is to ensure the safety of all employees, workers, and visitors by having clear rules in place regarding use and possession of alcohol and drugs, and to support those who have reported a problem with alcohol or drug dependence.

1.1.29. Employee Handbook

An employee handbook (also called employee manual or staff handbook) is usually distributed to new employees on their first day of work. It explains major HR and employee policies and procedures and generally describes the employee benefits provided.

An employee handbook may include company discipline, employment information, compensation, time off, employee benefit, separation, and other information regulated by government or the company. It should be updated regularly due to related laws, regulations, and interpretive court decisions may change. Employee handbook can also have distinct unfavorable legal implications. Therefore do not make any promises that cannot be kept.

1.1.30. Alternative Dispute Resolution (ADR)

Alternative Dispute Resolution ADR is an umbrella term describing a number of problem-solving and grievance resolution approaches. It generally refers to any means of settling disputes outside of the courtroom. ADR techniques have gained wide recognition across corporate America in both union and nonunion environments.

ADR is often cost-efficient, because it reduces the traditional legal expense involved in handling employee relations charges and antagonistic lawsuits.

Open-door policy encourages employees to meet with an immediate supervisor or manager to discuss workplace problems; in some environments, it allows employees to approach anyone in the chain of command. Skip-level interview allows employees to speak more freely and makes it easier for managers to gather input on departmental employee issues and perceptions.

Ombudsperson designates a neutral third party (from either inside or outside the company) to confidentially investigate employee complaints and help bring them before management.

Peer review establishes a panel of employees (or employees and managers) trained to work together to hear and resolve employee complaints.

Mediation uses a neutral third person trained in mediation techniques to help both sides assess the strengths and weaknesses of their positions.

Arbitration submits disputes to one or more impartial persons for final determination, which can be a binding resolution.

1.2. Step 2: Develop policy content

1.2.1. Legal considerations

For policies required by legislation, much of the policy content may be driven by the requirements of the legislation. It is not feasible to review all the possible legislation. Therefore, HR need to be aware of the legislation that applies in your jurisdiction and area of work. At minimum, consider the following:

- Employment/Labor Standards
- Privacy legislation
- Occupational Health and Safety
- Human Rights
- Workers Compensation

Organizations also need to be aware of how legislation may periodically be applicable to their workplace, such as provisions for releasing staff to vote on election day or legislation relevant to organizing a union. Other legal considerations may be specific to your workplace. Consider:

- What are the legal implications of developing a policy? Remember even though a policy may not be expressly required to govern a situation, if you develop one and then don't follow it you could be putting your organization at risk.
- Do we have any collective agreements that need to be considered?

1.2.2. Operating considerations

Considering the following questions can help you shape a policy that is appropriate to your workplace and organization needs.

- What does this policy need to accomplish? What are the outcomes?
- How does this policy support the development of our desired work culture
- How will this policy be monitored and enforced?
- How will this policy impact a manager's ability to act, for example, when reviewing performance, awarding promotions, approving leave, hiring or terminating?
- How will this policy impact our ability to attract quality candidates?
- How has our organization handled this issue in the past?
- Does the size of our workforce justify having a policy about this issue?
- Are we willing to invest the time it takes to keep the policy up to date?
- Will this policy foster something our organization believes in? For example, if an organization has a "family first" philosophy, it might want to have family-positive

policies, such as flexible work hours.

- How does this policy impact funder requirements?

1.2.3.Stakeholder considerations

In developing the content of the policy it is good practice to consult with stakeholders, management, staff, and/or a member of the board. This will help to ensure you get buy in for the policy, address the right issues and have a full perspective. Identify and connect with comparable organizations that have developed a similar policy and could serve as benchmarks for best practice. Some parties may have a role at this stage when the content is being drafted; other parties might be better placed as reviewers after the content has been developed.

