

SPHRi MODULE 2

PEOPLE DEVELOPMENT AND TALENT MANAGEMENT

Senior Professional in Human Resources – International (SPHRi)

2016 Edition

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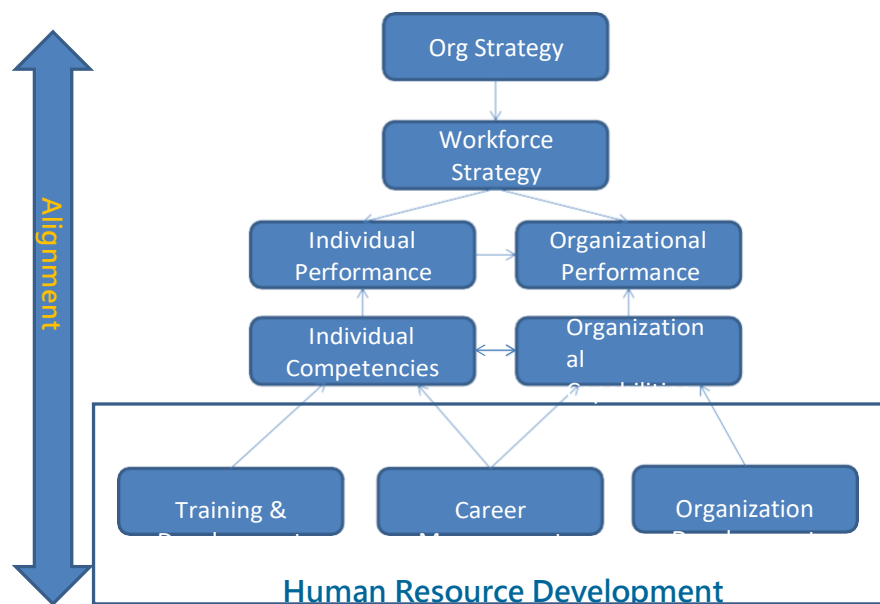
Part One: Organizational Development

1. Human Resource Development (HRD)

HRD is about adult human beings functioning in productive systems. The purpose of HRD is to focus on the resource that humans bring to the success equation—both personal success and organizational success. The two core threads of HRD are (1) individual and organizational learning and (2) individual and organizational performance. Some view learning and performance as alternatives or rivals, while most see them as partners in a formula for success. Thus, assessment of HRD successes or results can be categorized into the domains of learning and performance.

Human Resource Development (HRD) is a process of developing and unleashing expertise for the purpose of improving individual, team, work process, and organizational system performance through organizational development (OD) and personnel training and development (T+D) for the purpose of improving performance. OD primarily focuses at the organizational level and connects with individuals, while T+D primarily focuses on individuals and connects with the organization.

HRD encompasses a range of organizational practices that focus on learning: training and development; performance management; career development and lifelong learning; organization development; organizational knowledge and learning.



Source: Swanson, R.A. & Holton, E.F. (2009). Foundations of Human Resource Development, San Francisco: Berrett-Koehler Publishers.

HRD strategies flow from business strategies, but they have a positive role in helping to ensure that the business attains its goals. To do this, it is essential to develop the skills base and intellectual capital the organization requires as well as ensuring that the right

quality of people are available to meet present and future needs.

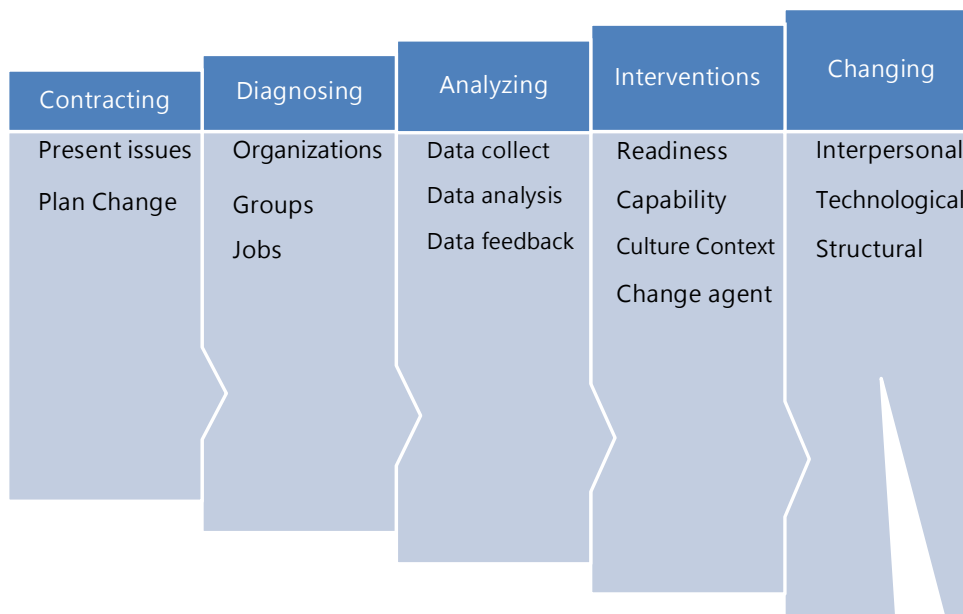
First, HRD facilitates the development of core capabilities that are critical in developing and maintaining sustained competitive advantage. Second, HRD enables the firm to make the best use of existing firm-specific capabilities and through the development of new capabilities and skills enable sit to cope with change. Third, HRD must focus on evaluating the linkages among organizational strategies. Fourth, HRD must be sensitive to both emergent and planned strategies.

2. Organizational Development (OD)

OD is system wide application behavioral science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organization effectiveness.

Organization change, in contrast, is more broadly focused and can apply to any kind of change, including technical and managerial innovations, organization decline, or the evolution of a system over time. These changes may or may not be directed at making the organization more developed in the sense implied by OD. The Process of OD includes the following steps:

- Entering and Contracting
- Diagnosing Organizations, Groups, and Jobs
- Collecting, Analyzing, and Feeding Back Diagnostic Information
- Designing Interventions
- Leading and Managing Change



Source: Swanson, R.A. & Holton, E.F. (2009). Foundations of Human Resource Development, San Francisco: Berrett-Koehler Publishers.

2.1. Entering and Contracting

The entering and contracting processes constitute the initial activities of the OD process. They set the parameters for the phases of planned change that follow: diagnosing, planning and implementing change, and evaluating and institutionalizing it.

Organizational entry involves clarifying the organizational issue or presenting problem, determining the relevant client, and selecting an OD practitioner. Developing an OD contract focuses on making a good decision about whether to proceed and allows both the client and the OD practitioner to clarify expectations about how the change process will unfold.

2.2. Diagnosing Organizations, Groups, and Jobs

An organization-level diagnostic model consists of environmental inputs; a set of design components called a strategic orientation; and a variety of outputs, such as performance, productivity, and stakeholder satisfaction. Diagnosis involves understanding each of the parts in the model and then assessing how the elements of the strategic orientation align with each other and with the input. Organization effectiveness is likely to be high when there is good alignment.

Group diagnostic models take the organization's design as the primary input; examine goal clarity, task structure, group composition, performance norm, and group functioning as the key design components; and list group performance and member quality of work life as the outputs. As with any open-systems model, the alignment of the parts is the key to understanding effectiveness.

At the individual job level organization design, group design, and personal characteristics of individuals occupying jobs are the salient input. Individual jobs have five key dimensions: skill variety, task significance, task identity, autonomy, and feedback that work together to produce outputs of work satisfaction and work quality.

2.3. Collecting, Analyzing, and Feeding Back Diagnostic Information

The four major techniques for gathering diagnostic data are questionnaires, interviews, observations, and unobtrusive measure (from secondary sources, such as company records and archives). Benchmarking is a useful data collecting method to examine the best practices of other organizations and make changes in operations based on what is learned.

Data analysis techniques fall into two broad classes: qualitative and quantitative. Qualitative techniques generally are easier to use because they do not rely on numerical data. That fact also makes them easier to understand and interpret. Quantitative techniques, on the other hand, can provide more accurate reading of the organizational problem.

Data feedback is concerned with identifying the content of the data to be feedback and designing a feedback process that ensures ownership of the data. Feeding back data is a central activity in almost any OD program. If members own the data, they will be motivated to solve organizational problems.

A special application of the data-collection and feedback process is called survey feedback. It is one of the most accepted processes in OD. Survey feedback highlights the importance of contracting appropriately with the client system, establishing relevant categories for data collection, and feeding back the data as necessary steps for diagnosing organizational problems and developing interventions for resolving them.

2.4. Designing Interventions

An intervention is a set of planned activities intended to help an organization improve its performance and effectiveness. Effective interventions are designed to fit the needs of the organization, are based on causal knowledge of intended outcomes, and transfer competence to manage change to organization members.

Intervention design involves understanding situational contingencies such as individual differences among organization members and dimensions of the change process itself.

Four key organizational factor-readiness for change, capability to change, culture context, and the capabilities of the change agent-affect the design and implementation of almost any intervention.

2.5. Leading and Managing Change

2.5.1. Change Process Theory

- Unfreezing stage: Getting people to accept that the change will occur. Ending things that resist change is vital at this stage.
- Moving stage: Getting people to accept the new, desired state.
- Refreezing stage: When the new ideal becomes a regular part of the organization.

2.5.2. Implementation Theory

-Interpersonal strategies

Interpersonal intervention strategies deal with work relationships between employees. These interventions are directed at improving interpersonal, intrapersonal, intergroup, and intra group relations. In organizations with multiple layers, interpersonal approaches are often difficult because the layers are usually accompanied by "proper" channels for communication.

- Technological strategies

Technological intervention strategies focus on processes. The processes must provide adequate resources to achieve the company's goals. Technological development often includes such activities as job design, job simplification and specialization, grouping jobs into departments by function or product, and analyzing work flow and human factors to achieve coordination and communication among departments.

-Structural strategies

Structural intervention strategies look at how the structure of the organization is

helping or hindering the organization. They examine issues such as span of control and reporting relationships. For example, a company may decide that it has too many mid-level managers and may restructure to cut waste, reduce redundancy, and improve profits.

2.5.3. Effective Change Management

Companies that are able to manage change effectively can gain distinct advantages over their competition that can lead to even greater success. When done right, change management can alleviate uncertainty among employees about how the change might impact them, reduce the potential for a negative impact on productivity, and engage or re-engage the company's workforce.

Companies who want to successfully lead employees through adoption of an organizational change must follow a systematic, proactive approach that incorporates four primary steps: overcoming resistance, engaging employees, implementing change in phases and communicating the change.

- Overcoming resistance

Although employee resistance is a natural reaction to widespread organizational changes, you can overcome that resistance by focusing on several key strategies:

Clearly and consistently communicate about the change well in advance of its implementation.

Help employees better understand the need for the change and the rationale behind the decisions, as well as the ways the change may affect them.

Ensure that your change management team includes change champions who can help spread positive messages about the change, as well as take the temperature of employee reactions to the change.

Provide strong support for the changing environment, such as ensuring that managers are provided with the training and information they need to answer employee questions.

- Engaging employees

Employees who are engaged in the change are more likely to put in the effort necessary to help implement the change and ensure a positive outcome for the organization. Help create high levels of employee engagement during your change process by:

Developing a team approach that includes employees' perspectives from a variety of departments and levels.

Assigning and clarifying roles and responsibilities.

Increasing your focus on the workers who are affected most by the change.

Including resistance leaders in the change process to help overcome pushback from other employees.

Understanding and taking into account the different motivational factors for each employee.

- Implementing change in phases

For companies planning a major change initiative, taking a phased approach can help ensure that the transition to a new system or process is as smooth and seamless as possible. Here are recommendations with three phases:

Prepare for change – By taking steps such as defining your change management strategy, developing your change management team, and outlining key roles.

Manage the change – By creating and executing change management plans that include communications, operations and resistance management.

Reinforce the change – By collecting and analyzing feedback and then implementing corrective actions where needed.

- Communicating change

Failing to tell employees in advance about organizational changes can increase employee misconduct by 42 percent. An integral part of every stage of the change management process, communication must be a two-way street in order to ensure the success of the organizational change.

Think quality over quantity when it comes to communicating with employees, and consider these communication strategies for successful implementation:

Pre-and post-surveys allow for feedback both before and after the change has been implemented, which can enhance the overall process.

Engage resisters in one-on-one sessions prior to the solution's implementation to allow them to provide their input.

Be clear, consistent and explicit, especially when it comes to timeline and responsibilities.

Use both formal and informal communication approaches, including email, intranet, in-person meetings, and signage and voice mails.

Offer opportunities for employees to provide feedback into the process, and then be sure to use the input to inform the plan.

Gather employees to explore worst-case scenarios and then develop strategies to address them.

3. Organization Change

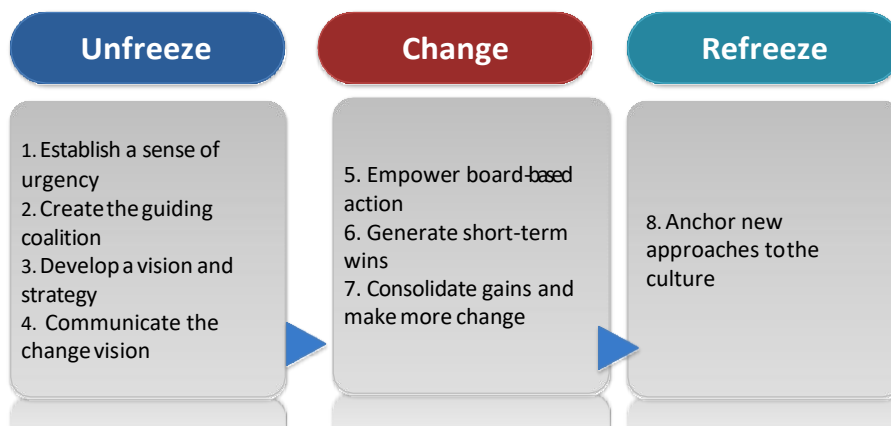
The words unfreeze, change, and refreeze might sound more like a child's game than the foundation model for implementing change. These three words are not a child's game however. Instead, unfreeze, change, and refreeze describe Kurt Lewin's powerful and simple three-step change model. Lewin's work on organizational change is well known in college business courses and among organizational development professionals. In other

discussions, however, it is less frequently mentioned in favor of other change models such as John Kotter's, Eight Step Leading Change Model. I like Lewin's model and it is helpful in explaining the change process, particularly when it is combined with other models like Kotter's. In this article we will first describe the Lewin model and then show how you can use it with Kotter's model to make a thoughtful case for planned change.

Kurt Lewin (1890 – 1947) was a psychologist. He is often called the father of modern social psychology. He suggested that change requires three steps: unfreezing the organization, implementing the change, and refreezing the organization. The first step of unfreezing involves convincing those that are affected by the change that the change is indeed necessary. Once the affected stakeholders have accepted the need for change, the next step of Lewin's model is to implement it. The last step after implementation of the change is to take actions to reinforce and support it so that the change becomes a permanent way of doing business.

This is the beauty of Lewin's model: it is simple consisting of three steps. First, convince the organizational stakeholders that the change you propose is necessary, make the change, and then make it a permanent way of doing business. Sounds great, but in today's modern workplace the Lewin model alone is simplistic. This is where Kotter's model can be used in combination with Lewin's model to convince senior leadership of the need for an orderly process for instituting organizational change.

John Kotter's model is compatible with Kurt Lewin's model and is in reality an extension of it (like all social progress that builds on the work of earlier pioneers). As shown in the following chart, Kotter's eight steps for leading change are aligned with Lewin's model as follows:



Source: Tanner, R. (2009). Unfreeze, Change, Refreeze: Is This a Child's Game? Retrieved from managementisajourney.com

In combining the models, language is important. A useful approach is to describe the steps of the Lewin model as phases and then explain the corresponding Kotter steps for each phase.

3.1. Unfreeze

3.1.1. Establish a sense of urgency;

3.1.2. Create the guiding coalition;

3.1.3. Develop a vision and strategy; and

3.1.4. Communicate the change vision.

3.2. Change

3.2.1. Empower board based action

3.2.2. Generate short-term wins

3.2.3. Consolidate gains and make more change

3.3. Refreeze

Anchor new approaches to the culture

4. Learning Organization

A learning organization is a place where employees excel at creating, acquiring, and transferring knowledge. There are three building blocks of such institutions: (1) a supportive learning environment, (2) concrete learning processes and practices, and (3) leadership behavior that reinforces learning. Such learning organizations would be able to adapt to the unpredictable more quickly than their competitors could.

4.1. Key features in Learning Organization

4.1.1. Employees share learning with each other and use a job as a basis for applying and creating knowledge.

4.1.2. Systems are developed for creating, capturing, and sharing knowledge

4.1.3. Employees are encouraged to think in new ways, see relationships and feedback loops, and test assumptions.

4.1.4. Learning is rewarded, promoted, and supported by managers and company objectives.

4.1.5. Employees are free to take risks, innovate, explore new ideas, try new processes, and develop new products and services.

4.1.6. System and environment focus on ensuring the development and well-being of every employee.

4.2. The Five Disciplines

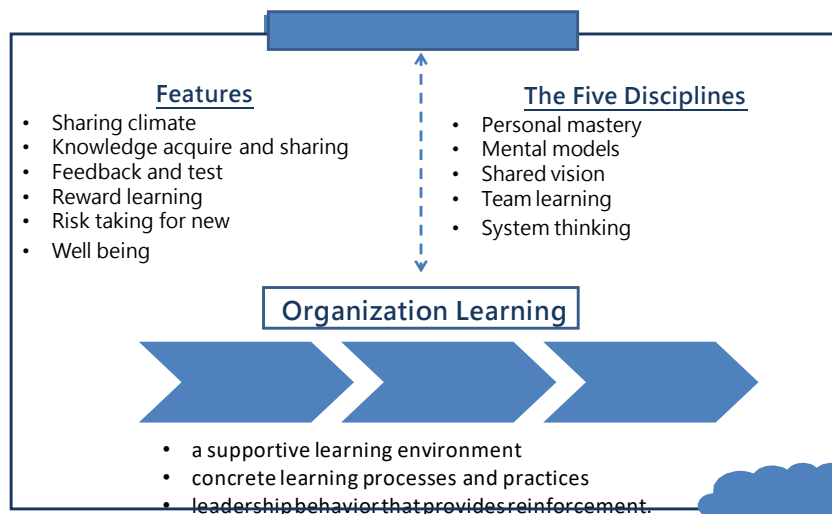
4.2.1. System thinking is a conceptual framework that makes patterns clearer and helps one see how things interrelate and how to change them.

4.2.2. Mental models are our deeply ingrained assumptions that influence how we understand the world and how we take action.

4.2.3. Personal mastery is the high level of proficiency in a subject or skill area.

4.2.4. Team learning is aligning and developing the capacity of a team to create the results its member's desire.

4.2.5. Shared vision is a look into the future that fosters genuine commitment and is shared by all who need to possess it.



Source: Senge, P. (1990). The Fifth Discipline: the Art and Practice of the Learning Organization. New York: Doubleday.

4.3. Organizational Learning vs. Learning Organization

Both the learning organization and organizational learning are very similar in that they connect to each other, but differ in that one involves the actual learning in an organization and the other involves the course of gaining the learning in the organization.

Organizational Learning is defined as “the process of improving actions through better knowledge and understanding”. In other words, the "learning organization is a firm that purposefully constructs structures and strategies, to enhance and maximize” the learning in an organization.

The learning organization is classified as “organizational learning that is the ‘activity and the process by which organizations eventually reach the ideal of a learning organization’. It is the process of learning about what organizations do now, what they need to work on or change in order to be more competitive or create a monopoly, what they are doing right, who the people are that work there and with their competitors, and what they are like as individuals.

Both the learning organization and organizational learning are similar in that they both involve learning. Whether being the process of learning or the actual institutionalizing of learning, it has become popular in organizations today. The reason is because of the idea that one needs to be better than one’s competitors. Learning has also become more popular because of the ever changing environment that we all live in today. Organizations are becoming more and more competitive with each other and without

some strategy of becoming better, organizations fall and go out of business, or even worse, go bankrupt. The strategy of learning in an organization has become the answer to businesses all around the world.

The learning organization and organizational learning are slightly different in that the learning organization is the process to change and organizational learning is having the process and strategies and implementing change throughout an organization. Simply put, one is the plan, the other is the action.

It would be very smart to implement these strategies in order to remain competitive in today's society. Especially in the global economy today with the economy dropping, it is important that an organization be very wise, innovative, and has some sort of strategy in order to stay in business.