1.3. Step 3: Draft the policy

A policy should include the following sections:

1.3.1.Purpose

The purpose sets out what the policy intends to accomplish, or the goal of the policy. For example, a health and safety policy may have a purpose of ensuring a safe and healthy workplace for all workers in compliance with the relevant health and safety legislation.

1.3.2.Scope

The scope outlines to whom the policy applies. It may apply to all staff and workers, or differentiate based on level, location, employment status, or department. If the policy also applies to volunteers, contract workers and consultants doing work on behalf of the company be sure to identify this. The scope should also identify exceptions to the policy.

1.3.3.Statement

The statement is the actual rule or standard the policy needs to communicate.

1.3.4. Responsibilities

Outline the responsibilities of the board, management and staff in regards to the policy as well as who is responsible for developing, maintaining, monitoring and implementing the policy. If there are consequences for not complying with the policy (e.g., disciplinary), be sure to mention this. For example, “Failure to comply with this policy could result in disciplinary measure up to and including just cause for termination of your employment.”

1.3.5.Definitions

Clearly define any terms used within the policy. If the terms are included in legislation that underpin the policy be sure to use the definitions from the legislation (e.g., disability, prohibited grounds, discrimination, harassment, workplace violence).

1.3.6.Questions

Identify the person or position employees can approach if they have questions.

1.3.7.References

Reference any other policies, documents or legislation that support the interpretation of this policy.

1.3.8.Effective Date

Indicate the date the policy came into effect and the date of any revisions.

1.3.9.Review Date

Indicate the date the policy is due to be reviewed.

1.3.10.Approval

Indicate who approved the policy and the date of approval (e.g., the board, the human resources policy committee, the executive director).

1.3.11.Tips for drafting the policy

- Use straightforward clear language and avoid jargon and legal speak - you want the policy to speak directly to the people for whom it is intended
- Check that the content and wording is unbiased and encourages fair, consistent treatment.
- Use terms consistently and define any special terms
- Be sure that there is only one possible meaning to the standard or rule set by your policy
- It's a good idea to consider a few “what if” scenarios and see if the policy still fits, keeping in mind that most policies will not, and should not, cover every possible circumstance
- For most policies you will want to allow for exceptions to the rule. Use terms like “generally”, “usually”, and “typically” and avoid terms like “always” and “never”
- Include a statement like “this is intended as a guide only”
- There are a few situations where you want to be absolutely clear that the standard set by the policy will apply in all situations. For example, in a violence policy you would want to say “violence at work will not be tolerated under any circumstances”
- If using a sample policy or draft, tailor the policy for your specific workplace

1.4. Step 4: Write the procedure

Policies often have a related procedure, which may be a section of the policy or a separate document that the policy refers to. The procedure gives step-by-step instructions for carrying out the policy. If you determine that a procedure will be developed be sure to include a statement that it is intended as a guide only. Some legislation specifically requires procedures be developed so be aware of the legislative requirements that govern your organization.

Example:

- A vacation policy would say how much vacation employees are allowed. A related procedure would tell employees how to schedule their vacation time and get approval.
- A discrimination policy would communicate the organization’s stance on discrimination. A related procedure would tell an employee how they can raise a complaint and how it will be handled.

1.5. Step 5: Review of the policy by key parties

It is good practice to ask a representative group of managers and employees to review the policy. For some policies you may also want to involve stakeholders.

1.5.1. Manager

review Ask

managers:

- Do you have the skills and resources to be able to implement and monitor the policy?
- What is your understanding of different parties’ responsibilities as outlined in the policy?
- Is the content and wording unbiased?
- What training or information would you require to be able to carry out your responsibilities as outlined in the policy? What about your staff?
- What issues or concerns could implementation of this policy potentially raise among employees and stakeholders?

1.5.2. Employee review

- What is you understanding of your responsibilities and the organization’s expectations as outlined in the policy?
- Is the content and wording unbiased?
- What training or information would you require to be able to carry out your responsibilities as outlined in the policy?
- What issues or concerns could implementation of this policy potentially raise among employees and stakeholders?

1.5.3. Legal review

This step may not apply to all policies. Complex policies, such as discipline and grievance policies, and policies required by legislation should be reviewed by a lawyer that specializes in employment law. Ask them to check that the policy:

- Complies with employment standards and other federal and provincial legislation
- Is consistent with the terms of any collective agreements

1.6. Step 6: Approve the policy

If your board is responsible for giving the final approval on policies, it is often done with a formal, recorded motion. Provide the board with information on why the policy is needed and the steps you took in developing the content for the policy. Consult with the board on the scheduled review date. After you have the board approval, add the date of approval to the policy.

1.7. Step 7: Implement the policy

Employees, managers and key stakeholder must have access to up-to-date copies of the policies and procedures that are relevant to their role in the organization and be advised of and understand any new policies or changes to policies coming into effect.

When selecting methods to communicate policies consider:

- Will employees be able to easily access electronic copies or will they need hard copies?
- What concerns and issues are likely to be raised about the policy and how will they be dealt with? If concerns are likely to be significant an initial face to face communication through an information session or manager communication will be a more effective approach than an email.
- Does the policy provide enough information for managers and staff to be able to effectively implement and comply with the policy or will they need training or additional information?

The methods below are often used in combination to develop a strategy to ensure employees are aware of, understand and have the skills to implement and comply with the policies that underpin how they work.

1.7.1. Employee handbooks

An employee handbook describes the organization's policies and procedures. The handbook may also contain general information about the organization such as its priorities, the organization chart, the job classifications, whether positions are covered by a collective agreement and bargaining status for all groups of employees.

You may have separate handbooks for managers and staff or you may have one handbook that applies to both groups. For the employer, the handbook can form part of the documentation that your staff were made aware of the organization’s rules and standards and understand the consequences of not complying with the policies. Of course, this is dependent on your employees having received and understood the policies contained within the handbook so it is often a good idea to ask employees to sign a statement confirming this.

Benefits of having an employee handbook include:

- A comprehensive source for understanding the practices of the organization
- Useful for orienting employees
- Employees can independently find answers to their questions, supporting confidentiality
- Saves management time spent on clarifying expectations
- Helps others quickly understand your workplace practices
- Supports communication and accountability
- Allows you to tie in the broader context, such as the organization's vision, objectives and values

For the handbook to serve as valid documentation, it must be updated as policies are updated and changed. For this reason it is often a good idea to designate someone with this responsibility.

Often a handbook will be written in a less formal style and include only summaries of each policy. In order to be able to rely on the handbook for documentation that your employees were made aware of the organization's policies, it needs to include all the key points of the policy and reference where staff can access the full versions of the policies.

Since the policies and procedures and content of the handbook may change from time to time, include a statement that the employer has the right, in its sole discretion, to add, amend, or delete any policy or procedure it its handbook.

1.7.2.Personnel policy and procedures manuals

A manual includes more detailed collections of policy, procedures and guides, and is often used as a management tool for supervisory staff. Again, it is important that the manual is kept up to date with the most recent versions of the policies.

1.7.3.Intranet and shared Drives

Organizations can make their policies available to employees electronically either on an intranet or on shared drives or employee portal. This is advantageous as employees can access the policy directly and old versions can easily be removed and replaced with updated versions.

1.7.4.E-mail

Staff can easily be made aware of a new policy by e-mail. If providing a copy of the policy with the e-mail it is often better to provide the link to where the employee can access the policy rather than the actual policy so that it is always the most recent version of the policy being accessed.

1.7.5.Information sessions

Holding an information session is a good way to ensure that employees understand a new policy and have the opportunity to ask questions. It is particularly useful when concerns may be significant. In the session cover the following:

- Business decisions that led to the development of the policy
- Goal of the policy
- Process taken in developing the policy (e.g., consultation, research, benchmarking)
- How the new policy impacts employees and expectations

It is a good idea to keep a record of attendance for the session so you can follow up with anyone that was not able to attend, and have documentation that the policy was communicated.