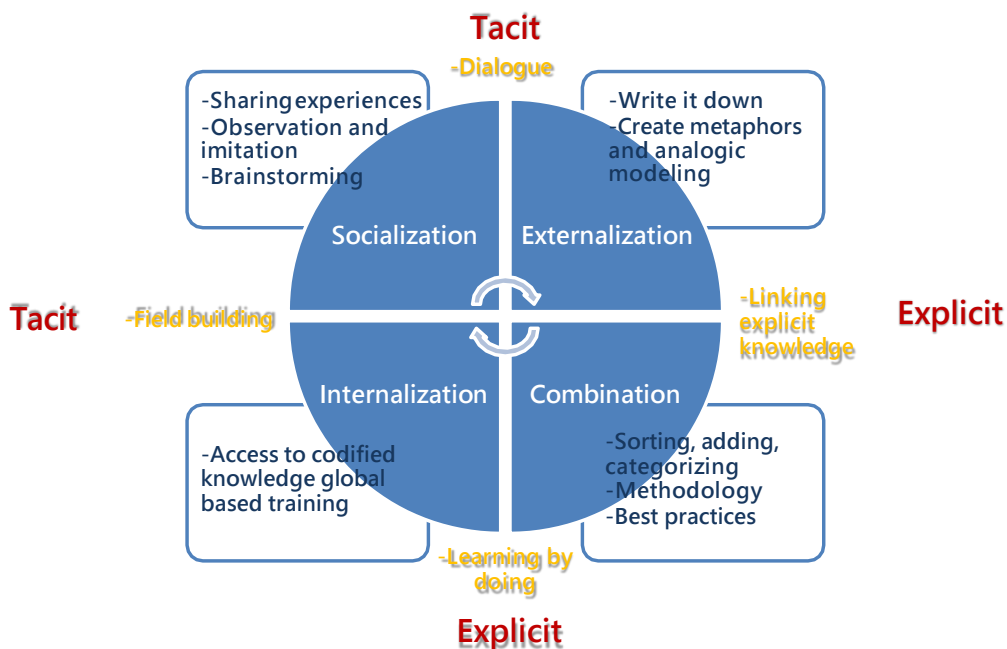
5. Knowledge Management

Knowledge Management (KM) is a discipline that promotes an integrated approach to identifying, capturing, evaluating, retrieving, and sharing all of an enterprise's information assets. These assets may include databases, documents, policies, procedures, and previously un-captured expertise and experience of individual works.

An author suggested that the main ingredient behind successful innovation was not a clever way of thinking or brainstorming. Instead, it was a place where people could share ideas, let them bump into each other, and in so doing, evolve into new, more powerful forms. The coffee-shops of Paris served this purpose during the Enlightenment, allowing for fantastic new scientific and philosophical concepts to be born.

The Japanese, during the 70s, applied this concept to businesses. How, they asked, does knowledge flow, and how can managers and business leaders help? Philosopher Ikujiro Nonaka and others developed a model of knowledge creation that captures all the ways knowledge moves and morphs within a network, and the one main technique that managers can use to encourage its development.

The model suggested by Nonaka's team details the ways that knowledge changes hands and transforms. To begin, he divides knowledge into two types: Explicit Knowledge, which can be described with numbers, science, or manuals, and Tacit Knowledge, the emotional, difficult-to-describe variety. Both kinds of knowledge are necessary, both for everyday living and for business ventures. These two kinds of knowledge interact with four processes: Socialization, Externalization, Combination, and Internalization (SECI) as the below figure.



Source: Nonaka, I., von Krogh, G., & Voelpel, S. (2006). Organizational knowledge creation theory: Evolutionary paths and future advances. *Organization Studies*, 27(8), 1179–1208.

5.1. Socialization

Socialization is the process where tacit knowledge is transmitted between people. Because tacit knowledge is rarely successfully expressed, socialization simply involves spending time with coworkers, enjoying their company and conversation until you learn how they think and feel. You learn how they look at their tasks, their perspectives. It's possible – and necessary – to do this with your customers, too. Those who are in a position to interact with the customers directly need to learn the skills needed to see how they think and feel, and through the other processes in the model, transmit that model to other parts of the organization.

5.2. Externalization

This process allows tacit knowledge to be morphed into explicit knowledge. Through interaction between an individual and other groups in the organization, the individual's tacit knowledge is expressed through whatever terms are possible, such as metaphors and stories. Effective communication skills are a necessity; developing these and increasing opportunities for externalization are the main ways managers can encourage this process.

5.3. Combination

Through teams, or a creative individual, the explicit knowledge injected into the organization is transmuted through the process of Combination. Knowledge throughout the organization is collected and compiled into a more effective form of explicit knowledge, allowing the more refined forms to be distributed throughout the

organization. An example would be a team in a tech firm whose job is to publish reports of successful products made throughout the company.

5.4. Internalization

Internalization is where the model comes full circle: as we started with an individual sharing tacit knowledge, it ends with the same individual converting the explicit knowledge supplied either by the firm or outside sources into personally applicable tacit knowledge. An HR official runs through this process when he reads the company's training manual for conflict resolution, then puts it into practice. Internalization doesn't just refer to an individual; the collective tacit knowledge of the organization is morphed from its explicit knowledge through internalization.

Now that we understand the main mechanisms whereby knowledge moves throughout an organization, the only piece missing is this: What are we, as managers, supposed to do about it? How can we apply this information? Here, we return with Nanako to the introduction of this article: a space that encourage the flow of ideas, which can allow all the SECI processes to occur. Nanako introduces a concept from Japanese, called “**Ba**”, which generally translates as “Place of _____.”

Ba, when applied to business, refers to the concept of having a place for knowledge processes to occur. This place can be physical, virtual, or mental (such as a shared perspective or set of values). Managers' main purpose in knowledge management is to provide this Ba, and to tailor the characteristics of each Ba to the processes it's meant to encourage. For example, if one is trying to encourage Socialization, it would be counterproductive to encourage virtual interaction. Why? Socialization requires face-to-face interaction, as the very act of an individual expressing his/her tacit knowledge transmutes it to explicit knowledge, making it Externalization instead of Socialization. Considerations such as these should become vital to a manager's strategy.

Ba is a powerful tool, and regulated or not, it's an integral component in a company's culture. When underutilized, Ba will develop independent of a manager's direction, and will likely be counterproductive to the company's goals. However, when used properly, Ba can encourage the flow of ideas throughout an organization, and as such, allow for greater innovation and creativity. Enjoy, and good luck, Change makers!

6. HR Roles in Organizational Development

Should we do away with HR? In recent years, a number of people who study and write about business—along with many who run businesses—have been debating that question. The debate arises out of serious and widespread doubts about HR's contribution to organizational performance. As David Ulrich, a very famous researcher and professor in HR filed said, He must agree that there is good reason for HR's beleaguered reputation. It is often ineffective, incompetent, and costly; in a phrase, it is value sapping. Indeed, if HR were to remain configured as it is today in many companies, I would have to answer the question above with a resounding “Yes—abolish the thing!”

But the truth is, HR has never been more necessary. The competitive forces that managers face today and will continue to confront in the future demand organizational excellence. The efforts to achieve such excellence—through a focus on learning, quality, teamwork,

and reengineering—are driven by the way organizations get things done and how they treat their people. Those are fundamental HR issues. To state it plainly: achieving organizational excellence must be the work of HR.

The question for senior managers, then, is not Should we do away with HR? but What should we do with HR? The answer is: create an entirely new role and agenda for the field that focuses it not on traditional HR activities, such as staffing and compensation, but on outcomes. HR should not be defined by what it does but by what it delivers—results that enrich the organization's value to customers, investors, and employees.

More specifically, HR can help deliver organizational excellence in the following four ways:

First, HR should become a partner with senior and line managers in strategy execution, helping to move planning from the conference room to the marketplace.

Second, it should become an expert in the way work is organized and executed, delivering administrative efficiency to ensure that costs are reduced while quality is maintained.

Third, it should become a champion for employees, vigorously representing their concerns to senior management and at the same time working to increase employee contribution; that is, employees' commitment to the organization and their ability to deliver results.

And finally, HR should become an agent of continuous transformation; shaping processes and a culture that together improve an organization's capacity for change.

Make no mistake: this new agenda for HR is a radical departure from the status quo. In most companies today, HR is sanctioned mainly to play policy police and regulatory watchdog. It handles the paperwork involved in hiring and firing, manages the bureaucratic aspects of benefits, and administers compensation decisions made by others. When it is more empowered by senior management, it might oversee recruiting, manage training and development programs, or design initiatives to increase workplace diversity. But the fact remains: the activities of HR appear to be—and often are—disconnected from the real work of the organization. The new agenda, however, would mean that every one of HR's activities would in some concrete way help the company better serve its customers or otherwise increase shareholder value.

Can HR transform itself alone? Absolutely not. In fact, the primary responsibility for transforming the role of HR belongs to the CEO and to every line manager who must achieve business goals. The reason? Line managers have ultimate responsibility for both the processes and the outcomes of the company. They are answerable to shareholders for creating economic value, to customers for creating product or service value, and to employees for creating workplace value. It follows that they should lead the way in fully integrating HR into the company's real work. Indeed, to do so, they must become HR champions themselves. They must acknowledge that competitive success is a function of organizational excellence. More important, they must hold HR accountable for delivering it.

Of course, the line should not impose the new agenda on the HR staff. Rather, operating managers and HR managers must form a partnership to quickly and completely reconceive and reconfigure the function—to overhaul it from one devoted to activities to one committed to outcomes. The process will be different in every organization, but the result

will be the same: a business era in which the question Should we do away with HR? will be considered utterly ridiculous.

6.1. Why HR Matters Now More Than Ever

Regardless of their industry, size, or location, companies today face five critical business challenges. Collectively, these challenges require organizations to build new capabilities. Who is currently responsible for developing those capabilities? Everyone—and no one. That vacuum is HR's opportunity to play a leadership role in enabling organizations to meet the following competitive challenges:

6.1.1. Globalization.

Gone are the days when companies created products at home and shipped them abroad "as is." With the rapid expansion of global markets, managers are struggling to balance the paradoxical demand to think globally and act locally. That imperative requires them to move people, ideas, products, and information around the world to meet local needs. They must add new and important ingredients to the mix when making strategy: volatile political situations, contentious global trade issues, fluctuating exchange rates, and unfamiliar cultures. They must be more literate in the ways of international customers, commerce, and competition than ever before. In short, globalization requires that organizations increase their ability to learn and collaborate and to manage diversity, complexity, and ambiguity.

6.1.2. Profitability Through Growth.

During the past decade, most Western companies have been clearing debris, using downsizing, reengineering, de-layering, and consolidation to increase efficiency and cut costs. The gains of such yard work, however, have largely been realized, and executives will now have to pay attention to the other part of the profitability equation: revenue growth.

The drive for revenue growth, needless to say, puts unique demands on an organization. Companies seeking to acquire new customers and develop new products must be creative and innovative, and must encourage the free flow of information and shared learning among employees. They must also become more market focused—more in touch with the fast changing and disparate needs of their customers. And companies seeking growth through mergers, acquisitions, or joint ventures require other capabilities, such as the finely honed skills needed to integrate different organizations' work processes and cultures.

6.1.3. Technology.

From videoconferencing to the Internet, technology has made our world smaller and faster. Ideas and massive amounts of information are in constant movement. The challenge for managers is to make sense and good use of what technology offers. Not all technology adds value. But technology can and will affect how and where work gets done. In the coming years, managers will need to figure out how to make technology a viable, productive part of the work setting. They will need to stay ahead of the information curve and learn to leverage information for business results. Otherwise, they risk being swallowed by a tidal wave of data—not ideas.

6.1.4. Intellectual Capital.

Knowledge has become a direct competitive advantage for companies selling ideas and relationships (think of professional service, software, and technology-driven companies) and an indirect competitive advantage for all companies attempting to differentiate themselves by how they serve customers. From now on, successful companies will be the ones that are the most adept at attracting, developing, and retaining individuals who can drive a global organization that is responsive to both its customers and the burgeoning opportunities of technology. Thus the challenge for organizations is making sure they have the capability to find, assimilate, develop, compensate, and retain such talented individuals.

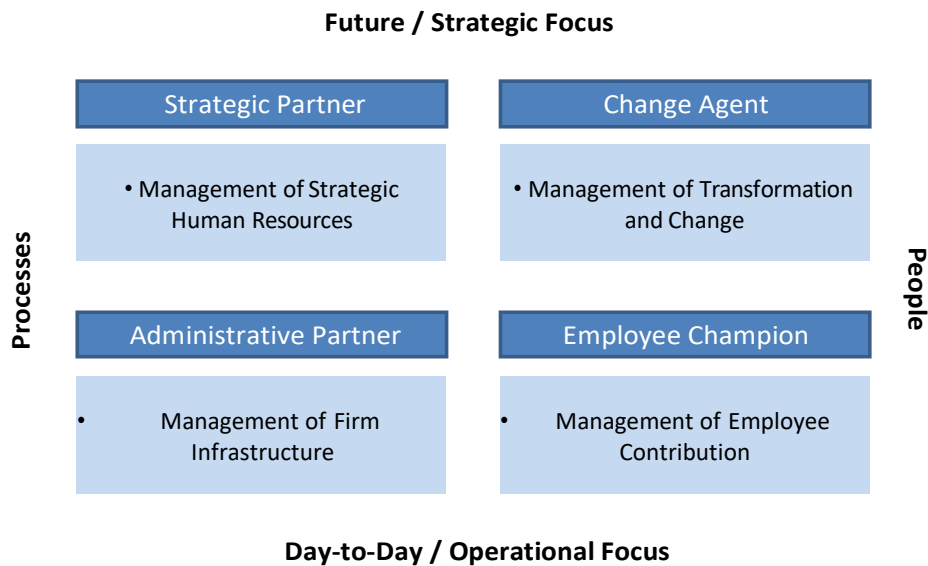
6.1.5. Change, Change, and More Change.

Perhaps the greatest competitive challenge companies face is adjusting to—indeed, embracing—nonstop change. They must be able to learn rapidly and continuously, innovate ceaselessly, and take on new strategic imperatives faster and more comfortably. Constant change means organizations must create a healthy discomfort with the status quo, an ability to detect emerging trends quicker than the competition, an ability to make rapid decisions, and the agility to seek new ways of doing business. To thrive, in other words, companies will need to be in a never-ending state of transformation, perpetually creating fundamental, enduring change.

6.2. HR's New Role

The five challenges described above have one overarching implication for business: the only competitive weapon left is organization. Sooner or later, traditional forms of competitiveness—cost, technology, distribution, manufacturing, and product features—can be copied. They have become table stakes. You must have them to be a player, but they do not guarantee you will be a winner.

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.



Source: Ulrich, D. (1998). A new mandate for human resources. *Harvard Business Review*, Jan-Feb, 76(1):124-134.

6.2.1. 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.

6.2.2. 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.

6.2.3. Becoming an Employee 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.

6.2.4. 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

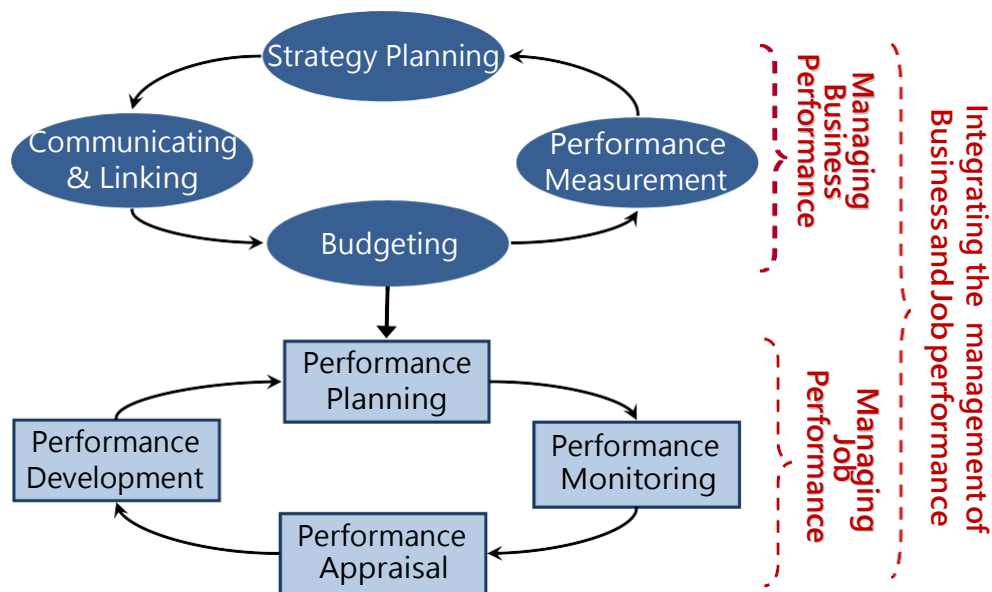
treating employees with trust, dignity, and respect translates into practices that, for example, give employees more control over when and where they work.

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.

Part Two: Performance Management

1. Performance Management System

Performance management is a system for managing organizational business performance, managing employee job performance, and integrating the management of business and job performance. Performance management aims specifically to improve achievement of strategic objectives, daily effectiveness, and the core competencies within the organization.



1.1. Managing Business Performance

Most companies' operational and management control systems are built around financial measures and targets, which bear little relation to the company's progress in achieving long-term strategic objectives. Thus the emphasis most companies place on short-term financial measures leaves a gap between the development of a strategy and its implementation. A strategic business performance management has four new management processes that, separately and in combination, contribute to linking long-term strategic objectives with short-term actions.

1.1.1. Strategic Planning

Performance Management begins with strategic planning. Translating the vision helps managers build a consensus around the organization's vision and strategy. Despite the best intentions of those at the top, lofty statements about becoming "best in class," "the number one supplier," or an "empowered organization" don't translate easily into operational terms that provide useful guides to action at the local level. For people to act on the words in vision and strategy statements, those statements must be

expressed as an integrated set of objectives and measures, agreed upon by all senior executives, that describe the long-term drivers of success.

1.1.2. Communicating and linking

Communicating and linking lets managers communicate their strategy up and down the organization and link it to departmental and individual objectives. Traditionally, departments are evaluated by their financial performance, and individual incentives are tied to short-term financial goals. The scorecard gives managers a way of ensuring that all levels of the organization understand the long-term strategy and that both departmental and individual objectives are aligned with it.

1.1.3. Budgeting

Budgeting is the process by which a company or individuals evaluate their earnings and expenses and project their cash flow for the future. Budgeting enables companies to integrate their business and financial plans. Goal setting is a key element to making a budget. Almost all organizations today are implementing a variety of change programs, each with its own champions, gurus, and consultants, and each competing for senior executives' time, energy, and resources. Managers find it difficult to integrate those diverse initiatives to achieve their strategic goals—a situation that leads to frequent disappointments with the programs' results. But when managers use the ambitious goals set for performance measures as the basis for allocating resources and setting priorities, they can undertake and coordinate only those initiatives that move them toward their long-term strategic objectives. After that, cascading the strategic objectives and translate the corporate-wide objectives down to first business units, support units or departments and then teams or individuals.

1.1.4. Performance Measurement

Performance measurement, also called performance metric, refers to numerical information that quantifies input, output, and performance dimensions of processes, products, services, and the overall organization outcomes. Performance measurement can provide feedback and learning that gives companies the capacity for what we call strategic learning. Existing feedback and review processes focus on whether the company, its departments, or its individual employees have met their budgeted financial goals. If the balanced scorecard (BSC) is implemented at the center of its management systems, a company can monitor short-term results from the three additional perspectives—customers, internal business processes, and learning and growth—and evaluate strategy in the light of recent performance. The scorecard thus enables companies to modify strategies to reflect real-time learning.

1.2. Managing Job Performance

Job performance is defined as the set of behaviors that are relevant to the goals of the organization or the organizational unit in which a person work. Job performance is what the organization hires one to do, and do well. Job performance is not the consequence or result of action, it is the action itself. However, if the action does not produce a result that is useful to shareholder, the action does not count. The criterion domain of job performance:

1.2.1. Task Performance

Task performance refers the proficiency with which job incumbents perform activities that are formally recognized as part of their job or activities that contribute to the organization's technical core. It often belongs to "can do behavior". The components of task performance are:

- Declarative Knowledge: fact, principles, goals, self-knowledge.
- Procedural Knowledge and Skill: cognitive skill, psychomotor skill, physical skill, Self-management skill, interpersonal skill.
- Motivation: choice to perform, level of effort, persistence of effort.

1.2.2. Contextual Performance

Other activities do not fall under the category of task performance but are still important for organizational effectiveness. It often belongs to "will do behavior" and called Organizational Citizenship Behavior (OCB). The components of task performance are:

- Interpersonal citizenship behaviors: helping & cooperating with others.
- Organizational citizenship behaviors: endorsing, supporting & defending organizational objectives; following organizational rules & procedures.
- Job/Task citizenship behaviors: Persisting with enthusiasm & extra effort as to complete own task activities successfully.

1.2.3. Job Performance Management Process

Job Performance management, often called "Performance Management" in an individual level, is the process of identifying, executing, evaluating, and developing the performance of the human resources in an organization.

The performance management process from two perspectives: a). the upstream component encompasses planning, objective setting, and measurement, which lends itself to standardization of performance management practices; b).The downstream component includes the performance appraisal itself. This component often reflects localization of performance management practices.

An effective Performance Management process establishes the groundwork for excellence by:

- Performance planning is a discussion for developing a common understands of the objectives or performance standard that need to be achieved.
- Performance monitoring is a day-to-day management behavior to assure the objectives could be accomplished.
- Performance appraisal is the process that measures the degree to which employee accomplishes work requirements.
- Performance development is an ongoing cyclical process aims to develop, maintain

and improve your skills, knowledge and job performance through performance planning, monitoring, and appraisal.