1.7.6.Policy training sessions

Some provinces have legislation where employers are required to train employees on certain policies. Additionally, training sessions for managers are a good option for policies that are complicated or have extensive procedures, such as disciplinary,
dispute resolutions and health and safety. When developing a policy training session include the same topics as you would for the information session plus the following:

Training on the specific skills that are needed to implement the policy

- Specific procedures, guidance and resources available to managers and employees to help them implement the policy
- Clear expectations of behavior
- How the policy will monitored
- Any specific training requirements of the legislation if the training session is required

1.7.7.Statements of understanding

For important policies and possibly the employee handbook, you may want to have each employee sign a statement acknowledging that they have read, understand, and agree to abide by the policy. If you do this, you must have a plan for consistently
ensuring that all current and new employees receive a policy orientation and sign a statement and that they do this every time there are significant updates to the policy. This approach is particularly recommended where contravening the policy could result in harm to the employee (e.g., requirements to wear protective equipment when working) or where disciplinary measures could result from not following the policy (e.g., harassment).

1.7.8.Ongoing communication

Your policies will underpin how much of your work is done. The principles should become integrated into how your company accomplishes its work. Use bulletin boards, newsletters, Internet home pages and emails to remind employees of key
principles of the policies. Encourage managers to review the values that underpin your

policies during the performance review.

1.7.9. Unilaterally introducing policies

As part of its management rights, the employer is permitted to introduce a unilateral policy without negotiating the terms of the policy with the bargaining agent for the employees. To do so, however, the policy must:

- Be consistent with the terms of the collective agreement
- Be reasonable
- Be clear and unequivocal
- Be brought to the attention of the employee before the employer can act upon it
- Be consistently enforced from the time it was introduced
- Make employees aware that breach of the rule may result in discipline, up to and including discharge from employment

The employer would have to demonstrate compliance with the last five factors if it wishes to rely upon discipline or discharge of a non-unionized employee because of a violation of an employer policy. It is recommended that an employer seeks legal
advice before discharging an employee for cause based on violation of a policy.

1.8. Step 8: Policy review and update

HR policies should be scheduled to be reviewed and updated regularly. A reasonable period between complete reviews is two to three years, although some provinces have legislation that requires certain polices be reviewed annually. Policies that are affected by changes to government legislation should be reviewed as soon as there are any changes to the law.

Your board may also set a timeframe for the review of policies. It can be helpful to provide the governing authority with a report on how policies are applied and any revisions that are being considered to the policies.

When reviewing policies consider the following:

- Has the legal environment or regulations changed in a way that impacts the policy? At minimum you will want to review employment/labor standards, privacy legislation, occupational health and safety, human rights, workers compensation?
- Has the policy been effectively implemented?
- How effective has it been in dealing with relevant situations?
- What feedback have you received from managers and employees on the policy?
- Is the policy accomplishing the objective for which it was intended?

Changes to policies will usually require it goes through your organization’s approval process.

1.9. Step 9: Communication of changes to the policy

Some changes to policy may be so fundamental that they could attract claims of constructive dismissal. It is critical to provide employees with sufficient notice of any fundamental change in a term or condition of their employment. If you are uncertain it is prudent to seek legal advice.

Make sure that significant updates to policies are communicated and that if employees are required to a statement of understanding, this forms part of the communication of the updated policy.

Boards can play a variety of roles in HR policy development. It is helpful to have the board clearly define the role they want to take in policy development, whether they want to be involved in shaping the content or be involved only at the approval stage. They may decide that only some fundamental policies require their review and other policies can be approved and managed by the executive director. Alternatively, a board may form an HR committee to write policies and procedures. The board may set a time frame for reviewing HR policies, or they may delegate this responsibility.

If your organization develops a policy on the development, review and update of organization policies, the role of the board can be outlined in it.

2. Document Retention

HR departments receive, generate, and accumulate substantial volumes of documents such as job postings, employment applications, resumes, reference checks, testing data, personnel files, wage and hour records, payroll records, and disciplinary files.

Since companies will continue to create and maintain records, the development of effective document retention programs is necessary. An effective document retention program can wonderfully reduce storage problems. A policy will facilitate the business' operations by promoting efficiency and freeing up valuable storage space. In addition, a document retention policy can protect the firm in litigation. It is important to clear out clutter but tossing the wrong paper or deleting an important e-mail could result in a disaster. A uniform and consistent document retention policy reduces the risk of a party by ensuring its proper handling of the documents. Such a policy formalizes a party's policy of saving and destroying or deleting documents received or created in the regular course of business.

A document retention policy (DRP) outlines how long documents are kept and when they can be deleted or destroyed. Generally, there is no statutory or common law that establishes a uniform period as to how long documents must be kept. However, there are exceptions for certain regulated industries.

The following list addresses the life cycle elements of the various categories of information (creation, use, maintenance, retention, and disposal, as well as practical tips in developing, planning, and implementing this DRP.

2.1. Select a point person or create a steering committee.

The chance of developing a DRP without someone who is directly responsible is very low, and even lower for creating a comprehensive plan. Consider appointing a person to manage the process, or better yet, create an oversight or steering committee to
lead the work. Compose the team with departmental representatives, including employees from IT and legal.

2.2. Assess and prioritize the DRP project scope.

At the outset of any project, it is essential to define the scope; by establishing the scope of the DRP and a timeline, the work will seem much more manageable. These tactics will also ease the natural tension between achieving full compliance and
keeping the project manageable. Another tip in managing the project while working towards compliance is to roll out retention policies to one data set at a time.

2.3. Consult with data management and IT personnel.

Assuming that the steering committee includes IT and data management members, this point is for the brave soul navigating a DRP alone. Meeting with IT business partners will be helpful in ensuring that all the different forms documents and data are created, stored, preserved, and backed up at your firm. Consulting with IT professionals will also provide assurance that you are accounting for all forms of
electronic data in all devices and media. In the DRP, expressly state that the policy covers all documents and other information in these locations.

2.4. Pinpoint what electronic and physical documents your business produces, and assign ownership.

It is commonplace for DRPs to begin with listing the policy statement, followed by a retention schedule that lists every possible type of information that the company could have in its possession and the required retention period. This is an important measure to ensure that the DRP explicitly applies to electronically stored information (ESI) and paper documents, in addition to other physical items, such as slides, tapes, and discs. Identify who is responsible for records and determine whether this
responsibility should be centralized in a dedicated individual or department, decentralized among representatives of the company's business units, or shared among employees in a records compliance task force.

2.5. Review laws and regulations.

Address applicable laws and regulatory recrudescing requirements in disposal provisions. Determine whether your company's home country or state has adopted the required Acts, which includes a definition of “business record.” If it does, include the term and definition in your policy; this step will distinguish your DRP from documents that have no retention requirements.

2.6. Detail instructions on storing, retaining, and preserving data.

Decide how to organize, where to store, how long to retain, and when to back up documents. Describe the method in which to organize and store documents so that they can be retrieved effectively and expediently. Describe the categories and types of documents that are confidential or sensitive and cover the steps necessary to protect this type of information. These can include documents containing specific keywords or phrases. Note how often backup tapes may be overwritten, if at all. Categorize documents and specify how long each category should be preserved, and in what format. To ensure compliance with regulatory, statutory, contractual, or business requirements, include procedures governing data backup and test the recovery system at planned intervals. For commercial, legal, and operational reasons, set minimum retention periods to lessen the risk of unauthorized access to data. The less data a company holds, the less it has to lose in (for example) a breach and data disclosures.

2.7. Set guidelines on destroying expired or useless data.

Once a document reaches its expiration for retention, the policy needs to include details on how to handle data. Specify the procedure to dispose of documents once their retention period is up. The routine process of extinguishing expired data will help your business in managing the ever-growing amount of data. In the event of a foreseeable legal hold, specify how the disposition of documents shall be suspended under the retention policy when a litigation or investigation is reasonably anticipated.