1.3. Integrating the management of Business and Job performance

One of the biggest challenges for any company lies in achieving organizational alignment: that desired state in which the entire enterprise is working together to achieve business goals. Key to alignment is ensuring that employees understand the relevance of their contributions and taking the appropriate measures to ensure they remain engaged.

Alignment between organizational strategy, group and individual goals is necessary to ensure that individuals can see how their individual effort and performance contribute to the attainment of strategic goals. When alignment is successfully achieved, clear goals are evident at the top of the organization / group and are clearly communicated at all hierarchical levels. Executives have to ensure alignment throughout the organization to establish a strong link between different levels of performance management.

Traditionally, performance management in an organizational context has been divided into three levels: strategic, operational and individual performance management.

1.3.1. Strategic Level

At strategic level, performance management deals with the achievement of the overall organizational objectives. Practitioners refer to it as corporate, business, organizational or enterprise performance management, this being the highest and most complete level of usage of performance management principles in organizations. Strategic management is a key driver of performance management at this level, as the key processes related to performance management systems are strategy formulation and implementation.

1.3.2. Operational Level

Performance management at operational level is linked to operational management, as its focus is on the achievement of operational objectives. Although aligned with corporate strategy, the focus here is more functional / tactical.

The evolution of operational performance management is linked to the evolution of accounting and management in history. This is due to the fact that operational performance was evaluated in terms of efficiency and effectiveness. And the easiest way to do this is by using financial indicators, provided by the accounting function in organizations.

Over time, as internal and external operating environments became more complex, organizations started to look at nonfinancial indicators of performance. This made the connection with operations management and other aspects of the general management discipline.

1.3.3. Individual Level

The traditional level at which performance management is used in organizations is the

individual level, looking at the performance of individuals in an organizational context. At individual level, performance management is represented by an integrated and planned system for continuously improving the performance of all employees. It involves defining work goals and standards, reviewing performance against these standards, actively managing all levels of performance, and maximizing learning and development.

2. Performance Planning

Performance planning is a formal structured process for identifying and communicating the organizational and individual goals expected of the employee. The performance plan consists of performance expected of an employee and an Individual Development Plan.

Performance plans are decided collaboratively between the supervisor and employee working together. They together determine the performance expectations and development objectives to be accomplished during the review period. They discuss goals, objectives and expectations for the review period. The process helps to improve the communication and discuss the career development plan of the employee. Here are some important issues regarding performance planning:

2.1. Performance Standard

Objectives or goals (the terms are interchangeable) define what organizations, functions, departments, teams and job holders are expected to perform and accomplish. Some cultural factors that may influence performance management standards:

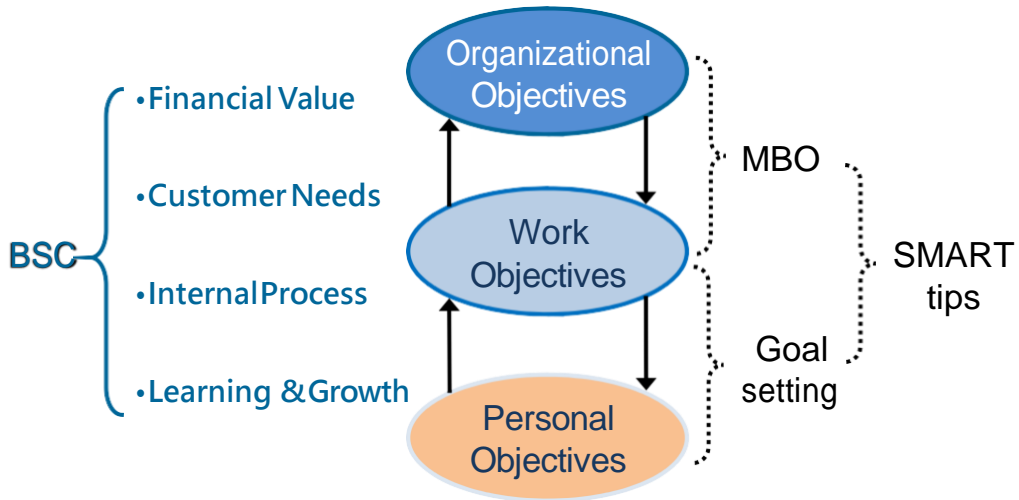
- Some cultures value performance of the group over the individual as follow.
- In some cases, an open and honest exchange of issues can occur. In other cultural contexts, a more formal, reserved relationship is the norm.
- The appropriateness of forms and the meaning of rating scales vary significantly from culture to culture and location to location.
- In some cultures, only positive feedback is provided so employees can save face.
- The act of ranking employees within a group can be difficult in collective cultures.
- Compensation practices vary widely across borders, cultures, and legal systems. The perceived value of the rewards can also vary from culture to culture.
- This practice may not be accepted in collective cultures and those with high ascribed value dimensions.
- Appraisals can be highly culturally specific. Even the meaning of the term "performance" can vary among individual and collective cultures. Also, the process of gaining input from colleagues can be easy and expected in some cultures but very guarded in others.

2.2. Management by objectives (MBO)

MBO can be defined as a process whereby the employees and the superiors come together to identify common goals, the employees set their goals to be achieved, the

standards to be taken as the criteria for measurement of their performance and contribution and deciding the course of action to be followed.

No objectives will have significant incentive power if they are forced choice unrelated to a person’s needs. Job holder should set his or her own goal, checking them out with the superior, and should use the performance planning session as a counseling device. Thus, the superior would become one who helped subordinates achieve their own objectives instead of a dehumanized inspector of products.



2.3. Goal Setting

Goal setting theory is widely recognized as one of the best motivational theories in self help, personal development, and personal growth. Specific and difficult goals led to better task performance than vague or easy goals.

Employee goals can be clarified through performance and development planning, with attention to the level of performance needed and the specific desired results. Goal setting is most effective when it is combined with feedback, so progress can be monitored. Direct feedback and coaching is an often underutilized approach that enhances communication and bottom-line results. SMART goals include five elements in each objective:

Objectives		Standards		Weight
Balanced perspective	Qualitative Quantitative	Achievement	Difficulty	Percentage %
<ul style="list-style-type: none"> • Results • Behaviors • Competencies • Mind-set 	<ul style="list-style-type: none"> • Specific • Measurable • Achievable • Relevant • Time-bound 	What have to accomplish	How difficult to achieve	How important to the strategy or stakeholders' value

2.3.1. Specific

Specific goals outline exactly what we hope to accomplish. A specific goal is a focused goal. It will state exactly what the organization intends to accomplish. While the description needs to be specific and focused, it also needs to be easily understood by those involved in its achievement. It should be written so that it can be easily and clearly communicated.

2.3.2. Measurable

A goal is measurable if it is quantifiable. Measurable goals can be evaluated to determine whether we have been accomplished. Measurement is accomplished by first obtaining or establishing base-line data. It will also have a target toward which progress can be measured, as well as benchmarks to measure progress along the way.

2.3.3. Attainable

Attainable goals figure out ways we can make them come true. There should be a realistic chance that a goal can be accomplished. This does not mean or imply that goals should be easy. On the contrary, a goal should be challenging. It should be set by or in concert with the person responsible for its achievement. The organization's leadership, and where appropriate its stakeholders, should agree that the goal is important and that appropriate time and resources will be focused on its accomplishment. An attainable goal should also allow for flexibility. A goal that can no longer be achieved should be altered or abandoned.

2.3.4. Relevant

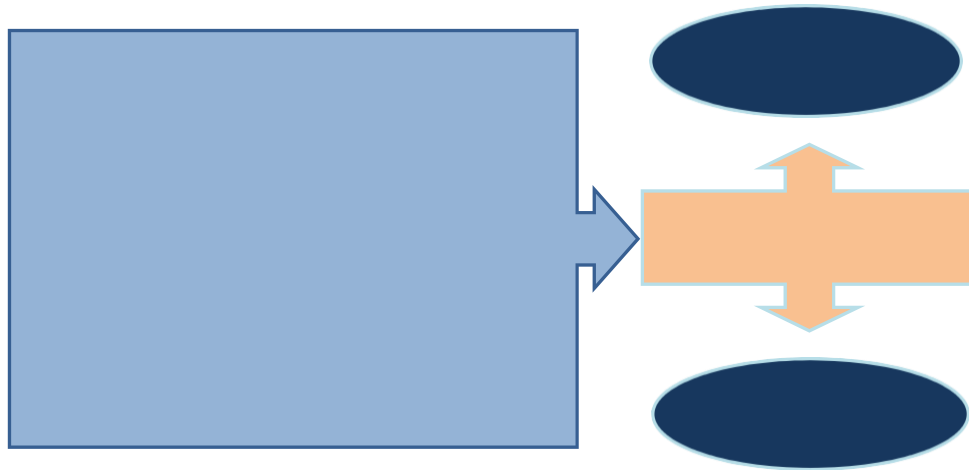
Individual goals should be appropriate to and consistent with the strategic and operational goals of the organization. Each goal adopted by the organization should be one that moves the organization toward the achievement of its strategic goals. Relevant goals will not conflict with other organizational goals. It is important that all short-term goals be relevant (e.g., consistent) with the longer-term and broader goals of the organization.

2.3.5. Time-bound

Finally a goal must be bound by time. Timely goals outline actions we can apply immediately. That is, it must have a starting and ending point. It should also have some intermediate points at which progress can be assessed. Limiting the time in which a goal must be accomplished helps to focus effort toward its achievement.

3. Performance Monitoring

Once the performance-planning phase has been completed, it is time to get the job done—to execute the plan. Performance execution is the second phase of an effective performance management process. For the individual, the critical responsibility in this phase is getting the job done—achieving the objectives. For the appraiser-people manager, there are several major responsibilities to create a conditions that motivate, and confronting and correcting any performance problems:



3.1. Eliminating Obstacle or Updating Objectives

The guru of quality management, W. Edwards Deming, said the system factor account for 94 percent of variance in performance result, which are beyond the control of performer. Circumstances beyond a performer’s control can have the effect of either facilitating or constraining the level of performance. As a people manager, he or she should help the subordinates eliminate any obstacle to achieve performance objective, while the manager should collaborate with subordinates to update the objectives if necessary.

3.2. Reinforcing Effective Behaviors

3.2.1. Positive Reinforcement

This reinforcement implies giving a positive response when an individual shows positive and required behavior. For example, immediately praising an employee for coming early for job. This will increase probability of outstanding behavior occurring again. Reward is a positive reinforce, but not necessarily. If and only if the employees’ behavior improves, reward can said to be a positive reinforce. Positive reinforcement stimulates occurrence of a behavior. It must be noted that more spontaneous is the giving of reward, the greater reinforcement value it has.

Stimulus	Desirability of stimulus	Contingencies of reinforcement	Strength of response
Presented	Pleasant	Positive reinforcement	Increases
	Unpleasant	Punishment	Decreases
Withdrawn	Pleasant	Extinction	Decreases
	Unpleasant	Negative reinforcement	Increases

3.2.2. Negative Reinforcement

This reinforcement strengthens a behavior because a negative condition is stopped or avoided as a consequence of the behavior. This implies rewarding an employee by removing negative / undesirable consequences. Both positive and negative reinforcement can be used for increasing desirable or required behavior.

3.2.3. Punishment

Punishment weakens a behavior because a negative condition is introduced or experienced as a consequence of the behavior. It implies removing positive consequences so as to lower the probability of repeating undesirable behavior in future. In other words, punishment means applying undesirable consequence for showing undesirable behavior. For instance, suspending an employee for breaking the organizational rules. Punishment can be equalized by positive reinforcement from alternative source.

3.2.4. Extinction

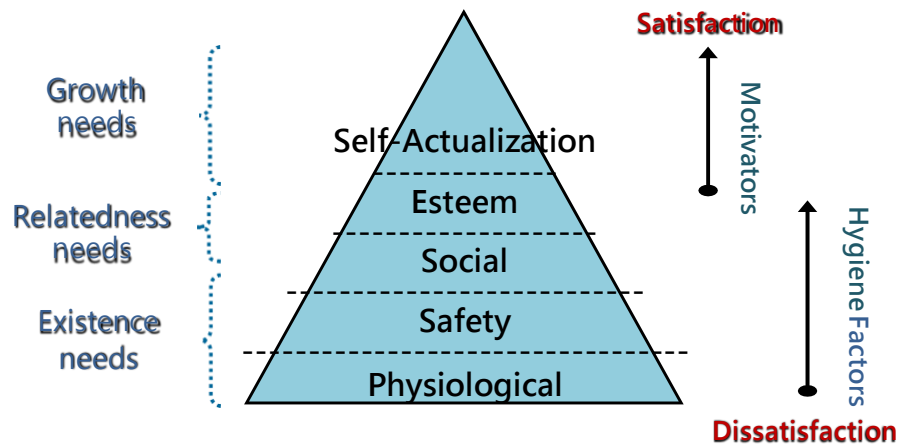
Extinction removes something in order to decrease a behavior. It implies absence of reinforcements. In other words, extinction implies lowering the probability of undesired behavior by removing reward for that kind of behavior. For instance - if an employee no longer receives praise and admiration for his good work, he may feel that his behavior is generating no fruitful consequence. Extinction may unintentionally lower desirable behavior.

3.3. Motivating people to perform

Effectively motivating employees has long been one of management's most important and challenging duties. Motivation refers to the psychological processes that stimulate excitement and persistence of voluntary actions aimed at some goal. Because motivation can be highly individualized, managers use a wide range of techniques to keep their employees motivated and happy. Therefore, it is essential for managers to understand the psychological processes involved in motivation so that they can effectively direct employees towards organizational goals. Needs theories attempt to identify internal factors that can motivate an individual's performance. They are based on the premise that people are motivated by unfulfilled needs.

3.3.1. Maslow's Hierarchy of Needs

The basis of Maslow's theory of motivation is that human beings are motivated by unsatisfied needs, and that certain lower needs need to be satisfied before higher needs can be addressed. There are general needs (physiological, safety, love, and esteem) which have to be fulfilled before a person is able to act unselfishly. While a person is motivated to fulfill these basal desires, they continue to move toward growth, and eventually self-actualization.



3.3.2. Alderfer's ERG Theory

After the original formulation of Maslow's Hierarchy of Needs, studies had shown that the middle levels of Maslow's hierarchy overlap. Alderfer addressed this issue by reducing the number of levels to three. The letters ERG represent these three levels of needs:

- Existence refers to our concern with basic material existence motivators.
- Relatedness refers to the motivation we have for maintaining interpersonal relationships.
- Growth refers to an intrinsic desire for personal development.

3.3.3. Herzberg's Two Factor Theory

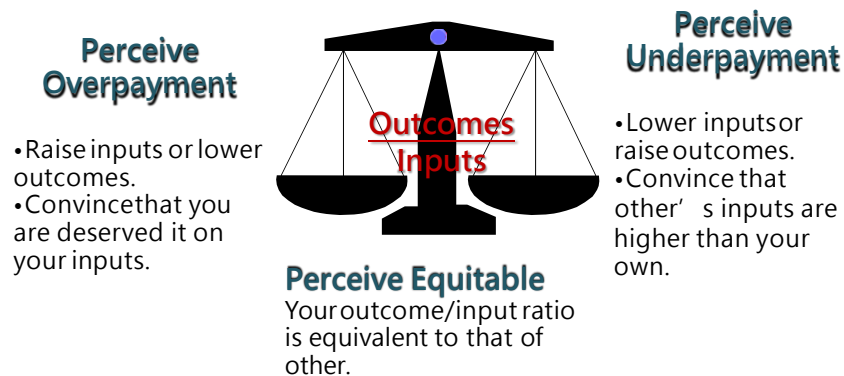
The two-factor theory states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors causes dissatisfaction. It was developed by psychologist Frederick Herzberg. Herzberg found that the factors causing job satisfaction (and presumably motivation) were different from those causing job dissatisfaction. He developed the motivation-hygiene theory to explain these results.

- Hygiene Factors are based on the need to for a business to avoid unpleasantness at work. If these factors are considered inadequate by employees, then they can cause dissatisfaction with work.
- Motivator Factors are based on an individual's need for personal growth. When they exist, motivator factors actively create job satisfaction. If they are effective, then they can motivate an individual to achieve above-average performance and effort.

3.3.4. Adams' Equity Theory

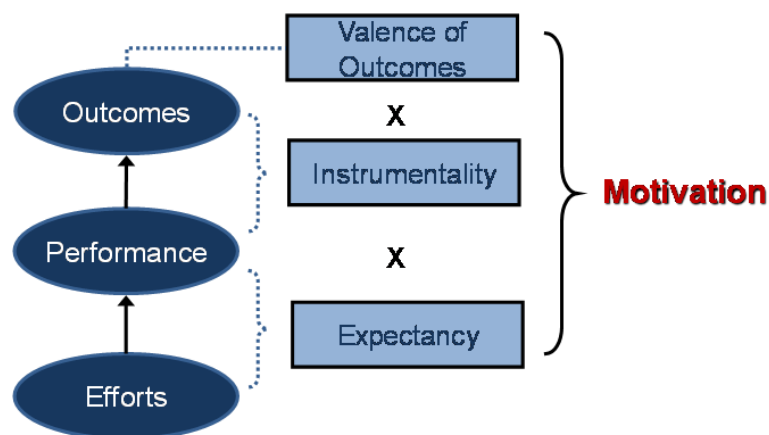
The theory is built-on the belief that employees become de-motivated, both in relation to their job and their employer, if they feel as though their inputs are greater than the outputs. Employees can be expected to respond to this in different ways, including de-motivation, reduced effort, becoming disgruntled, or, in more extreme

cases, perhaps even disruptive. The theory states that positive outcomes and high levels of motivation can be expected only when employees perceive their treatment to be fair.



3.3.5. Vroom's Expectancy Theory

The theory suggests that although individuals may have different sets of goals, they can be motivated if they believe that:



- There is a positive correlation between efforts and performance,
- Favorable performance will result in a desirable reward,
- The reward will satisfy an important need,
- The desire to satisfy the need is strong enough to make the effort worthwhile.
- The theory is based upon the following beliefs:
 - Valence refers to the emotional orientations people hold with respect to outcomes. Management must discover what employee's value.
 - Employees have different expectations and levels of confidence about what they are capable of doing. Management must discover what resources, training, or supervision employees need.
 - Instrumentality refers to the perception of employees as to whether they will

actually get what they desire even if it has been promised by a manager. Management must ensure that promises of rewards are fulfilled and that employees are aware of that.

3.3.6. McClelland's Need Theory

David McClelland identified three motivators that he believed we all have: a need for achievement, a need for affiliation, and a need for power. People will have different characteristics depending on their dominant motivator. According to McClelland, these motivators are learned (which is why this theory is sometimes called the Learned Needs Theory).

This dominant motivator is largely dependent on our culture and life experiences. These characteristics are as follows:

Achievement: People with a high need for achievement seek to excel and thus tend to avoid both low-risk and high-risk situations. Achievers avoid low-risk situations because the easily attained success is not a genuine achievement. In high-risk projects, achievers see the outcome as one of chance rather than one's own effort. Individuals with high need for achievement prefer work that has a moderate probability of success, ideally a 50% chance. Achievers need regular feedback in order to monitor the progress of their achievements. They prefer either to work alone or with other high achievers.

Affiliation: Those with a high need for affiliation need harmonious relationships with other people and need to feel accepted by other people. They tend to conform to the norms of their work group. Individuals with high need for affiliation need prefer work that provides significant personal interaction. They perform well in customer service and client interaction situations.

Power: A person's need for power can be one of two types - personal and institutional. Those who need personal power want to direct others, and this need often is perceived as undesirable. Persons who need institutional power (also known as social power) want to organize the efforts of others to further the goals of the organization. Managers with a high need for institutional power tend to be more effective than those with a high need for personal power.

3.3.7. McGregor's X and Y Theory

McGregor's X-Y theory is a salutary and simple reminder of the natural rules for managing people, which under the pressure of day-to-day business are all too easily forgotten. McGregor's ideas suggest that there are two fundamental approaches to managing people:

Theory X: manager believes that employees inherently do not like to work and must be strictly controlled and forced to work; thus, they operate from what is known as an "authoritative" style. A manufacturing environment with routine work and a large span of control for each manager may operate best with a Theory X approach.

Theory Y: manager, by the correct use of motivational techniques, provides leadership to employees that can produce greater satisfaction, productivity, and

interest in learning than that provided by the Theory X manager. The sales team may produce high levels of results when managed with a Theory Y approach. Most situations require some fluidity between Theory X and Theory Y approaches.

McGregor's Theory X and Theory Y

Theory X	sphere	Theory Y
Dislike work, find it boring, will avoid if we can	ATTITUDE	Need to work, want to take an interest, we can enjoy it
Must be forced or coerced into compliance	DIRECTION	Direct ourselves towards an accepted target
Need to be directed, avoid responsibility	RESPONSIBILITY	Thrive on responsibility
Motivated by fear, lack of money, lack of job security	MOTIVATION	Motivated by the desire of self-development and to contribute to the world
Little creativity, except when getting around rules	CREATIVITY	Highly creative when given recognition and opportunity

3.4. Feedback, Counseling, and Coaching

Feedback, counseling, or coaching is part of the day-to-day interaction between a supervisor and an employee.

3.4.1. Feedback

Feedback provides information to people on their performance, which helps them to understand how well they have been doing and how effective their behavior has been. Cultural differences can affect the degree of need for feedback, inhibit employees from seeking necessary feedback, and determine the most effective form of feedback.

3.4.2. Counseling

Counseling uses a set of skills and techniques to help people to take responsibility for and to manage their own decision-making whether it work related or personal. A counseling session is a meeting between the supervisor and the employee which may focus on a specific incident, a particular aspect of an employee's performance which the supervisor has identified as needing improvement, or the employee's overall performance or conduct. The counseling process is initiated and executed at the department level by the supervisor and is not discipline. It is a face-to-face communication between the supervisor and the employee, conducted in private, and is intended to have a constructive goal of providing feedback to the employee to correct the problem.

3.4.2. Coaching

Coaching can be used to help people develop their competencies during normal day-to-day activities. Coaching often provides positive feedback about employee contributions. At the same time, regular coaching brings performance issues to an employee's attention when they are minor, and assists the employee to correct them.

4. Performance Appraisal

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

- The supervisors measure the pay of employees and compare it with targets and plans.
- The supervisor analyses the factors behind work performances of employees.
- The employers are in position to guide the employees for a better performance.

4.1. Objectives of Performance Appraisal

Performance appraisals can serve multiple purposes in an organization:

Improvement: The process should help both the employee and the organization to get better results, to get better results, improving quality, efficiency, effectiveness, alignment, and the like.

Coaching and Guidance: In the traditional management view, appraisal provides a managerial tool and framework for coaching, counseling, and motivating employees.

Feedback and Communication: Appraisal is intended to enhance communication between the employee, supervisor, and others in the organization, including feedback on employee performance.

Compensation: By tying appraisal to compensation (salary increases, bonuses), purportedly people will work harder.

Staffing Decision and Professional Development: Appraisal attempts to provide information to enable the organization to fairly and effectively select employees for promotion, layoffs, or reductions in force (RIF). It is also used to identify staffing and training needs and assist employees in their career development.

Termination and Legal Documentation: Effectively written appraisals should provide objective and impartial documentation that is necessary or useful in disciplinary and discharge decisions. Some organizations applied performance-based layoff strategy to ensure that successful employees with excellent performance records remain with the company, regardless of their personal affiliations with managers or owners. This approach relies on employee testing or evaluations (similar as forced distribution) to determine the efficacy of each worker, with only those scoring in the lowest percentiles, or below a predetermined standard, losing their jobs.

4.2. Process of Performance Appraisals

A performance appraisal is a formal interaction between an employee and her manager. This is when the performance of the employee is assessed and discussed in thorough detail, with the manager communicating the weaknesses and strengths observed in the employee and also identifying opportunities for the employee to develop professionally. Here is the process involved in performance appraisal

4.2.1. Conducting Job analysis.

This is logically our first step because if we don't know what a job consists of, how can we possibly evaluate an employee's performance? We should realize that the job must be based on the organizational mission and objectives, the department, and the job itself.

4.2.2. Establishing Performance Standards

In this we use as the base to compare the actual performance of the employees. In this step it requires to set the criteria to judge the performance of the employees as successful or unsuccessful and the degrees of their contribution to the organizational goals and objectives. The standards set should be clear, easily understandable and in measurable terms. If employee doesn't come up to expectance, then it should be taken extra care for it.

4.2.3. Communicating the standards

It is the responsibility of the management to communicate the standards to all the employees of the organization. The employees should be informed and the standards should be clearly explained. This will help them to understand their roles and to know what exactly is expected from them.

4.2.4. Measuring the actual Performance

The most difficult part of the performance appraisal process is measuring the actual performance of the employees that is the work done by the employees during the specified period of time. It is a nonstop process which involves monitors the performance all over the year. This stage requires the watchful selection of the suitable techniques of measurement, taking care that individual bias does not affect the outcome of the process and providing assistance rather than interfering in an employees work.

4.2.5. Comparing the Actual with the Desired Performance

In this the actual performance is compared with the desired or the standard performance. The comparison tells the deviations in the performance of the employees from the standards set. The result can show the actual performance being more than the desired performance or, the actual performance being less than the desired performance depicting a negative deviation in the organizational performance. It includes recalling, evaluating and analysis of data related to the employees' performance.

4.2.6. Discussing Results

The result of the appraisal is communicated and discussed with the employees on one-to-one basis. The focus of this discussion is on communication and listening. The results, the problems and the possible solutions are discussed with the aim of problem solving and reaching consensus. The feedback should be given with a positive attitude as this can have an effect on the employees' future performance. The purpose of the meeting should be to solve the problems faced and motivate the employees to perform

better. Performance feedback can be very different across cultures. Managers must learn how feedback that should be given in that culture.

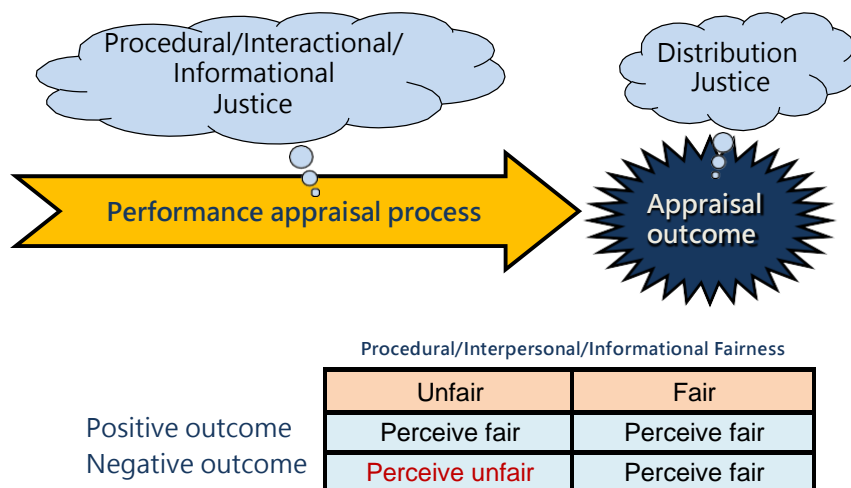
4.2.7. Decision Making

The last step of the process is to take decisions which can be taken either to improve the performance of the employees, take the required corrective actions, or the related HR decisions like rewards, promotions, demotions, transfers etc.

4.3. Acceptability of Performance Appraisals

Performance appraisal is provided the employees perceive the system as accurate is a major component of Performance Management System which measures employees' performance relevant to the specified standards and against clearly defined objectives. A major challenge for performance appraisal systems is to have its maximum acceptability among employees. The system itself and its outcomes can have an important influence on the employees, attitude towards their work, their supervisors and their organization. The system can also become a source of frustration and extreme dissatisfaction if it is considered to be biased unreliable or irrelevant.

Organizational justice prevails when its employees believe that rewards are fair and justified. In the HR existing literature, perceptions of fairness are ordinarily categorized as Distributive, Procedural Interactional and Informational. In the context of performance appraisal, distributive justice focuses on the perceived fairness of the appraisal rating or outcome received in relation to the actual work performed, whereas procedural justice focuses on the perceived fairness of procedures followed to arrive at that outcome (ratings). Interactional justice focuses on the perceived fairness of the interpersonal treatment employees receive during the appraisal process. Informational justice refers to the explanation of decisions and communication environment in the organization.



4.3.1. Distributive Justice / Fairness

Distributive Justice, concept originated from Adam's Equity Theory, which claims that individuals formulate fairness perceptions by comparing their perceived work

outcomes (rewards) to their perceived work inputs (contribution) in relation to the perceived input to outcome ratio of a coworker. Thus, employees view their appraisal rating and any consequent rewards, as fair when these reflect the individual's inputs and contributions. The fairness of outcomes in the appraisal context means fairness of the performance ratings given by the supervisors. Perception of fairness will prevail if employees see raters trying to motivate employees, improve performance and expand their perception of satisfaction. However fairness perception will not prevail if element of conflict avoidance, favoritism and politics is seen in appraisals. Many appraisers have a vested interest in making their subordinates look good on papers which, in most cases, reflect a problematic organizational culture that may be intolerant of failures or appraisers may be fearful of repercussions – both for themselves and the appraisee. Researchers found that accuracy in appraisals is impossible to achieve because people protect their own personal interest while playing social and political games. Some managers consciously fudge the numbers when they are let loose no matter what checks and balances are put in place. Many managers have actually defended fudging appraisal results by declaring it as an effective management tactics. There can be different motives for fudging, for example; hope for a better future performance, avoid unpleasant confrontation, hide employee weaknesses, punish or reward an employee. Therefore the rater is likely to have biases that distort ratings and this influences employee perception of accuracy and fairness.

4.3.2. Procedural Justice / Fairness

Procedural Justice / Fairness means the fairness of the procedures adopted to decide the outcomes. Process of assigning well trained raters, mutually establishing performance criteria and having appeals process adds to employee perception of procedural justice. A justice model for performance appraisal, rooted in the due process of law and possessing three basic factors: adequate notice, a fair hearing and judgment based on evidence. Adequate notice involves giving employees knowledge of the appraisal system and how it affects them. More specifically, it entails developing performance standards and objectives before the appraisal period commences which must be well documented, clearly explained, fully understood and preferably set by mutual agreement with employees so that they are only held accountable for standards and objectives properly communicated to them. Adequate notice also involves giving employees constant feedback on a timely basis throughout the performance evaluation period, so that employees can rectify any performance deficiencies before the appraisal is conducted. Studies show that adequate notice is important to employee perceptions of procedural fairness. Clarity of appraisal expectations and a thorough employee understanding of the appraisal process were important predictors of procedural fairness. The second factor that affects employee perceptions of procedural fairness is a fair hearing which means: an opportunity to influence the evaluation decision through evidence and argument, access to the evaluation decision and an opportunity to challenge the evaluation decision. Fundamentally, a fair hearing entails two-way communication, with employee input or 'voice' in all aspects of the appraisal decision-making process. The third procedural justice factor is judgment based on evidence. This means convincing employees that ratings do accurately reflect performance by justifying evaluation decisions in terms of performance-related evidence. Ratings overtly based on tangible performance records

and evidence appears objective and unbiased. Those based on covert evidence appear subjective and judgmental. If a judgment is based on the evidence, it necessarily means that it is not based on external pressure, personal bias and dishonesty. A performance rating must therefore withstand scrutiny and reflect principles of sincerity and fairness.

4.3.3. Interactional Justice / Fairness

Interactional Justice / Fairness refers to the quality of appraisal interview, appraisal system and performance interaction between the rater and the rate. Individuals are highly influenced by the emotional intelligence of their supervisors and other representatives within the organization. This is especially true when raters show concern for employees regarding the outcomes that they receive. Other expressions of remorse by raters, especially apologies, have enabled to reduce employees' perception of unfairness. There are four factors that influence how fairly employees feel they have been treated by supervisors: deception, invasion of the employee's privacy, disrespectful treatment and derogatory judgments. Deception occurs if a supervisor's words and actions are inconsistent, as, for example, when a supervisor promised a pay increase if performance improved, but later refused to honor that promise. Invasions of privacy occur if the supervisor gossips, spreads rumors, or unnecessarily discloses confidential information about an employee. Disrespect is demonstrated if supervisors are abusive or inconsiderate in their words or actions. Abuse includes every conceivable kind of insult from racist remarks to 'name-calling' to public humiliation. Derogatory judgments refer to wrongful and unfair statements and judgments about the employee's performance, for example when a supervisor fails to supply adequate resources and yet accuses a subordinate of not having satisfactorily completed a task. No one enjoys being accused of doing something he / she had not actually done or was not responsible for having done.

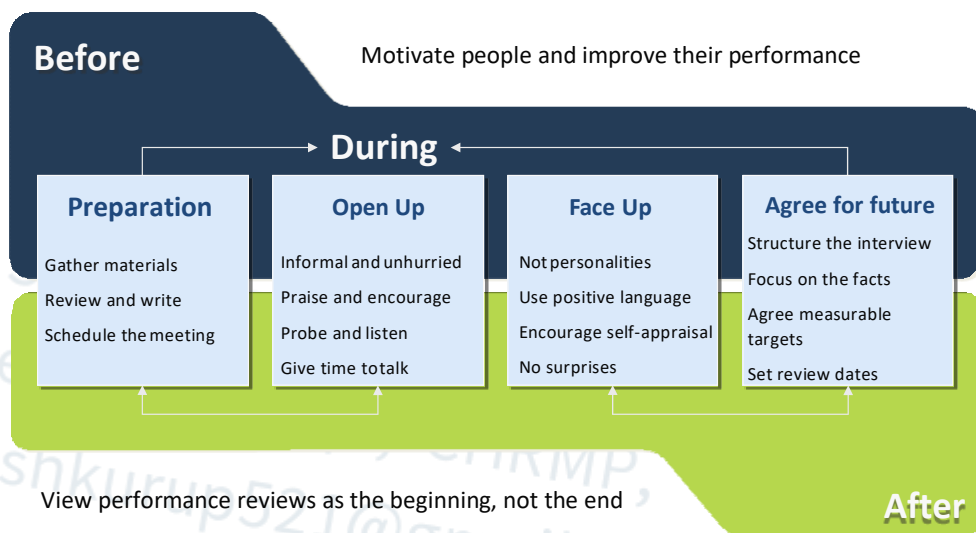
4.3.4. Informational Justice / Fairness

Informational Justice / Fairness is concerned with fairness perception based on clarification of performance expectation and standards. The focus of informational justice is on clarification of events which determine outcome, just like the procedural justice, but perceptions are socially determined. Information can take the form of honest, sincere and logical explanations of allocation process. In the context of appraisals it involves setting performance objectives feedback and explanations during performance interviews. The importance of employee's perception of fairness, accuracy and satisfaction with the appraisal is a well recognized issue in performance management function of HR. Accurate and adequate feedback about performance through performance appraisal reviews has been regarded as an important source of employees' ability and motivation to perform effectively. Perception of fairness with performance appraisal has often been conceptualized in terms of satisfaction with appraisal interview, appraisal system and performance ratings.

5. Performance Development

Performance development is a broad term that includes performance management and employee development. It describes both managing/assessing the work that needs to be done and providing opportunities for professional growth and development. Performance

development is the ongoing process between supervisor and employee of communicating and clarifying position responsibilities, priorities and performance expectations to guarantee mutual understanding and to enhance effectiveness in achieving the campus and departmental mission and goals. Conducting employee performance reviews demands a lot of time and effort, but when done correctly, they can bring numerous benefits to both the employee and the business, including:



5.1. Prepare the interview

Holding successful mid-year and end-of-year performance appraisal discussions requires preparation. For example, developing a comprehensive written appraisal narrative can be extremely helpful when preparing for the face-to-face appraisal review. Appraising officials can use the following checklist as a tool to help them prepare for employee appraisal reviews.

5.1.1. Gather the Material

Have all the necessary tools close at hand before starting to write the appraisal narrative, including:

- a copy of the employee's performance plan;
- notes of previous meetings with the employee (remember what was discussed with the employee during previous meetings);
- employee self-evaluation documents, which could include a list of completed projects and accomplishments prepared by the employee;
- written or recorded feedback on employee performance from other sources (these can include letters of appreciation, customer feedback, etc.); and
- appraisal program instructions that describe the performance appraisal process and procedures.

5.1.2. Review and Write

Become familiar with the appraisal form and review how to derive the summary rating (e.g., numerical formula, percentages, and numerical weights). Take the time to review the employee's elements and standards, knowing which elements are critical, non-critical, and additional, and how to measure employee performance. Finally, review all the documentation. When writing the narrative, consider these points:

- Responsibilities and Duties. Review employee responsibilities:

Have the employee's work responsibilities changed? If so, how?

Has the employee been assigned additional responsibilities which were not included in the performance plan? If so, consider acknowledging these additional responsibilities in the narrative and the performance interview. Also, consider whether to include the new responsibilities in next year's performance plan.

- Performance. Include performance data for the entire appraisal period, not just the most recent information. The appraisal narrative should address:

-how well the employee performed the assigned responsibilities and the quality and/or timeliness of the employee's accomplishments;

-whether and how well the employee met performance goals;

-areas of performance that improved over the appraisal period; and

-areas of performance that might need improvement.

- Review Developmental Needs.

In addition to the information in the narrative, prepare to talk to the employee about developmental needs. Identify skills and competencies that may enhance or improve the employee's performance. Look into a variety of ways of improving skills, such as classroom or on-line training, professional conferences and workshops, details to other work units or to positions with higher responsibilities, or on-the-job training. Enter the appraisal review with this information on hand, but during the review, be sure to ask the employee for input on development needs. If employees participate in creating their own development plans, those plans likely will be more successful.

5.1.3. Schedule the Interview/meeting

The final preparation step is to set aside a time and a place to meet with the employee. When scheduling the appraisal interview, make sure to:

-schedule a time that is convenient for you and the employee. This should be uninterrupted time so that you and the employee can concentrate on the appraisal.

-give the employee a copy of the performance appraisal with its narrative before the meeting so that he or she can have time to prepare for the appraisal interview.

5.2. Getting people to open up

5.2.1. Establish an informal, unhurried atmosphere

Seating arrangements matter - there should be no barriers and the two chairs must be

the same height so that one person is not looking down on the other. Rapport building is very important, particularly with shy people. The ritual cup of coffee and some unthreatening, casual chat are important scene-setting activities.

5.2.2. Praise and encourage

People like Sharon sometimes convince themselves that appraisal is going to be an unpleasant experience. It is important to change their perception early on by congratulating them for their good work.

5.2.3. Probe and listen

Good appraisers ask open (how, what and why) questions to get the person talking, then probe for more information ('tell me a bit more about...') and finally ask closed questions to confirm agreement and understanding.

5.2.4. Give time to talk

Advise the group not to be in too much of a hurry. People, particularly shy ones, need time to think. Silence, a friendly facial expression and, if necessary, encouraging prompts ('take your time') will produce answers which rushing the appraisee will not.

5.3. Facing up to the problem

5.3.1. Performance, not personalities

Appraisal is not therapy and you are not a psychiatrist! Whatever we think about someone's personality, we are unlikely to be able to change it in one relatively short discussion. What we can change is behavior, which means concentrating on performance.

Watch out for the word 'attitude'. Before you criticize someone's attitude you must be quite clear what, specifically, you don't like and how that shows up in practice, with examples.

5.3.2. Use positive language

If a person's performance was universally awful, you would be having a disciplinary interview with them, rather than appraising them. So find a way to make your criticisms positive.

5.3.3. Encourage self-appraisal

It is much less threatening to ask people what they think about their performance than simply telling them what you think. Of course, they will want your opinion. But if you have heard what they have to say first, you will often find that, when it is your turn, you can put a positive slant on what they have.

5.3.4. No surprises!

At least, no negative ones. If something is going wrong with an individual's performance it must be addressed at the time. Appraisers can certainly review progress on areas of improvement at appraisal time, but saving up bad news.

5.4. Agreeing a plan for the future

5.4.1. Structure the interview

Decide on the main performance areas you want to talk about. These may come from the job description, or they may be objectives you have agreed at the beginning of the appraisal period, or they may be a set of competences. Here is a typical structure for an appraisal discussion.

Rapport building: agenda setting. Start by setting a relaxed unhurried tone. Outline what the discussion will cover. Find out if the appraisee agrees. Explain the order. Stress that appraisal is a discussion - you want to hear the appraisee's opinions and ideas.

Opening the discussion. Ask a general, open question to get the ball rolling. Before we get into the detail, how would you sum up the last six months?

Performance areas: One by one. Try to focus on one area at a time, rather than jumping around. Summarize at the end of each section before moving on to the next.

Themes and conclusions. These will begin to appear as the discussion progresses. Test your understanding of them when they do (I'm getting the feeling that you rather enjoy handling crises. Have I got that right?). Make a note, so that you can pull them together at the end.

Training/development. This will be one of the most important themes. Remember that formal training courses are only one way of developing people. So ask: 'What additional skills and knowledge do you need in this area?' and then 'How do you think we could best provide that?' Avoid asking 'What courses would you like to go on this year?'

Actions: boss and job holder. It's not just the discussion that is supposed to be two-way. The actions are as well. For example, if you are the boss, is there some coaching that you can give the appraisee? Should you delegate more work to him? Can you help sort out his working relationship with one of your colleagues?

Is the appraisee satisfied? Don't end the discussion until you are sure that the appraisee has said everything he or she wants to say.

5.4.2. Focus on the facts

This means two things:

- Resisting the temptation to get sucked into irrelevant discussions
- Nailing down generalizations

5.4.3. Agree measurable targets

This is reasonably easy if they can be easily quantified. One of the benefits of appraisal is that it gives bosses and their team members the opportunity to talk about how they measure the achievement of targets, such as improving communication, which don't come with numbers attached.

5.4.4. Set review dates

Appraisal is not supposed to be merely a once-a-year chore. To get the maximum benefit from it, it should be part of a never-ending process of improvement. This means agreeing targets, reviewing them and learning from how they have gone.