2.8. Train employees on the plan and communicate the processes.

A training program for employees on the DRP should not be an afterthought. Training should lead the way in implementing the DRP; employee training should be available at the time the policy is issued. Plan to answer questions pertaining to a process for special requests and irregular events (e.g. legal holds). Training and implementing the DRP should be consistent, systematic, and feasible. At the same time, the policy should be sternly implemented, which can be done by defining penalties for noncompliance. This may also be the time to identify other individuals responsible for enforcing, monitoring, and updating the policy – share the duty of DRP enforcement and management.

2.9. Clearly communicate the employee duty to follow protocol.

Address employee document preservation and disposal protocol clearly and explicitly, and plainly state that employees have no expectation of personal privacy in either communications they send or receive through the company's email system, or documents they create or store on company equipment or premises. Prohibit employees from creating documents that are inaccurate, incomplete, misleading, fraudulent, harassing, profane, racist, sexually explicit, or obscene. Outline the possible consequences for violating the policy. If not already covered in another policy, such as an acceptable use policy, security policy or Bring Your Own Device (BYOD) to work policy, it should explain the acceptable use (if any) of the following for conducting company business: home computers, cloud storage, personal smart phones, personal email accounts, and personal internet sites, blogs, and social media networks.

2.10. Review your document retention policy and update it periodically.

As new technologies emerge that intersect with business practices, consider covering new tools in your DRP. Manage risk by using legal counsel at regular intervals to ensure policies comply with changing regulations and case law.

2.11. Finding solutions for document management

HR has three tools for creating a fast, efficient and secure HR Document Management:

- Streamline and update processes.
- Use technology to automate document management.
- Outsource or out task document management work that is not a core function in your HR department or requires specialized expertise.

In fact, these tools work best in combination. Updating processes in the absence of better automation involves a lot of effort which may not maximize gains. Automation in the absence of outsourcing misses the chance to dramatically reduce HR's administrative burden.

Furthermore, specialists in document management are continually developing better solutions to technical issues like security, enabling organizations that "provide persistent, end-to-end protection throughout an electronic document's lifecycle." Automated and outsourced solutions, build on the foundation of well-executed processes, are effective and get better every year.

An integrated HR Document Management Solution can offer standardized, centralized document management and storage capabilities that make it easy to find what you need, when you need it. There are some aspects of HR document management that need to be considered:

2.11.1. Intelligent Conversion

HR has to assess its needs and processes to choose a conversion strategy that fits best. Customers can choose from one of three alternatives:

- Day forward conversion: Determine a point in time and begin scanning selected, or all, HR records from that day forward
- Image on Demand: Convert documents as they are requested from storage
- Backfile conversion: Completely convert all backfile (historical) records

2.11.2. Data Extraction and Classification

Indexing records as they are converted will significantly improve access and retrieval time and enable legally defensible response during discovery or an audit. Classifying documents into functional categories and cross referencing key document types allows for associated files to be easily identified and retrieved. HR records already in electronic form should use the same indexing schema. Note: it is critical to maintain chain of custody and tightly control the process as paper documents move toward the conversion site and are stored or destroyed after imaging.

2.11.3.Offsite Storage for Security and Storage Savings

Using a hosted archive for centralizing HR records offers a number of advantages. HR records are available 24/7 while staffing and storage costs are borne by the host. The offsite archive also serves as a backup to ensure Business Continuity and Disaster Recovery for HR records. Finally, an experienced hosted archive service provider will likely have security resources and processes that would be expensive to duplicate.

2.11.4.Integration with HR Management Systems (HRIS/ERP/CMS)

To allow managers to call up all documents associated with a specific employee, there should be links between the imaged, indexed documents and the HRIS, replacing the burdensome task of manually collecting distributed HR information — calls, emails, faxes, shipping invoices, vouchers, receipts, and copies — with a few mouse clicks by authorized managers at their desktop.