6. Performance Improvement Plans and Individual Development Plans

Many organizations may define their performance review as a good opportunity to develop employees' competencies and performance. You may hear two acronyms like 'PIP' and 'IDP' during the performance review.

6.1. Performance Improvement Plans (PIPs)

From time to time, it may become apparent that a person in your department is not performing up to expectations. If a frank 'sit down' conversation isn't effective, they may need the structure of a Performance Improvement Plan (PIP) to help them regain the focus and execution prowess needed for them to be successful.

The communication of poor performance should never be a surprise. The key is to have regular conversations with each person concerning their performance – the good, the bad and the ugly. If you and your direct reports are not perfectly aligned on your perception of their performance, you are failing them as their leader.

Remember, PIPs are (or should be) designed to correct poor performance and put the individual on a path toward success. They should never be used to railroad someone out of an organization. The first person to know that their performance is sub-par is, of course, the employee. Constructing a PIP is similar as goal setting that must follow the S.M.A.R.T principle.

6.2. Individual Development Plans (IDPs)

An individual development plan (IDP) is a tool that helps facilitate employee development. It's a two-way commitment between an employee and their manager on what they are going to do to grow. IDPs are often used as a way to drive leadership development or to develop high potential employees.

An IDP is the road map to the future success of each individual professional in your department. It's also a huge signal to that individual that you, as his/her leader, are making the concerted effort necessary to architect a customized approach to help that person develop into a much more valuable asset for the organization. The IDP identifies those skill sets and experiences that each person needs to reach their full professional potential. We tend to do a great job 'training' our people for their current roles, but not such a good job 'developing' them for tomorrow's requirements.

The IDP requires a series of steps to be conducted by the mentee, and then discussed and corroborated with his/her manager or mentor. These steps represent an interactive effort that requires full engagement by the employees and managers.

6.2.1. Conducting a skills-assessment

Conduct an assessment of employees' strengths, weaknesses, and skills; then request a

review of the assessment with their managers.

6.2.2. Completing the IDP

Develop and document the employee's career goals and complete the IDP in accordance with S.M.A.R.T. principle.

6.2.3. Implementing the IDP

Arrange an appointment or series of meetings between the employee and the manager. Discuss and refine the employee's IDP with his/her manager; implement the steps outlined in the employee's IDP; periodically review the progress, and modify it. IDP based on the outcome of the review and the progress toward goal attainment.

7. Managing Performance in Cross Culture Context

With more and more companies outsourcing work and hiring employees in different countries at some point in your career as you move up the corporate ladder you are likely going to find yourself managing a cross-cultural team. While it may seem like a new and exciting experience at first as you get to learn about new people in other countries and their culture, you will soon find that there are many challenges when it comes to managing a cross-cultural team.

7.1. Cross Cultural Communication

Communication is key in the workplace and when you are in charge of a cross cultural team that can present you with many unique challenges in terms of the language, dealing with accents and the different meanings of words in different countries. When you are striving to provide a clear message of the work that needs to be done, you may find that projects you thought were on track have veered off course due to a misunderstanding or due to differences in communication.

One way to combat this issue is to make sure you are always on the same page as team members. Anything that is spoken over the phone should be followed up with an email communication so they have the project plan in writing so they can verify what they heard. If people ask you questions on conference calls, paraphrase and repeat back what they said to make sure you understand their question.

Because you are not meeting face-to-face with people in a conference room, you have to be very clear and concise in your message when sending out email communications so don't try to add in jokes or sarcasm that others may not understand or interpret the wrong way.

Another issue in communicating is dealing with time zone differences. If there is an important decision that needs to be made at a certain point in a project, you need to be sure that a chain of command has been established for contacts so the people with authority are able to make the decisions and the decision is not left to a lower-level employee that may not understand the scope of the work.

7.2. Cross Cultural Training

If you are rolling out a tool or new application that will require training, you need to

consider how you are going to provide training for people that are located in different countries and in different time zones so they all get the same message and are able to use the tools in the same way. You need to consider the cost of sending someone out to do the training on site versus the cost of doing web based training or a Live Meeting where everyone is viewing the training in front of their computer. You also may need to do a train the trainer so you have several trainers in different countries unless you have a trainer on site that is able to work all hours of the day to cover the different time zones.

7.3. Managing a Virtual Team

Another challenge you will face is managing a virtual team. When you have staff on site, it is easy to pop into their office or cubicle to check how they are doing or to know they are at work and doing their job. When you have people in other countries on different clocks, the employee has to be very self-sufficient to do their job with no boss around. Consider how often and what types of communication you will need to have with your remote employees and how you can stay on top of the work they are doing in order to ensure that the work is getting accomplished.

Despite all of the challenges with managing a cross cultural team, there are several benefits as well. Because of overlapping time zones, you may have close to 24 x 7 coverage for your team so you are able to always get work done on projects or tasks throughout the day. You also have a team that has cultural differences so they bring many different backgrounds and viewpoints to the table which gives you different perspectives when you are trying to work through business problems to find a solution.

Part Three: Training and Development

1. Adult Learning

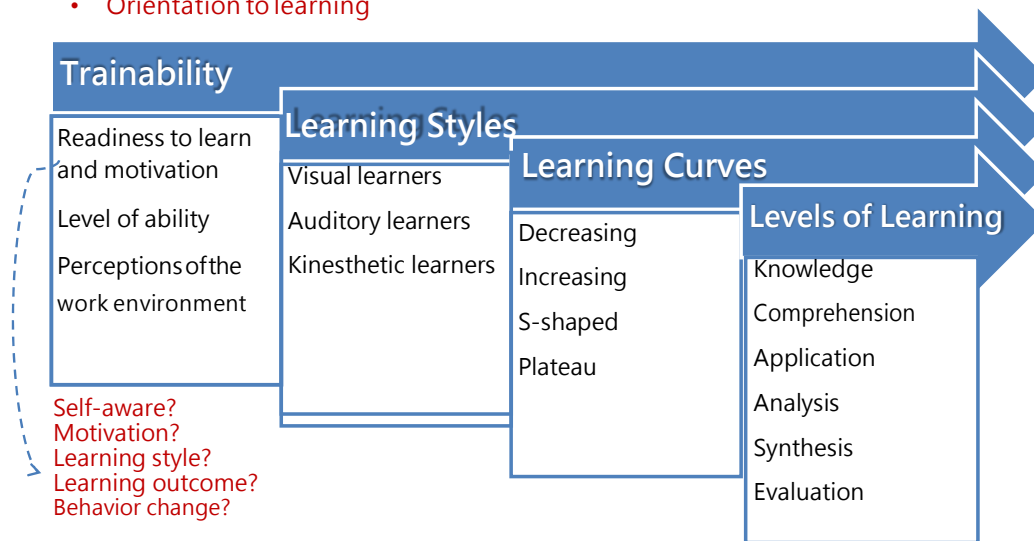
Learning is a relatively permanent change in behavior based on an individual's interactional experience with its environment.

Malcolm Knowles developed a new theory - which he called "Andragogy" - in the context of adult learners. This is often contrasted with the child's learning methods - pedagogical learning. The central idea in the context of adult learning is that it is only after convincing him- or herself of the rationale of learning that an adult will decide to learn. Hence, adults cannot be treated like children. Therefore it is assumed that workshops and seminars organized by the students themselves create a better learning environment than those organized externally. There are five assumptions about adult learning:

- The need to know: adult learners need to know why they need to learn something before undertaking to learn it.
- Learner self-concept: adults need to be responsible for their own decisions and to be treated as capable of self-direction
- Role of learners' experience: adult learners have a variety of experiences of life which represent the richest resource for learning. These experiences are however imbued with bias and presupposition.
- Readiness to learn: adults are ready to learn those things they need to know in order to cope effectively with life situations.
- Orientation to learning: adults are motivated to learn to the extent that they perceive that it will help them perform tasks they confront in their life situations.

- The need to know
- Learner self-concept
- learners' experience
- Readiness to learn
- Orientation to learning

Andragogy vs. Pedagogy



1.1. Trainability

The principles of adult learning clearly illustrate that how people learn is a direct result of an interaction between forces within the individual and the environment. This interaction can be summarized in one concept trainability, which concerned with these factors:

- 1.1.1. Readiness to learn and motivation
- 1.1.2. Level of ability
- 1.1.3. Perceptions of the work environment

1.2. Learning Styles

Learning styles describe the ways individuals learn and how they process ideas. An awareness of these styles allows HR professionals to interpret and reflect upon ways to accommodate each style in learning situations. There are three distinct learning styles:

- 1.2.1. Visual learners remember best what they see pictures, diagrams, flow charts, time lines, films, and demonstrations.
- 1.2.2. Auditory learners, called verbal learners; it's a learning style in which a person learns through listening. An auditory learner depends on hearing and speaking as a main way of learning.
- 1.2.3. Kinesthetic learners, also known as tactile learners, learn best through a hands-on approach. They prefer to actively explore the physical world around them.

1.3. Learning Curves

Learning curves graphically depict individual rates of learning over time, with learning proficiency indicated vertically and elapsed time indicated horizontally.

- 1.3.1. Decreasing returns occur when the amount of learning or skill level increases rapidly at first and then the rate of improvement slows. The beginning of the curve is slow while the basics are being learned; then performance takes off as skills and knowledge are acquired.
- 1.3.2. Increasing returns pattern is most common when a person is learning something completely new.
- 1.3.3. S-shaped curve is a combination of increasing and decreasing returns. There is a presupposition that the individual is learning a difficult task that also requires specific insight.
- 1.3.4. Plateau curve refers to the learning is fast at first, but it then flattens out and there is no apparent progress.

1.4. Levels of Learning

- 1.4.1. Knowledge simply means that the learner can recall specific facts.
- 1.4.2. Comprehension allows the learner to translate or interpret information.
- 1.4.3. Application is the ability to use learned information in a new situation.
- 1.4.4. Analysis means understanding information to the level of being able to break it down and explain how it fits together.
- 1.4.5. Synthesis is the level at which the learner would be able to respond to new situations and determine trouble-shooting techniques and solutions.
- 1.4.6. Evaluation is the highest level of learning because it allows one to make judgments.

Some people resist change because they fear they will not be able to develop the new competencies that will be required. Accepting change is more difficult for some than for others, even when they realize it is a good one.

If employees do not trust that training is worthwhile or have had negative experiences in the past, they will not commit the attention and energy to make it worthwhile.

Many employees are influenced by their coworkers' perceptions. If employees perceive that an HRD program is inconsequential, those perceptions may transfer to others in the department.

2. Training Plan

2.1. Definition

Training is the process through which knowledge and skills are developed, information is provided, and attributes are nurtured, in order to help individuals who work in

organizations to become more effective and efficient in their work.

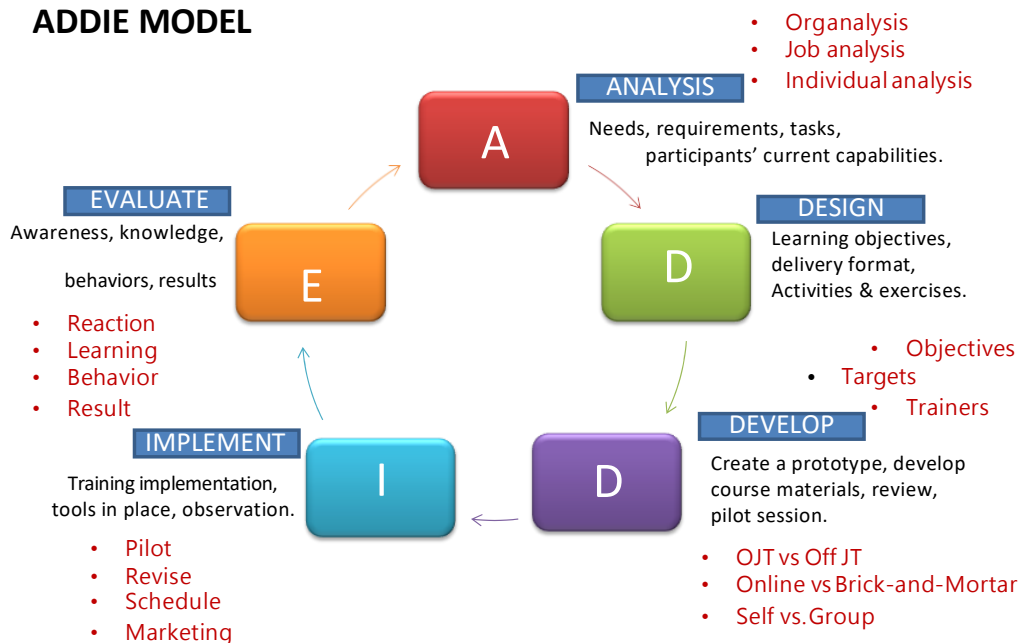
Education is 'mind preparation' and is carried out remote from the actual work area.

Development is education, job experiences, relationships, and assessments of personality and abilities that help trainees prepare for the future.

2.2. Instructional System Design (ISD)

Instructional Systems Design (ISD) involves a systematic process for the assessment and development of training solutions, designed specifically for the purpose of formal training delivery. There are two widely recognized instructional design models in use today by both educational institutions and corporate training functions. The most traditional is the ADDIE model:

ADDIE MODEL



2.2.1. Analysis

Data is collected to identify gaps between actual and desired organizational performance. If those gaps point to a lack of employee knowledge and skills, then specific training objectives are established to address the training needs.

According to the ADDIE model, the first thing you should do when you're handed a new training project is a detailed analysis. What do you need to analyze? Three of the most critical analyses carried out by instructional designers are:

Training Needs Analysis: This should be the first type of analysis you complete because it identifies whether the training is needed at all. This analysis identifies what performance improvements are expected and how they will be measured, which is critical in identifying whether training has been successful.

Audience Analysis: Once you validate that the training is indeed needed, it's time to

analyze your learners. Knowing key demographics and background information about your learners will help you identify the information they need to know and the best way to present it to them.

Task Analysis: Now that you know what your course is about and who will be taking it, it's time to take a close look at the specific processes and tasks you'll be training learners on by breaking them down into step-by-step chunks.

Once you've completed these analyses, you have a much better idea of the who, what, where, and why of your e-learning. A good idea is to compile these findings into your first deliverable: a project plan.

2.2.2. Design

Initial decisions regarding course content, course goals and objectives, delivery methods, and implementation strategies are made.

With the analyses out of the way, you're ready to start development, right? Wrong! Don't skip the first "D"! Starting to develop your course without completing the design phase is like building a house without a blueprint. It makes much more sense to start with a clear plan of how everything in the course will be laid out and how the text, multimedia, and navigation will fit together. Exactly which deliverable you create as a result of the design phase depends on your time, budget, resources, and what you've outlined in your project plan, but typically one of two deliverables comes out of the design phase:

Storyboard: This document lays out the elements of the course that will appear on each slide, including the text, imagery, and narration script. Exactly what's included in a storyboard depends on the project. For example, if your project includes audio narration, you'll need to add a script to your storyboard. If you're building a storyboard that you will hand off to a developer, you'll need to add detailed notes for the developer.

Prototype: This is typically a model or sample of a course that is created to test and identify whether specific features or concepts work. The prototype lets a stakeholder get a feel for how the course looks and functions before developing the entire course and all of its features.

Once you've got your blueprint for your course, you're ready to jump into the fun part: development!

2.2.3. Development:

Materials are created, purchased, and/or modified to meet the stated objectives.

This is the phase where you get to build out your learning content in an authoring tool. The development part of the ADDIE process typically contains two sub-tasks:

Content Creation: In this phase you choose and add the final graphics, multimedia, colors, and fonts to make your course look polished and professional. You'll also use your authoring tool to build out activities, quizzes, interactions, and functional navigation to create an engaging course.

Testing: Once you've created your content, you need to test it. Things that need to be tested and reviewed include spelling, grammar, learning objectives, navigation, and flow. Testing is typically done during the development process instead of after, so that as testers identify problem areas, the developer can make changes to the final product.

2.2.4. Implement

The program is delivered to the target audience, including pilot programs, revisions to content, participant scheduling, and preparing the learning environment.

Once your course is fully developed and thoroughly tested, you're ready to share it with your learners. Typically, during the Implementation phase, the materials are shared in one of two ways: by uploading it directly to the web or to a Learning Management System (LMS). How do you decide between these two implementation methods? It depends on whether you need to track and report on learner behavior.

Web: If you don't need to track learner behavior, you can upload content directly to the web and provide a URL link for your learners to access the training. However, since learner activity isn't tracked, you won't know whether they completed the course, how long it took them to do so, or if they went wrong somewhere.

LMS: If you do need to track your learners and their progress, your best bet is to share your content through an LMS. Every LMS offers different features and functionalities, but they share some tracking capabilities, such as whether learners completed a module and how long it took them.

2.2.5. Evaluate

Comparing the program results to the established objectives to determine whether the original needs were met.

When you progress to the evaluation phase, you need to go back to the very first step of the ADDIE process, in which you completed a training needs analysis. During that step, you identified specific performance improvements that your training would address as well as how to measure those improvements.

The evaluation phase is where the rubber meets the road: Did your training result in the real, measurable performance improvements you identified in your needs analysis? While the learner's opinions and feedback about the e-learning matter, it's most critical to ensure that your training achieved the goals you set at the start.

2.3. Learning Management System (LMS)

A Learning Management System (sometimes also called "Course Management System", "Pedagogical Platform", "E-Learning Platform") is a software system that delivers courseware plus e-tutoring over the Internet. A learning management system (LMS) allows you to create, distribute and track training anywhere, on any device. Nowadays, powerful software for managing complex databases has been combined with digital frameworks for managing curriculum, training materials, and evaluation tools. The LMS allows anyone to create, track, manage and distribute learning materials of any kind. LMS products and software allow any organization to develop electronic coursework,

deliver it with unprecedented reach and flexibility, and manage its continued use over time. Many business and organizations use LMS to deliver online training, as well as to track completion of courses, reports, and records.

The LMS has become a powerful tool for consulting companies that specialize in staffing and training, extension schools, and any corporation looking to get a better grasp on the continuing education of its workforce. Its impact has been felt mostly outside of traditional education institutions, though the same technological and market forces are dramatically changing today's classroom as well.

The traditional application of an LMS is in educational institutions. Learning management systems have been used for several years to deliver courseware in schools and popularize e-learning. In the last few decades, companies have been using learning management systems to deliver training to internal employees and customers. The technology has become a powerful tool for consulting companies that specialize in staffing and training, extension schools, and any corporation looking to get a better grasp on the continuing education of its workforce. Its impact has been felt mostly outside of traditional education institutions, though the same technological and market forces are dramatically changing today's classroom as well.

2.3.1. Components of an LMS

Some common components or features that can be found in many eLearning platforms include:

Rosters: A digital roll call sheet for tracking attendance and for sending invitations to class participants.

Registration Control: The ability to monitor and customize the registration processes of e-learning curriculum.

Document Management: Upload and management of documents containing curricular content.

Multiple device access: Delivery of course content over web-based interfaces such as desktops, phones or tablets.

Distributed instructor and student base: Remote participation by the instructor or pupil allows courseware to feature multiple teachers or experts from across the globe.

Course calendars: Creation and publication of course schedules, deadlines and tests.

Student Engagement: Interaction between and among students, such as instant messaging, email, and discussion forums.

Assessment and testing: Creation of varied knowledge retention exercises such as short quizzes and comprehensive exams

Grading and Scoring: Advanced tracking and charting of student performance over time.

2.3.2. Features of a Corporate LMS

When an LMS is used in corporate training environments, they often have additional features that satisfy goals relating to knowledge management and performance evaluation, such as:

Automatic enrollment: Logic within an LMS which registers and reminds employees for mandatory courses.

Enhanced Security: Many corporate LMS solutions have single sign in, advanced authentication and firewalls to ensure data security.

Whitelabeling: The ability to create online training content that aligns with a company's brand.

Multi Lingual Support: In a globally distributed company, many employees or partners need training in their native languages. A corporate LMS allows training in multiple languages.

2.3.3. Choose the Right Learning Management System (LMS)

It's tough to choose the right platform to deliver learning to learners, since different organizations have such different needs. One common approach is to use a learning management system, or LMS, which is a platform to help deliver and track online learning courses.

As with most software, there's no "one size fits all, best" LMS, and it's a good idea to ask yourself these five key questions before you pick one:

Is it easy to use? Ease of use is not only important for you, the course creator, but it's also very important for your learners. Is the learner-facing user interface intuitive and at least reasonably easy to use? For you, the manager, is the admin interface reasonably easy to use? Can you easily figure out how to set up the system, or will you need a consultant to help you?

Does it offer reporting? Some free LMS platforms only offer a way to publish the course but don't give you a report of learners' results. If reporting is important to you, you'll need to verify that the LMS you're evaluating offers learner tracking tools. Of course, that's only part "A" of the question. Part "B" is: Does it offer the reporting you need?

How many learners can you invite? Make sure to find out—up front—if the LMS you're looking at supports the number of users you need to have access to the software for your e-learning course. If it doesn't, you may find yourself with some unexpected costs or needing to switch platforms in the middle of course development.

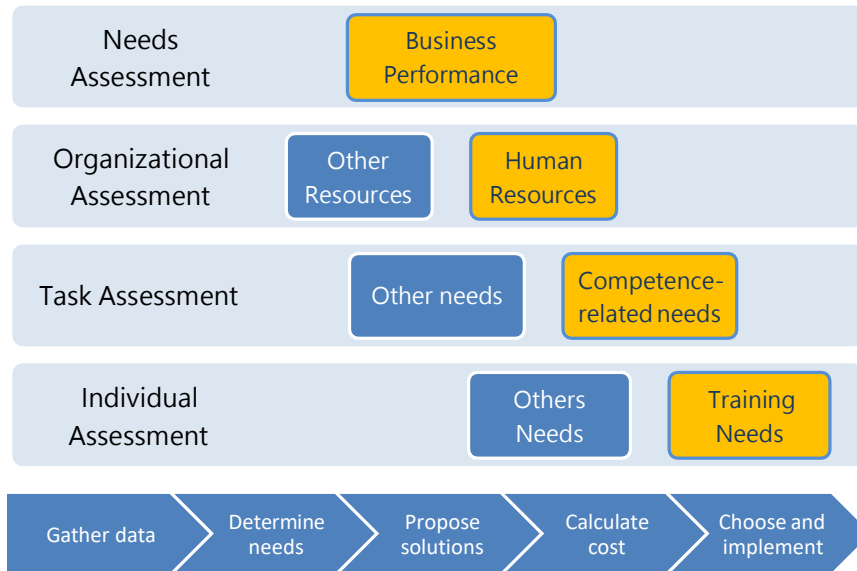
Can you create individual learning tracks? If you're interested in assigning specific sets of courses to different learners, make sure your free LMS supports this feature. Some free platforms only support offering the same courses to a variety of learners, which can turn into a big headache.

What course and media formats does the LMS support? If you have a lot of content in hand that you'd like to publish in the LMS, the answer to this question is critically important. You'll want to make sure—in advance—that the LMS can play SCORM, AICC, TinCan, video, or other types of content, so you're not left holding the bag with some

important content.

3. Training Needs Assessment

There are several steps to complete a comprehensive training needs assessment:



3.1. Assessment Process

3.1.1. Gather data to identify needs.

Job-inventory questionnaires can be administered to a large group of employees in a short amount of time to identify training needs.

3.1.2. Determine needs that can be met by training interventions.

3.1.3. Propose solutions. (Training is not a solution for employee relations problems such as poor morale, lack of motivation, or lack of ability to learn.)

3.1.4. Calculate potential cost of training interventions.

3.1.5. Choose and implement the training.

3.2. Organizational Assessment

Identifies the knowledge, skills, and abilities employees will need in the future.

3.3. Task Assessment

Compares job requirements with employee knowledge and skills to identify areas needing improvement through job analysis.

3.4. Individual Assessment

Focuses on individual employees and how they perform their jobs, usually determined through performance appraisal or review.

4. Training Design

Training Design includes “Setting Objectives”, “Defining Target” and “Selecting Trainer” as below explanation:

- Learning objectives are the results that the participants will be able to perform at the end of the program.

- When designing the training, the target audience's aptitude, prior knowledge and skills, and attitudes and perceptions must be taken into account.

- A key decision is whether to develop a training program "in-house" or to purchase it "off the shelf."

4.1. Setting Objectives

Learning objectives are the results that the participants will be able to perform at the end of the program.

4.2. Defining Target

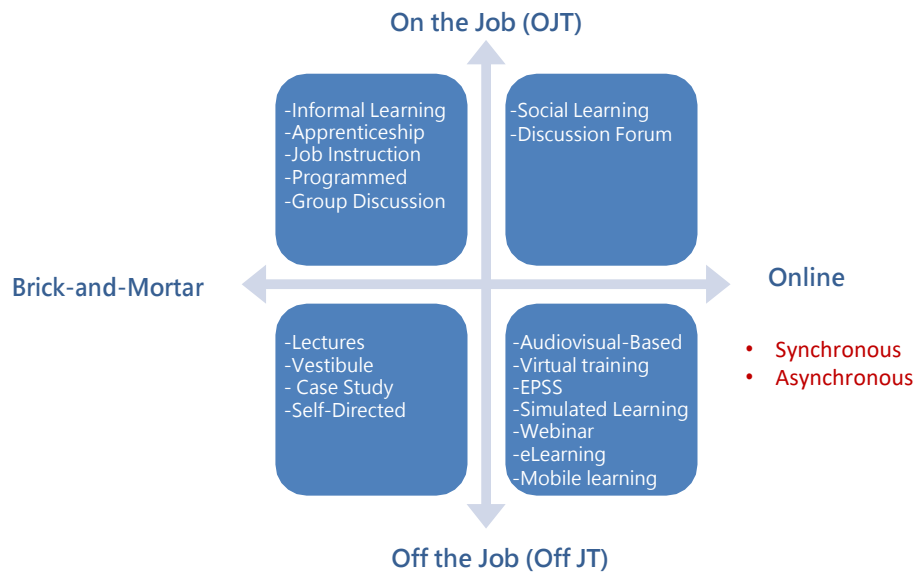
When designing the training, the target audience's aptitude, prior knowledge and skills, and attitudes and perceptions must be taken into account.

4.3. Selecting Trainer

A key decision is whether to develop a training program "in-house" or to purchase it "off the shelf."

5. Training Program Development

We can classify types of training courses by two criteria: 1). On the Job or Off the Job and 2). Online or Brick-and-Mortar. Different types fit different audiences and different circumstances.



5.1. On-the-Job Training (OJT)

OJT means having a person learn a job by actually doing it, and involve preparing the learner, presenting the operation, doing a tryout, and follow-up. Its primary advantage is that it can be tailored to the individual employee. It is one of the most cost-effective training methods.

5.2. Apprenticeship Training

It is a structured process by which people become skilled workers through a

5.3. Informal Learning

It involves learning through day-to-day unplanned interactions between the new worker and his/her colleagues.

5.4. Job Instruction Training

It refers to teaching a new employee the logical sequence of steps in a job step by step.

5.5. Lectures (Classroom Training)

Just like in school, it is a quick and simple way to provide knowledge to large groups.

5.6. Programmed Learning

It is a step-by-step self-learning method: 1) presenting questions, facts, or problems to the learner; 2) allowing the person to respond; and 3) providing feedback on the accuracy of the answers.

5.7. Audiovisual-Based Training

Tools include films, PowerPoint presentations, video conferencing, audiotapes, and videotapes.

5.8. Simulated Training

It is a method of training to replace or amplify real-world experiences. The purpose of this type of training is to evoke or replicate substantial aspects of a real-world application in a fully interactive fashion.

5.9. Vestibule Training

It is a method in which trainees learn on the actual or simulated equipment they will use on the job, but are trained off the job. It can be considered a combination of on- and off-the-job training.

5.10. Virtual training

A trainer in a central location teaches groups of employees at remote locations via television hookups. Videoconferencing – allows people in one location to communicate live via a combination of audio and visual equipment with people in different locations – another city or country or with groups in several cities.

Trainer may use special collaboration software or cloud platform to enable multiple remote learners to use their PCs or laptops to participate in live discussions. Considerations to improve e-based learning include allowing trainees to control the pace. The trend is toward blended learning (both virtual and in-person)

5.11. Electronic Performance Support Systems (EPSS)

The systems are sets of computerized tools and displays that effectively automate and integrate training, documentation, and phone support, thus enabling individuals to provide support that's faster, cheaper, and more effective than the traditional methods.

5.12. E-learning

E-learning is the delivery of formal and informal training and educational materials, processes, and programs via the use of electronic media. E-learning includes Web-based learning, computer-based training (CBT), and virtual classrooms. Delivery might be over the Internet, an organization's intranet/extranet, satellite broadcast or other means. There is a major problem with e-Learning in long-term retention of curriculum content as a result of the speed with which the learner completes the course. Generally, e-Learning is a cost-effective method that should be used in conjunction with other training methods.

E-learning can be synchronous or asynchronous:

5.12.1. Synchronous learning is when participants interact together in real time.

5.12.2. Asynchronous learning is when participants access information at different times and in different places.

5.13. Simulated Learning

It is a variety of different activities including but not limited to virtual reality-type games, step-by-step animated guides, role playing and software training.

5.14. Case Study

A case study provides a realistic situation for students to analyze and then use for practice of their new skills or knowledge.

5.15. Group Discussion

Group discussions provide a forum for the exchange of this information. They allow participants to learn from one another. Discussions can occur in many sizes (partners, small or large groups) and could be led by the instructor or not.

5.16. Self-Directed Learning

Self-directed study allows learners to progress at their own pace through a set of training materials such as workbooks or CD-ROM or Web-based materials, usually without the aid of an instructor.

5.17. Blended Learning

It is a planned approach to learning that includes a combination of methods such as classroom, e-learning, self-paced study, and performance support such as job aids or coaching.

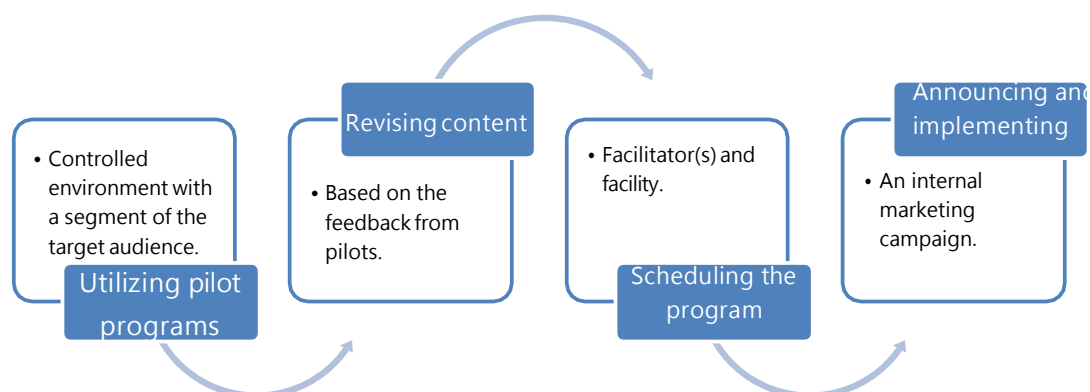
5.18. Orientation and On-boarding

Employee orientation programs provide new employees with the basic background information required to perform their jobs satisfactorily. Orientation programs today are moving away from routine discussion of company rules to emphasizing the company's mission and the employee's role in that mission, on boarding them early as a key member of the team.

Orientation and on boarding refers to the process of new employee assimilation, which often lasts up to six months or a year. The programs smooth the adjustment phase by introducing new employees to others, lessening feelings of isolation, and providing a better understanding of the organization, expectations, and future opportunities for personal growth and development.

6. Training Implementation

The purpose of the training implementation is to implement the training program that you designed and developed in earlier phases. This is when the learners undertake the activities of learning, produce the various tangible results that can be referenced as means to evaluate learners' progress toward achieving the learning objectives, and evaluation occurs not only of the results produced by learners but also the activities of implementation to ensure those activities themselves are high-quality. Training implementation includes below steps:



6.1. Utilizing pilot programs

A pilot program involves offering the program initially in a controlled environment with a segment of the target audience, and evaluating the sequencing of content.

6.2. Revising content

Based on the feedback provided by the pilot audience, now is the time to make adjustments to the program prior to final delivery.

6.3. Scheduling the program

Scheduling the program involves paying attention to the target audience, the intended learning outcomes, the deadlines for completion, whether regular work hours or evenings and weekends are required, participation at a distance, etc. Selecting qualified facilitator(s) and selecting a facility are also important factors to consider.

6.4. Announcing and implementing the program.

An effective way to increase interest in an upcoming training program is to launch an internal marketing campaign. Giving participants a preview of the topics and agenda creates interest, motivation, increased attendance, and increased preparation and learning.

7. Training Evaluation

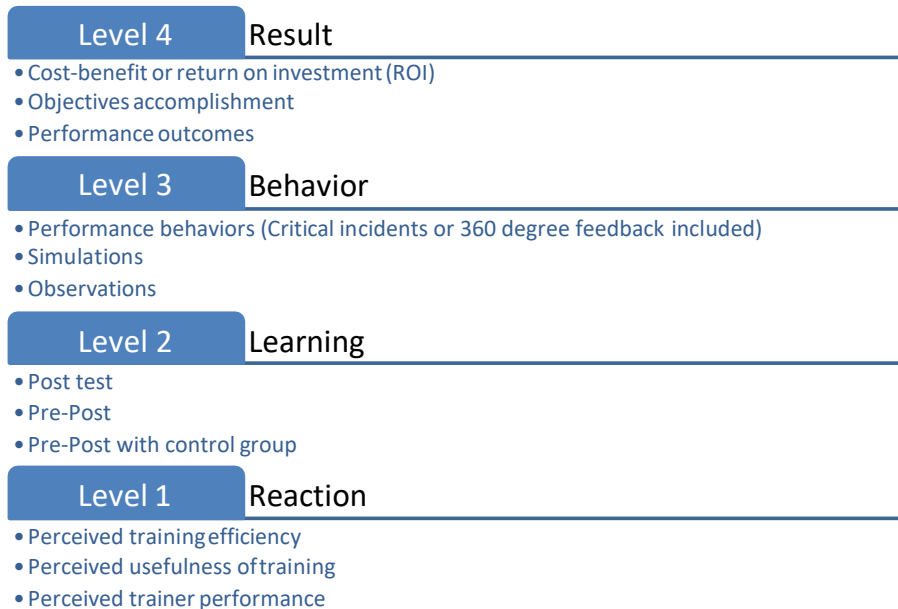
Donald Kirkpatrick, Professor Emeritus at the University of Wisconsin and past president of the American Society for Training and Development (ASTD), first published his Four-Level Training Evaluation Model in 1959, in the US Training and Development Journal.

The model was then updated in 1975, and again in 1994, when he published his best-known work, "Evaluating Training Programs."

The four levels are:

- Reaction.
- Learning.
- Behavior.
- Results.

Let's look at each level in greater detail.



7.1. Level 1: Reaction

Organizations evaluate the reaction level by administering surveys or by conducting interviews with the participants immediately after the conclusion of the program. Reactions evaluation is useful for several reasons. It can provide useful feedback for the design and improvement of training initiatives, and it helps improve employee relations by showing that the organization pays attention to training. The immediate reaction, however, really measures only how people liked the program and the environment rather than their level of learning.

7.1.1. Perceived training efficiency: refers to perceptions about the organizational aspects of the training initiative in terms of the materials, tools and premises used.

7.1.2. Perceived usefulness of training: relates to each person's perceptions of the utility of the training for his or her present work situation and future development.

7.1.3. Perceived trainer performance: entails the individual perception of the quality of the trainer's performance in terms of content and process.

7.2. Level 2: Learning

This level involves measuring how well participants learned facts, ideas, concepts, theories, and attitudes. To measure learning, it's helpful to use tests or experimental methods. Experiments may be set up in several different ways:

7.2.1. Post: measure tests consist of training a group of employees and then assessing what they have learned and how they perform on the job. However, this method cannot determine whether participants' knowledge or skill levels have changed, much less attribute the changes to the program.

7.2.2. Pre-Post: once participants have attended the program, a second measurement of knowledge or skill is obtained, and the two sets of scores are compared for possible improvements. Intervening variables other than the program may still influence the post-test scores.

7.2.3. Pre-Post with control group: involve two groups that have their performance evaluated. Then one group participates in the program while the other group does not. Afterward, the performance of both groups is reevaluated to determine if the group that received the training performs significantly better than the group that did not. Ethical considerations may be involved in this type of testing. Control group members may feel discriminated against if they are not offered the same opportunity for attendance. Another possible pitfall of this method is that training group members may interact with control group members and "teach" them what they learned.

7.3. Level 3: Behavior

7.3.1. Performance test that contain actual samples of content taught in the program are administered to participants. This type of test measures for behavior changes that transfer to the work environment.

7.3.2. In the critical incidents method, significant positive and negative incidents are recorded and used to measure program outcomes. Ordinarily, an employee's manager would conduct this evaluation.

7.3.3. The 360-degree feedback process evaluates performance using self, peers, direct reports, management, and other relevant perspectives such as customers and suppliers.

7.3.4. Simulations provide an experiential bridge between the program and its actual real-world context. How well the participant performs the simulation can be a measurement of program effectiveness.

7.3.5. Observations assess complex performance that is difficult to evaluate by means of a questionnaire, interview, or simulation. An observation checklist can be organized to list categories and frequency of behavior to be observed. The checklist becomes the instrument used to help quantify performance.

7.4. Level 4: Result

7.4.1. Progress toward organizational objectives will tell management whether training programming is working well. These programs should advance the company toward its

mission. If the bottom line is improving, management may approve additional funding for training initiatives.

7.4.2. Performance appraisals evaluate how well employees measure up to various performance standards. During a performance appraisal, the supervisor compares the actual performance to the performance standards and judges whether skills taught in training are practiced in the workplace.

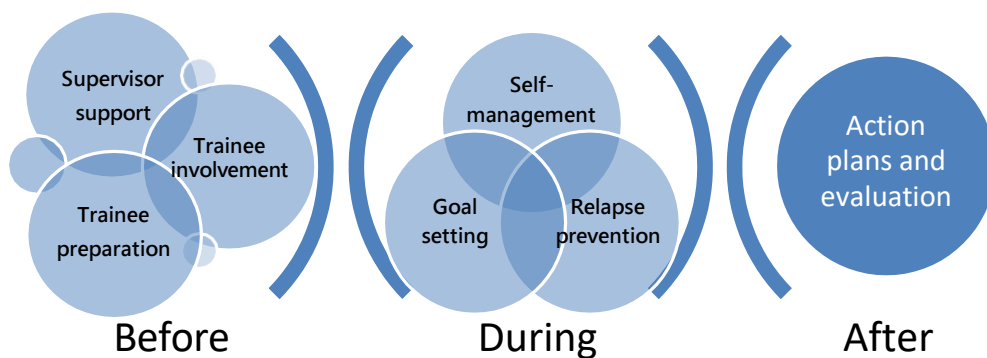
7.4.3. The cost-benefit or return on investment (ROI) analysis is to determine results. Because results such as productivity, turnover, quality, time, sales, and costs are more concrete, comparing records before and after training can perform this type of evaluation.

7.5. Others

Training is not always meant to produce output at all levels but rather sometimes aims for specific objectives – such as integrating new employees, retaining knowledge workers and motivating workers through stronger team spirit – that most training evaluation models cannot detect.

8. Training Transfer

Training transfer is performing certain activities before, during, and after training sessions that enable employees to more effectively and quickly apply the skills learned in training on the job. Training transfer is the goal when employees are involved in any internal or external training activity, session, seminar, or on-the-job training.



- Non-supportive work environment
- Inappropriate training programs and content
- Discomfort with change and associated efforts

8.1. Barriers of Training Transfer

The most significant barrier participants experience is the lack of reinforcement and support when attempting to apply what they have learned to their jobs. The following barriers have been identified:

- 8.1.1. Interference from immediate (work) environment
- 8.1.2. Non-supportive organizational culture
- 8.1.3. Impractical training programs
- 8.1.4. Irrelevant training content
- 8.1.5. Discomfort with change and associated efforts
- 8.1.6. Separation from inspiration or support of the facilitator
- 8.1.7. Poorly defined/delivered training
- 8.1.8. Pressure from peers to resist changes
- 8.1.9. Newly learned behaviors are not valued or modeled by participant's manager(s)

8.2. Training Activities Related to Training Transfer

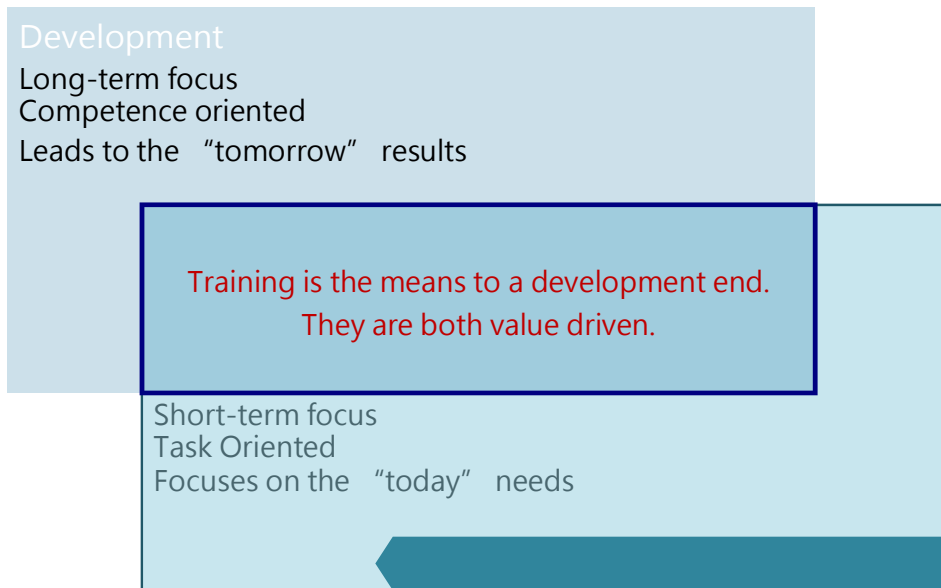
Training activities before, during, and after training were significantly related to the transfer of training:

- 8.2.1. Pre-training activities in the work environment such as supervisor support, trainee involvement, and trainee preparation will improve the transfer of training.
- 8.2.2. Interventions can be added on to the training content of a training program for the exclusive purpose of facilitating the transfer of training, such as self-management, relapse prevention, and goal setting.
- 8.2.3. Meetings with supervisors to discuss the relevance of training and to review goals and action plans also might be useful to signal the importance of transfer to trainees and ensuring that trainees are accountable for their use of training material on the job. In addition, post-training assessments and reports are useful to help facilitate transfer.