2.11.5.Outsourcing and Highly Specialized Expertise

Administering the high volume of paper cycled through and ultimately stored in corporate files that are documented by HR is not the best use of HR staff's time. The real value in reducing the burden on HR professionals is that they can devote their skills to more strategic activity. The real value of an up-to-date document management system is that it improves service and reduces risk. As with any successful business project, the value is as much in helping the organization get results as it is in saving money.

3. Employee Data Management

Employers typically keep a number of different employee records (often called personnel files) as a way of documenting an employee's relationship with a company. In certain instances, documentation in a personnel file can provide important supportive data- for example, to show an employee's discipline history in support of a termination in subsequent litigation. The personnel file can also track performance goals, leaves of absence, and any employment-related agreements. In addition to being a good business practice, employers may be required to keep certain types of employee records in order to comply with specific provisions under labor laws in different countries.

3.1. Type of Employee Data

3.1.1.Basic Information: Employee's full name, social security number, address, and birth date.

3.1.2.Hiring Documents: Job descriptions, employment applications, and resumes.

3.1.3.Job Performance and Development: Performance evaluations, corrective action or disciplinary letters, awards, promotion records, and records of education or trainings.

3.1.4.Employment-Related Agreements: Employment agreements, union contracts, non-competition agreements, confidentiality or nondisclosure agreements.

3.1.5. Compensation: Documents related to compensation and benefits information, such as beneficiary forms, payroll records, and time cards for prior year(s).

3.1.6. Termination and Post-Employment Information: It is a good idea to keep information related to an employee's termination on file should a dispute later arise.

3.1.7. Confidential Files: (Certain records should be kept in a confidential file separate from the personnel file)

3.1.8. Medical records and documents that relate to an injury or disability

3.1.9. Material relating to Workers' Compensation claims

3.1.10. Family and Medical Leave documents

3.1.11. Employment verification information

3.1.12. Wage garnishment documentation

3.1.13. Documents pertaining to sensitive matters, such as harassment investigation records or any information pertaining to an employee's religion

3.2. Recordkeeping Policy

It is important to develop a policy that outlines the procedures for how your company will manage employee records and files. Keep in mind that your policy must comply with the related laws. Some states, for instance, require employers to provide employees with access to their files. Consider the following points when developing your company's employee records policy:

3.2.1. What types of records will be maintained?

Identify documents and forms that should be kept in either a personnel file or confidential file.

Establish a regular timeframe for reviewing and updating employment records, as well as for disposing of records that no longer need to be retained.

Your employee records policy should clearly state which records to maintain and how long certain documents should be kept.

3.2.2. How will access to records be controlled?

Identify staff who have authorization to access personnel and confidential files. Be sure that safeguards are in place that restrict access to those individuals. These safeguards can be physical (such as locked cabinets) or technical (such as special username and password access).

Define the specific circumstances by which an employee may access or copy files, including the specific records which may be reviewed. Files should be accessed under supervision of management.

Generally, employees should not be permitted to remove or change any documents contained in their personnel files. If an employee disagrees with a record, consider allowing them to submit a written statement regarding the disagreement and adding it to his or her file.

Develop procedures for handling third party requests for disclosure of employee information, and what information may be released. Consider obtaining the employee's prior written authorization to release such information.

3.3. Maintain accurate records

The importance of an accurate employee record stretches far beyond the legal ramifications of that information not being current. For employers, keeping accurate records can help recruitment, identify gaps in skills, and save time while performing administrative duties. If you're looking for one way to improve your Human Resources department and ease your burden during inspections, consider these reasons to improve the accuracy of your employee records.

3.3.1. Prevent Litigation

No employer likes to dwell on the possibility of litigation, but a termination may result in legal action and a complete employee record can provide documentation and justification for your actions as a company. Employee records must be maintained at least one year after employee termination and, if kept up-to-date, they can be invaluable for preventing a frivolous lawsuit. An accurate and updated employee record not only records employee information, but also issues that led to termination or reprimands.