9. Employee Development

Employee development is a joint, on-going effort on the part of an employee and the organization for which he or she works to upgrade the planned growth and expansion of knowledge and expertise beyond the present job requirements. This is accomplished through systematic training, learning experiences, work assignments, and assessment efforts. Training is the acquisition of knowledge, skills and competencies as a result of teaching. Development teaches how to become more productive and effective at work and at the company. In other words, training provides the skill and development maximizes it.

Employee development depends upon the individual employee whether employee is willing to participate or not. Employee development also depends upon the organization culture, attitude of top management, and limited opportunities of promotion.



There are employee development related activities as below:

9.1. Self-assessment activities

These usually focus on a systematic process for employees to identify their career goals and preferences. A self-assessment is a good first step in the career development process, but it should not be used on its own.

9.2. Individual coaching/counseling

It involves one-on-one discussions between the employee and an experienced individual. This individual can be an HR professional, a supervisor, or a hired consultant.

9.3. Mentoring

It is a developmentally oriented relationship between two individuals, usually a senior colleague and a junior colleague or perhaps peers, but usually not a supervisor. Mentoring can occur at all levels of the organization and usually involves advising, role modeling, networking, sharing contacts, and supporting.

9.4. Job enrichment

It increases the depth of a job by adding responsibilities such as planning, organizing, controlling, and evaluation.

9.5. Job rotation

It is the movement between different jobs. For example, a factory employee may work one day in assembly and then work the next day in inspection. Multi-skilled employees benefit the employer by providing a wider pool of internal staff to fill open positions.

9.6. Job enlargement

It occurs when the employee is doing different tasks within the same job. Adding more

accomplish a task.

Concern for Results – This is the degree to which a leader emphasizes concrete objectives, organizational efficiency and high productivity when deciding how best to accomplish a task.

Using the axis to plot leadership ‘concerns for results’ versus ‘concerns for people’, Blake and Mouton defined the following five leadership styles:

10.1. Impoverished Management – Low Results/Low People

This leader is mostly ineffective. He/she has neither a high regard for creating systems for getting the job done, nor for creating a work environment that is satisfying and motivating. The result is disorganization, dissatisfaction and disharmony.

10.2. Country Club Management – High People/Low Results

This style of leader is most concerned about the needs and feelings of members of his/her team. These people operate under the assumption that as long as team members are happy and secure then they will work hard. What tends to result is a work environment that is very relaxed and fun but where production suffers due to lack of direction and control.

10.3. Authority-Compliance Management – High Results/Low People

Also known as Authoritarian or "Produce or Perish" Leaders, people in this category believe that employees are simply a means to an end. Employee needs are always secondary to the need for efficient and productive workplaces. This type of leader is very autocratic, has strict work rules, policies, and procedures, and views punishment as the most effective means to motivate employees.

10.4. Middle-of-the-Road Management – Medium Results/Medium People

This style seems to be a balance of the two competing concerns, and it may at first appear to be an ideal compromise. Therein lies the problem, though: When you compromise, you necessarily give away a bit of each concern, so that neither production nor people needs are fully met. Leaders who use this style settle for average performance and often believe that this is the most anyone can expect.

10.5. Team Leadership – High Production/High People

According to the Blake Mouton model, this is the best managerial style. These leaders stress production needs and the needs of the people equally highly.

The premise here is that employees understand the organization's purpose and are involved in determining production needs. When employees are committed to, and have a stake in the organization's success, their needs and production needs coincide. This creates a team environment based on trust and respect, which leads to high satisfaction and motivation and, as a result, high results.

Being aware of the various approaches is the first step in understanding and improving how well you perform as a manager. It is important to understand how you currently

operate, so that you can then identify ways of becoming effective in both areas.

Step One: Identify your leadership style

- Think of some recent situations where you were the leader.
- For each of these situations, place yourself on the grid according to where you believe you fit.

Step Two: Identify areas of improvement and develop your leadership skills

- Look at your current leadership approach, and think about whether it suits the context.
- Look at ways that you could improve. Are you settling for ‘middle of the road’ because it is easier than reaching for more?
- Identify ways to get the skills you need to reach the Team Leadership position. These may include involving others in problem solving or improving how you communicate with them, if you feel you are too task-oriented. Or it may mean becoming clearer about scheduling. Add to My Personal Learning Plan or monitoring project progress. Add to My Personal Learning Plan if you tend to focus too much on people.
- Continually monitor your performance and watch for situations where you slip back into bad old habits.

Step Three: Put the Grid in Context

It is important to recognize that the Team Management style isn’t always the most effective approach in every situation. While the benefits of democratic and participative leadership are widely accepted, there are times that call for more attention in one area than another.

If your company is in the midst of a merger or some other significant change, it can be acceptable to place a higher emphasis on people than on production. Likewise, when faced with an economic hardship or physical risk, people concerns may be placed on the back burner, for the short-term at least, to achieve good results and efficiency.

11. Situational Leadership

Situational leadership is a theory of leadership that is part of a group of theories known as contingency theories of leadership. Generally speaking, contingency theories of leadership hold that a leader's effectiveness is related to the leader's traits or behaviors in relation to differing situational factors. According to situational leadership theory, a leader's effectiveness is contingent on his ability to modify his management behavior to the level of his subordinates' maturity or sophistication.

The Situational Leadership Model suggests that there is no “one size fits all” approach to leadership. Depending on the situation, varying levels of “leadership” and “management” are necessary. However, leaders must first identify their most important tasks or priorities. Second, leaders must consider the readiness level of their followers by analyzing the group’s ability and willingness. Depending on the level of these variables, leaders must

apply the most appropriate leadership style to fit the given situation. The four different types of situational leadership are:

11.1. Directing

This leadership approach is most appropriate when the followers have low willingness and low ability for the task at hand. When the followers cannot do the job and are unwilling or afraid to try, then the leader must take a highly directive role. Directing requires those in charge to define the roles and tasks of the followers, and supervise them closely. Decisions are made by those in charge and communication is one-way. If the leader focused more on the relationship in this situation, the followers would become confused about what must be done and what is optional. Directing is often used when the issue is serious or comes with drastic consequences if not successful. The leader maintains a directive position to ensure all required actions are completed.

11.2. Coaching

This leadership approach is most appropriate when the followers have high willingness but low ability for the task at hand. Like Directing, Coaching still requires leaders to define roles and tasks clearly, but the leader seeks ideas and suggestions from the follower. Decisions remain the leader's prerogative, but communication is much more two-way. Followers needing coaching require direction and supervision because they are still relatively inexperienced, but they also need support and praise to build their self-esteem, and involvement in decision-making to restore their commitment. While Coaching, the leader spends time listening, advising, and helping the follower gain necessary skills in order to do the task autonomously next time.

11.3. Supporting

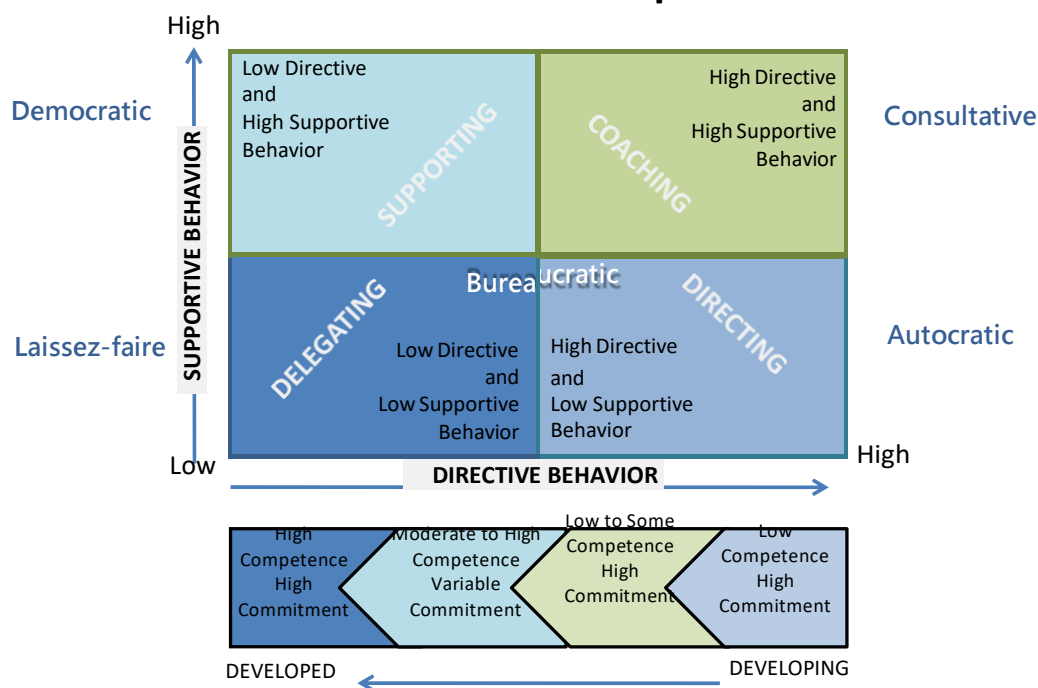
This leadership approach is most appropriate when the followers have low willingness but high ability for the task at hand. Supportive leadership works when the follower can do the job, but is refusing to do it or showing a lack of commitment. The leader need not worry about showing them what to do, but instead should be concerned with finding out why the followers are refusing and work to persuade them to cooperate. The key to supportive leadership is motivating and building confidence in people! Clarification on the details of the process won't matter, as the follower already knows what to do but lacks the motivation to act. Supportive leadership involves listening, giving praise and making the followers feel good when they show the necessary commitments for success.

11.4. Delegating

This leadership approach is most appropriate when the followers have high willingness and high ability. Leaders should rely on delegating when the follower can do the job and is motivated to do it. There is a high amount of trust that the follower will do well, and the follower requires little supervision or support. Delegating still keeps the leader involved in the decisions and problem-solving, but execution is mostly in the hands of the followers. Because the follower has the most control, he is responsible for communicating information back up to the leader. Followers at this

level have less need for support or frequent praise, although as with anyone, occasional recognition is always encouraged.

Situational Leadership Model



In line with situational leadership, all of the leaders do not get the things done in the same manner. Their style varies. The leadership style varies with the kind of people the leader interacts and deals with. Here is another classification of the important leadership styles as follows:

11.5. Autocratic

Autocratic leaders make decisions without consulting their team members, even if their input would be useful. This can be appropriate when you need to make decisions quickly, when there's no need for team input, and when team agreement isn't necessary for a successful outcome. However, this style can be demoralizing, and it can lead to high levels of absenteeism and staff turnover.

11.6. Democratic

Democratic leaders make the final decisions, but they include team members in the decision-making process. They encourage creativity, and people are often highly engaged in projects and decisions. As a result, team members tend to have high job satisfaction and high productivity. This is not always an effective style to use, though, when you need to make a quick decision.

11.7. Laissez-faire

Laissez-faire leaders give their team members a lot of freedom in how they do their work, and how they set their deadlines. They provide support with resources and

advice if needed, but otherwise they don't get involved. This autonomy can lead to high job satisfaction, but it can be damaging if team members don't manage their time well, or if they don't have the knowledge, skills, or self motivation to do their work effectively. (Laissez-faire leadership can also occur when managers don't have control over their work and their people.)

11.8. Consultative

This style focuses on using the skills, experiences, and ideas of others. However, the leader or manager using this style still retains the final decision-making power. To his or her credit, they will not make major decisions without first getting the input from those that will be affected.

11.9. Bureaucratic

Here the leaders strictly adhere to the organizational rules and policies. Also, they make sure that the employees/team also strictly follows the rules and procedures. Promotions take place on the basis of employees' ability to adhere to organizational rules. This leadership style gradually develops over time. This leadership style is more suitable when safe work conditions and quality are required. But this leadership style discourages creativity and does not make employees self-contented.

12. Management Development

Management Development, also referred to as Leadership Development, is a process to foster management and leadership mind set and skills. These programs provide individuals with the knowledge and skills necessary to fast track their managerial careers and provide the organization with a new generation of talented leaders.

There are two distinct processes of MD: Informal and formal processes.

Informal processes usually occur during the course of managers' everyday work. Thus, these are by-products of daily work activities, such as task accomplishment, trial and error experimentation, or interpersonal interactions, and managers may not set out intentionally and explicitly to learn something through pre-planned means.

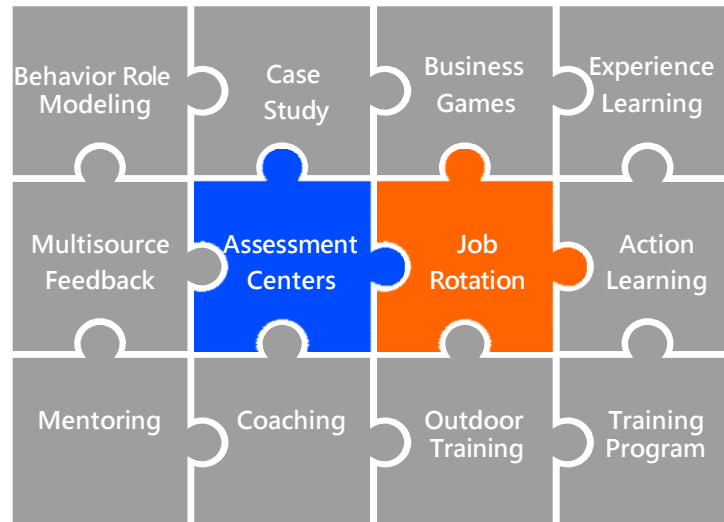
Formal processes, on the other hand, include institutionally sponsored, planned and deliberate processes. These are often monitored and controlled by people other than the individual managers involved, such as job rotation, coaching and project assignments.

Below are Conditions for Successful MD:

- Clear learn objectives
- Clear, meaningful content
- Appropriate sequencing of content
- Appropriate mix of training methods
- Relevant, timely feedback
- Trainee self-confidence

- Appropriate follow-up activities

As the demonstration of below figure, there are several useful MD Techniques:



12.1. Behavior Role Modeling

The method uses a combination of demonstration (or videotape) and role playing to enhance interpersonal skills. Small group so of trainees observe someone demonstrate how to handle a particular type of interpersonal problem, then they practice the behavior in a role play and get nonthreatening feedback.

12.2. Case Study

Cases are descriptions of events in an organization and used in a variety of ways in courses to develop management skills, such as practice analytical and decision making skills. The benefits of using case study are to increase understanding about situations managers encounter and effective managerial behavior.

12.3. Business Games and Simulations

Simulations require trainees to analyze complex problems and make decisions. After decisions are made, trainees usually receive feedback about what happened as a result of their decision. Business games can be used also to assess training needs, the success of prior training, or the validity of a manager's mental model for a particular decision situation.

12.4. Learning from Experience

Much of the management skill essential for effective leadership is learned from experience rather than from formal learning programs. Appropriate values and behaviors can be learned from competent superiors who provide positive role models to emulate.

Experiencing failure may not result in beneficial learning and change unless a person accepts some responsibility for it, acknowledges personal limitations, and finds way

to overcome them.

Also, growth and learning are greater when job experiences are diverse as well as challenging. It is beneficial for managers to have early experience with a wide variety of problems that require different leadership behavior and skills.

The obstacles to learning from experience are greatest at higher level of management. Hard-driving, achievement-oriented managers are more likely to be successful early in their careers, but these traits may also interfere with their capacity to changing situations.

12.5. Multisource Feedback

This approach is called by various names, including 360-degree feedback and multi-rater feedback. This approach can be used for variety of purposes, but the primary use is to assess the strengths and developmental needs for individual managers.

12.6. Assessment Centers (AC)

These methods may include interviews, aptitude tests, personality inventories, a short autobiographical essay, a speaking exercise, and a writing exercise. AC can enhance self-awareness, help to identify training needs, and facilitate subsequent development of interpersonal and leadership skills, while managers who serve on the staff of these centers may also experience an increase in their managerial skills.

In-basket exercises are frequently used in AC. "Incoming mail" is given to trainees who must decide what if any action is to be taken. These exercises focus on problem-solving and decision making skills.

The main drawback of AC is cost. The assessment center will take at several days for each assessor and developing assessment inventories. On the other hand, the cost of this time may be balanced by the reduction in the risk of hiring the wrong person.

12.7. Special Assignment

Some example of these assignments include managing a new project or start-up operation, serving as the department representative on a cross-functional team, chairing a special task force to plan a major change or deal with serious operational problem, developing and conducting a training program for the organizational unit, and assuming responsibility for some administrative activities previously handled by the boss. Research show that diverse, challenging assignments early in one's career facilitated career advancement.

12.8. Job Rotation

Managers who are assigned to work in a variety of different functional subunits of the organization for periods of time can learn about the unique problems and processes in different subunits and the interdependencies among different parts of the organization. Also, it provides managers the opportunity to develop a large network of contact.

12.9. Action Learning

The emphasis is on developing cognitive and interpersonal skills rather than technical knowledge. The managers meet periodically with a skilled facilitator to discuss, analyze, and learn from their experiences.

12.10. Mentoring

Mentoring is a relationship in which a more experienced manager helps a less experienced protégé; the mentor is usually at a higher managerial level and is not the protégé's immediate supervisor. Mentors can facilitate adjustment, learning, and stress reduction during difficult job transitions, while mentees may also benefit from the experience, because it is likely to increase their job satisfaction and help them develop their own leadership skills. Within any mentoring program, successfully matching and pairing mentors and mentees is critical. The business objective will determine the matching criteria that are most important for a given program. In truth, there is no one universal set of matching criteria that will generate ideal pairs for any program. With mentoring, one size doesn't fit all, and each objective will warrant a unique set of criteria. Successful mentoring programs match mentors and mentees based on their competencies with defined personality traits, characteristics, and knowledge.

12.11. Executive Coaching

Having a coach provides the unusual opportunity to discuss issues and try out ideas with someone who can understand them and provide helpful, objective feedback and suggestions, while maintaining strict confidentiality. Executive coaching is especially useful in conjunction with techniques that provide information about developmental needs but do not directly improve skills. The person who provides the coaching may be external or internal consultant.

12.12. Outdoor Challenge Program

The methods, often called outdoor training, involve physical activities performed by a group of people in an outdoor setting. An experienced facilitator conducts the activities, provides coaching and encouragement, and helps participants understand the link between their experiences in an activity and organization life. The perceptions of teamwork and individual problem solving increased for participants, especially when intact groups were used.

12.13. Personal Growth Programs

These programs usually involve strong emotional experiences and are more likely than most training programs to have a lasting effect on participants, which are designed to improve self-awareness and overcome inner barriers to psychological growth and development of leadership competencies. The net effect of personal growth programs that encourage people to find a better balance between their work and personal life may be to reduce commitment to the organization.

12.14. Succession Planning

It is a dynamic, ongoing process of systematically identifying, assessing, and developing leadership talent pool to contribute to the achievement of future strategic goals.

Succession planning is a strategy that targets long-range needs and focuses on the cultivation of talent to satisfy those needs, such as changes in strategy, market environment and retirement. Succession planning is proactive and attempts to ensure the continuity of leadership by cultivating talent from within the organization through planned development activities

Replacement planning concentrates on immediate needs and provides a brief assessment of the availability of qualified replacements for individuals in key positions. Therefore, replacement planning is a form of risk management. The chief aim of replacement planning is to limit the chance of catastrophe due to the immediate and unplanned loss of essential personnel.

12.15. Off-site training

It is often selected for multiday programs; a hotel or conference center could be used. The novelty of a new environment can help make participants more alert and involved.

13. Career Development

Careers have been described as a sequence of positions held within an occupation. A career has also been described in the context of mobility within an organization. Finally, a career has been described a characteristic of the employee whose career consists of different jobs, positions, and experiences. As a result, career could be considered as the pattern of work-life experiences.

Protean Career refers a career that is frequently changing based on both changes in the person's interests, abilities, and values and changes in the work environment. Compared to the traditional career, employees take major responsibility for managing their careers.

Plateaued careers are situations in which the employee, due to anyone of many different factors, is unable to advance further within the organization or, possibly, within the selected industry. An individual's career may reach a plateau for a wide variety of reasons.

Career development is the process by which employees progress through a series of stages, each characterized by a different set of developmental tasks, activities, and relationships. Career development consists of two processes-career planning and career management.

Career planning are actions and activities that individuals perform to give direction to their work life.

Career Management is the process through which employees become aware of their own interests, values, strengths, and weaknesses; obtain information about job opportunities within the company; identify career goal; establish action plans to achieve career goals.

Career Path is the line of job progression along which an employee typically moves during his or her tenure with a company.