3.3.2. Ensure Competency

While some industries, like healthcare and public works, focus on competency, it's an important concept for all businesses. Employees need to be properly trained and educated on their job duties before working independently to prevent mistakes or injuries. Keeping an accurate employee record of staff training helps document that you have not only given employees the correct information to do their job, but also that the employee agrees to having been trained. When scheduling or cross-training, a well-kept employee file can help determine who is competent in various areas and able to help other departments. During inspections, you can verify training.
Competency is a key benefit of an accurate employee record.

3.3.3. Continue Networking

Just because an employee leaves your company doesn't mean that's the last you've heard from them. During subsequent job hunts and strategic moves, you may run into that employee professionally. They may be your new sales representative, board member, or applicant for an advertised job. Having accurate, secure, and complete employee records can help jog your memory when an old face pops up for a reference or a new job, even after their manager has left. Often, employers receive calls about former employees for new job opportunities and a quick look at their employee record can yield vital information about the employee's work ethic. Keeping employee records past the date they work with the company can help identify other workers in your industry that may return to your company in the future.

3.3.4. For Employee and Managerial Review

Accurate employee records offer a global view of the employee and their time at a company. Whether you're training a new manager and want them to understand the employment history of their new employees or have an employee asking to see their file, accurate employee records are essential for presenting a non-biased look at an employee's work history. When needed, having the ability to understand an employee's career in one file can save time.

3.3.5. Meet Legal Requirements

Keeping employee files isn't just a convenience for businesses, it's also a legal responsibility. Maintaining tax information, wage information, employee demographics, and other required documentation is essential to meeting your legal obligations. When regulators ask for employee information, having it available in a single, easy to find place is essential.

Maintaining accurate employee records is far from a burden. In fact, with an effective HRIS, it can be both easy and secure. Employee records can help employers by meeting legal obligations and avoid litigation and it can help new managers understand their employee's background. Employers still need to be diligent in establishing and maintaining their employee records to help their business and their employees thrive in today's workforce.

Consider an investment in an HRIS (human resources information system) to help you automate and track all employee records, including benefits and carrier information. HRIS can help you maintain control of employee information while staying compliant.

3.4. Other Considerations

When collecting and maintaining information to be kept in employee personnel files, you should be careful to comply with all applicable laws, including any requirements as to what information should be collected, what your company may or may not do with that information, and how long employee records should be kept.

3.4.1. Human Resources Information System

Consider an investment in human resources information system (HRIS) to help you automate and track all employee records, including benefits and carrier information.
An easy-to-use HR software solution can help you maintain control of employee information while staying compliant.

3.4.2. Consumer Protection

Many international laws protect an individual's right to privacy and protection from unauthorized disclosure of personal information. One of the important pieces of personally identifiable information collected by employers is an employee's Social Security or Identity Number. Employers use the number to report an employee's earnings, including payroll taxes and benefit contributions. By controlling who has access to paper files and electronic files containing an employee's personally identifiable information, an employer manages records and prevents fraud.

3.4.3. Decision-Making

Employee records management includes standard operating procedures. For example, an employer develops a protocol for handling each type of employee record. Employees need a standard protocol for deciding what information to save, discard or preserve for each record.

3.4.4. Role Assignment

Information technology personnel assist an employer with managing records by controlling the roles of employees in their organization's information system. For example, through role assignment, a computer programmer can authorize only people with a business need to view an employee's personally identifiable information when they log in to the information system.

3.4.5. Storage

Records management also requires adequate physical storage. For example, employers must maintain employee records, such as payroll records, to comply with federal laws. To keep records, employers must choose how to store them and prevent long-term damage or destruction. Employers must provide spaces where paper files are free from fire and water damage. A file storage area must also be locked to prevent unauthorized access.

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