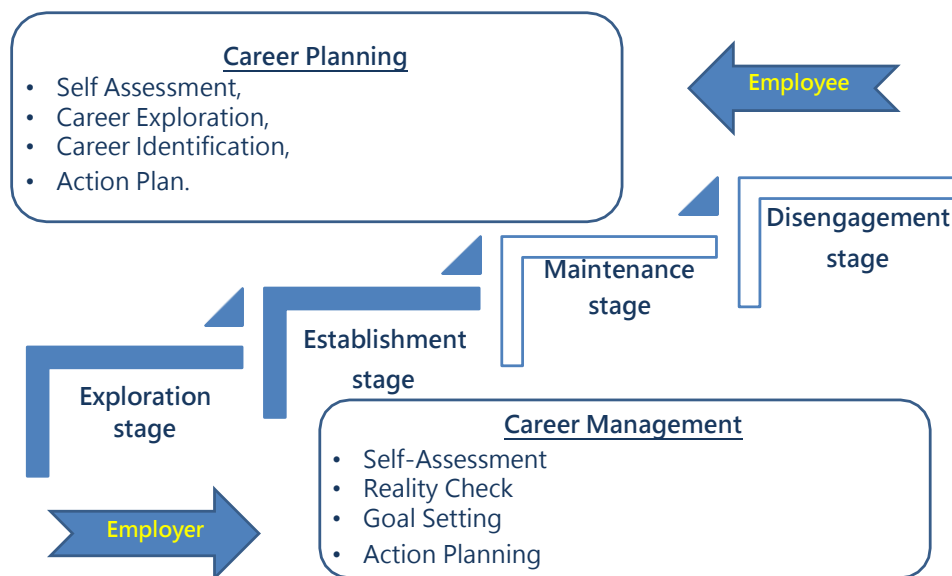
Career without boundaries views a manager as having many possible trajectories for a career, and many are across organizational boundaries.

Portfolio career are built around a collection of skills and interests and are self-managed. Portfolio careers are usually built around a collection of skills and interests, though the only consistent theme is one of career self-management. With a portfolio career you no longer have one job, one employer, but multiple jobs and employers within one or more professions.

Authentic career refers to people achieve a high level of personal insight and use this to follow a “true-to-self” career. The Authentic Career is about finding and living the authentic self. It brings us back to the things we might have once been told by a well-meaning friend or a self-help lecture. It makes real and fleshes out exactly what we need to do to work through core issues of our identity and find our "true bliss" in the workplace.

13.1. Stages in career development

As the below figure, there are four stages in career development:



13.1.1 Exploration Stage

In this stage, individual attempt to identify the type of work that interests them. They consider their interests, values, and work preferences, and they seek information about jobs, careers, and occupations form co-worker, friends, and family members. Therefore they can begin pursuing the needed education or training. From the company’s perspective, orientation activities are necessary to help new employees get as comfortable as possible with their new jobs and co-workers.

13.1.2. Establishment Stage

In this stage, individuals find their place in the company, make an independent contribution, achieve more responsibility and financial success, and establish a desirable life-style. Employee need to become more actively involved in career planning activities, while the company needs to develop policies that help balance work and non-work roles.

13.1.3. Maintenance Stage

In this stage, the individual is concerned with keeping skills up to date and being perceived by others as someone who is still contributing to the company. A major issue for company is how to keep employees in the maintenance stage from plateauing and ensure that employees' skills do not become obsolete.

13.1.4. Disengagement Stage

In this stage, individuals prepare for a change in the balance between work and non-work activities, while maintain self-esteem. Some may be forced to leave due to downsizing or merger; others may leave because of their interest, values, or abilities, and then back to the exploration stage. For the company's perspective, the major career management activities in this stage are retirement planning and outplacement.

13.2. Career Management System

Individuals are actively involved in career management activities, but the emphasis is on the organization providing development programs and opportunities that align with its interests, such as staffing and succession planning.

Career management focuses on the organization and concerns itself with identifying future staffing needs, matching organizational needs with individual abilities, and designing appropriate career development programs and paths.

13.2.1. Self-Assessment

Self-assessment refers to the use of information by employees to determine their career interests, values, aptitudes, and behavioral tendencies.

13.2.2. Reality Check

Reality check refers to the information employees receive about how the company evaluates their skills and knowledge and where they fit into the company's staffing plan.

13.2.3. Goal Setting

Goal setting refers to the process of employees developing short- and long-term career objectives. These goals usually relate to desired positions, level of skill application, work setting, or skill acquisition. These goals are usually discussed with the manager and written into an individual development plan (IDP). An individual development plan (IDP) is a tool to assist employees in career and personal

development. Its primary purpose is to help employees reach short and long-term career goals, as well as improve current job performance. An IDP is not a performance evaluation tool or a one-time activity. It should be looked at like a partnership between the employee and the supervisor. It involves preparation and continuous feedback. Many agencies require IDPs for new and current employees. It is encouraged throughout many organizations.

13.2.4. Action Planning

Action planning involves employees determining how they will achieve their short- and long-term career goals. Action plans may involve enrolling the training courses and seminars, conducting informational interview, or applying for job openings with the company.

13.3. Career Planning Points

Career planning focuses on the individual, who assesses personal abilities and interests, evaluates career paths, and plans personal career goals. Choosing a career is unquestionably one of the most important decisions you'll ever make. It impacts just about every facet of your life. It determines how much money you'll make, how much you'll work each week, where you'll live, when you can retire, and quite possibly whether or not you pursue a family. On average, we're at work over 70% of each year, which equates to nearly 35 years over an average life time. Making a good career choice can be the difference between a life filled with satisfaction or a life filled with dissatisfaction and disappointment. While you don't need to stress over choosing a career, it isn't a decision to be taken lightly either.

There are those individuals that know from a young age what they wanted to be when they grow up, but they are the exception. Most of us don't know what we want to be when we grow up, even after we've grown up. It's not uncommon for people to choose a career simply because they have too. They put very little effort into choosing an occupation or they choose an occupation for the wrong reason. High pay, prestige, recommendation by a friend, and security are just few wrong reasons people choose careers. Then they end up feeling stuck and unhappy. Proper and thorough career planning is the key to choosing an occupation that will lead to many years of fulfillment and satisfaction.

The career planning process has four components: (1) Self Assessment, (2) Career Exploration, (3) Career Identification, and (4) Action Plan. If you're driven, you can easily go through these steps on your own. You also have the option of working with a career development counselor who will help facilitate the career planning process. Whether you go at it on your own or work with a career development professional, the thought and energy you put into the process will determine how successful you are.

13.3.1. Self Assessment

Trying to find a career without being self aware is like trying to run a race not knowing where the finish line is. How can you know which career path is going to be most satisfying, if you don't even know what you're all about? You can't. That's why

self assessment (sometimes referred to as a career assessment) is such an important part of the career planning process. During the self assessment process you'll use tools designed to help you learn more about your interests, values, personality, aptitudes, skill sets, developmental needs, and preferred work environments, so you can make an informed career decision. By the end of the self assessment process you'll have identified various occupations that are good fit for you.

13.3.2. Career Exploration

Based on the results of your self assessment, you should now have a list of occupations that appear to be a good match with your values, interests and skill set. Next, you'll want to narrow this list down to about ten occupations. Go through the list and eliminate those careers that you know you're not interested in. For example, even though you'd make a great police officer, and the career is a good match with your values, interests, and skill set, you know you don't want to work in a job that requires you to carry and shoot a gun. In addition to researching individual occupations, you'll also want to research industries that you'd like to work in. Other very effective ways to explore careers (and which we highly recommend) include conducting informational interviews with industry professionals, job shadowing, job temping, internships, and volunteering.

13.3.3. Career Identification

As it's name suggests, the career identification component the career planning process is when you select just one occupation, among the many you've considered. During this step you'll identify the occupation that you're most interested in, as well as a few alternatives to fall back on if your first choice doesn't pan out. Now that you know which occupation you're going to pursue, you'll want to prepare to enter your chosen field. Identify all the requirements (e.g. education, costs, etc.) for entering your chosen career field.

13.3.4. Create an Action Plan

The final step in the career planning process is to create an action plan. The action plan is designed to help you reach your goals. It's like a road map that takes you from choosing a career to finding your first job all the way to achieving your long-term career goals. In your action plan you should identify your short-term and long-term goals, identify education and training requirements for your career, develop a job search strategy, identify potential employers, create a resume, compose cover letters, and prepare for job interviews.

13.4. Career Transitions

Career transitions can be stressful for individuals who change employers and jobs. Three career transitions are of special interest to HR: organizational entry and socialization, job loss, and retirement.

13.4.1. Entry Career

Starting as a new employee can be overwhelming. 'Entry shock' is especially difficult for younger new hires who find the work world very different from school. Entry shock

includes the following concerns:

Supervisors: The boss–employee relationship is different from the student–teacher relationship.

Feedback: In school, feedback is frequent and measurable, but that is not true of most jobs.

Time: School has short (quarter/semester) time cycles, whereas time horizons are longer at work.

The work: Problems are more tightly defined at school; at work, the logistical and political aspects of solving problems are less certain.

13.4.2. Job Loss

Job loss as a career transition has been most associated with downsizing, mergers, and acquisitions. Losing a job is a stressful event in one’s career, frequently causing depression, anxiety, and nervousness. The financial implications and the effects on family can be extreme as well. Yet the potential for job loss continues to increase for many individuals, and effectively addressing their concerns should be considered in career transition decision making.

13.4.3. Retirement Issues

Whether retirement comes at age 50 or age 70, it can require a major adjustment for many people. Some areas of adjustment faced by many retirees include self-direction, a need to belong, sources of achievement, personal space, and goals. To help address concerns over these issues, as well as anxieties about finances, some employers offer preretirement planning seminars for employees.

Career development for people toward the ends of their careers may be managed in a number of ways. Phased-in retirement, consulting arrangements, and callback of some retirees as needed all act as means for gradual disengagement between the organization and the individual. However, phased-in retirement (which is widely seen as a good situation for all involved) faces major obstacles in current pension laws. Under many pension plans, employees who are working may not receive pension benefits until they reach a normal retirement age.

Early retirement often occurs as a result of downsizings and organizational restructurings. These events have required thousands of individuals, including many managers and professionals, to determine what is important to them while still active and healthy. As a result, some of these people begin second careers rather than focusing primarily on leisure activities or travel. To be successful with early retirement, management must avoid several legal issues, such as forced early retirement and pressuring older workers to resign.

14. Trends for Employee Training

Many studies identified key trends for employee training. Some of the trends didn’t surprise us, as we’ve had our eye on these for a while. But there were some—dealing with instructional designers—that had us snapping our heads back in a double-take.

14.1. MOOCs (Massive Online Open Courses)

Massive Open Online Course, or MOOC, refers to a free online course available to a mass audience. MOOCs are a recent development in distance education. Courses are generally education-based programs stemming from colleges and universities, although they do not provide degrees or credits to students.

MOOCs, which first formally entered the learning sphere in 2008, gained prominence in 2012 when Stanford University offered the first in what became a series of its own. The concept's name plainly conveys its definition: the MOOC is "massive" because it is designed to enroll tens of thousands of learners; it's "open," because, in theory, anyone with an Internet connection can enroll in the free course; it's "online" because much if not all of the interaction takes place online in threaded web discussion groups with cohorts of learners, or on wikis, or via online videos of professors giving lectures and finally, MOOC's are "courses" because they have concrete start and end dates, student assessments, online tests and quizzes, and proctored exams. Upon completion, some may offer a "verified certificate" of completion or college credit. The leading MOOC providers include Coursera, Udacity and edX.

As MOOCs storm the academic world, the public discussion of their impact is ignoring what could become their most valuable application. Far from being limited to higher education reform, the new learning style's most important legacy could be its impact on the world of corporate training.

The following three MOOC elements are particularly well-suited to corporate learning & development:

14.1.1. Semi-synchronicity

Most MOOCs allow students to go through the course as a 'semi-synchronous' cohort of learners. That means each week the group receives the same assignment of video lectures, readings, quizzes and/or threaded discussions, but each member completes that course work on his or her own time. The design of semi-synchronous cohorts provides learners the opportunity to motivate each other as they go through the program.

14.1.2. Course design

"Flipping the classroom," or swapping classwork with homework, was first made popular by Khan Academy, and is one of the defining features of MOOCs. This way, the most of the learning happens not through a professor lecturing but by giving students access to course materials and having them study and explore them at home. Then in class, they put their new knowledge to work with role-plays, use cases, and exercises.

14.1.3. Credentials

Many MOOCs offer college credit or certificates of completion, which help to legitimize and formalize the learning. At leading MOOC provider Coursera, 14 percent of courses offer verified certificates, for which registration costs between \$30 and \$100 depending on the course's length and content. In the workplace, certificates function as an incentive for employees to complete optional training or skill development

courses, because they'll have something to show for all their work.

14.2. Gamification

Gamification is the process of applying gaming designs and concepts to learning or training scenarios in order to make them more engaging and entertaining for the learner. In game-based learning events, learners compete directly against one or more individuals or participate individually in an interactive experience that rewards learning performance in some way.

The fast-growing field of digital gaming is generally divided into two distinct markets: "recreational" gaming for entertainment purposes and "serious" gaming for educational, learning or product promotion scenarios. The focus of this wiki is on serious gaming.

The term "gamification" is still evolving. Many learning professionals define it as utilizing games in instruction; others believe it refers to the "gaming mechanics" that are employed to incentivize individuals to participate in gaming or non-gaming activities. Non-gaming activities may include product support, market research and employee motivation, all of which represent another growing industry segment.

The variety of gaming technologies in use today varies dramatically from inexpensive 2D flash-based tools to elaborate 3D immersive environments designed to replicate actual experiences an individual might encounter. Some examples of simulation and "virtual world" immersive universe scenarios can be considered game-based learning if competition is a principal component.

The increased popularity and usage of gaming techniques can be attributed to the spirit of competition; it not only makes learning more enjoyable, it increases retention and boosts all important time-to-competency measurements. It's a concept long employed by sales organizations that is quickly spreading throughout large and small enterprises.

Competitive computer-based games serve both employer and employee by improving productivity and positively impacting business results. Games incentivize employees to learn and accomplish more skills, which raises competency levels throughout an organization. Gaming is also applied to boost knowledge and loyalty among customers, channel partners and other stakeholders.

Gamification's appeal to computer savvy members of the millennial generation – and the desire of employers to capitalize on that – is also fueling the trend. This generation of employees and customers has literally grown up playing computer and video games; they gravitate towards experiences with game-like elements. Training & Development departments are seeking new ways to add entertainment components to learning activities.

Game-based learning reflects another significant training trend – the increased role of learners in controlling their own learning experiences. Learning organizations are becoming more astute about leveraging technologies and providing training at point of need. They are becoming more process oriented, with greater emphasis on results.

14.3. Minimum Viable Courses (MVC)

In the modern workplace employees often do not have time to complete a full online course, and so companies that produce training modules are rolling out shorter content and modules on an as-needed basis that is consistent with the minimum viable product model. This has the benefit of maximizing validated learning and only producing content in response to the user's needs. The MVC is becoming a standard feature in a product launch toolkit. Instead of waiting for all the product information and the beautifully architected learning tracks, we can develop content based on what's needed right now, so get direct and indirect sales reps up-to-speed and talking about the product knowledgeably rather than being left in the dark and feeling like they are the last to know. In today's fast-moving IT industry, MVCs are a must.

14.4. Mobile Learning

Mobile learning involves the use of mobile technology, either alone or in combination with other information and communication technology (ICT), to enable learning anytime and anywhere. Learning can unfold in a variety of ways: people can use mobile devices to access educational resources, connect with others, or create content, both inside and outside classrooms. Mobile learning also encompasses efforts to support broad educational goals such as the effective administration of school systems and improved communication between schools and families.

Using portable computing devices (such as iPads, laptops, tablet PCs, PDAs, and smart phones) with wireless networks enables mobility and mobile learning, allowing teaching and learning to extend to spaces beyond the traditional classroom. Within the classroom, mobile learning gives instructors and learners increased flexibility and new opportunities for interaction.

14.5. Adaptive Learning

Adaptive learning is a methodology that breaks traditional models and allows employees to learn at their own pace. It has gained popularity with educational institutions, referred to as "adaptive teaching," where a teacher will gather information on individual students to learn what they need to do to improve their learning. In the workforce, adaptive learning is conducted similarly. Employees can be monitored individually and in real time to determine what learning approach will best suit their needs. It has advantages for younger generations entering the workforce that have expectations around flexibility and interaction. Adaptive learning can be effective at improving efficiency, as well as employee engagement and retention since it allows employees to build confidence and overall expertise. Companies may want to consider breaking traditional learning methods by introducing aspects of adaptive learning.

14.6. Collaborative Learning

Collaboration has numerous potential benefits for learning. It enables group members to help and learn from one another; it helps to promote students' social relationships; it may also develop students' communication and critical thinking skills. By using a social media platform such as Facebook or LinkedIn Group, certain evidence can be automatically recorded and this evidence enables the teacher to monitor students'

progress and their individual contributions. Also, the recorded evidence may allow the teacher to fairly assess students' contributions. Companies are quickly embracing social media tools, as well as investing in social collaboration tools to better engage employees and foster a learning culture.

14.7. SCORM Standards

SCORM stands for "Sharable Content Object Reference Model". SCORM allows content authors to distribute their content to a variety of Learning Management Systems (LMS) with the smallest headache possible.

SCORM is widely adopted by some huge organizations. The Sharable Content Object Reference Model (SCORM) was first developed by the U.S. Department of Defense (DOD) to address training development and delivery inefficiencies across its service branches. E-learning content was being developed on different platforms, using different standards and specifications, and delivered on different, incompatible systems. To address these costly inefficiencies, the DOD knit together the best emerging e-learning specifications with those developed in the prior decade by the Aviation Industry CBT Committee (AICC).

Industry is following suit, and the standard appears in a vast majority of RFPs to procure both training content and Learning Management Systems. SCORM is made up of three sub-specifications:

14.7.1. Content packaging

Content should be packaged in a self-contained directory or ZIP file. Known as a Package Interchange File (PIF), it must contain an XML "manifest file" that contains all information needed by the LMS to deliver content. The manifest divides courses into one or more sharable content objects (SCOs).

14.7.2. Run-time

This section standardizes the launching of content and communication with the LMS. It states that the LMS should launch content in a web browser, and may only launch one SCO at a time.

14.7.3. Sequencing

This section specifies how learners can navigate between SCOs, and how progress data can be rolled up to the course level. Sequencing rules enable content authors to accomplish many important tasks such as specifying the completion of prerequisite courses and providing question weighting.

14.8. Outsourced Training

Designing and conducting in-house training can impose significant costs. Training often requires specialized knowledge that must be regularly updated. In addition, the limited number of in-house trainers may not reach all necessary personnel in a timely manner. For these reasons, outsourcing training is a popular option for employers looking to reduce operating costs while increasing workplace expertise. When deciding whether outsourcing is the best option, consider the following:

14.8.1. Analyze the organization and its industry

Employers who require specialization — for example, pharmaceuticals and technological manufacturing entities—are prime candidates. For businesses requiring employees to stay up-to-date with regulatory compliance issues, new technologies, equipment and techniques, outsourced training can provide new information on a consistent and efficient basis while allowing the company to focus on competitive services and products. Employers operating globally or in numerous locations may also find outsourcing viable because training can be online or through comprehensive seminars in a cost-effective, timely fashion.

14.8.2. Find a specialized training partner that “fits” the organization

A training partner should mirror the organization’s culture and goals. Employers should also partner with training firms with an established specialization. This maximizes efficiency and leverages what could be a significant cost.

14.8.3. Consider how the training should be delivered

External training can be computer-based online training, in-person or on-the-job training, all of which can vary significantly in length. Employers should balance a variety of factors to determine which meets their needs: the type of jobs employees are engaged in; time constraints of the audience; the location and number of employees to be trained; accessibility to technology; and the sensitivity of the training material.

14.8.4. Execute a thoughtful contract

After choosing the right trainer, enter into a written agreement that may include ownership of written materials and standards for conducting training. If the training firm has access to sensitive company information, address confidentiality. In addition, the parties should be clear on who is responsible for the accuracy and content of the training. If the trainer is guaranteeing “up-to-date” information or compliance with governing laws, the company should document that warranty, and request indemnification by the trainer for claims relating to negligent training.

14.8.5. Consider the positive effect of outsourced training, beyond saving money.

It might appear that outsourcing training will cause the employer’s in-house trainers to lose their job, but training is often peripheral to the core business. Trainers may be shifted into other positions within the company, pivoting their talents to train customers or outside sales people. Outsourced training allows greater flexibility by offering training precisely when and where it’s needed and providing technological or product updates. In addition, trainers are experts in a particular field, and may open the doors to additional resources and business opportunities.

Employers should coordinate with management to ensure outsourcing is the best avenue to meet their training needs, and with counsel on contractual issues.

Part Four: Employee Relations

1. Employee Relations and HR Practices

Employee Relations involves the body of work concerned with maintaining employer-employee relationships that contribute to satisfactory productivity, motivation, and morale. Essentially, Employee Relations is concerned with preventing and resolving problems involving individuals who arise out of or affect work situations.

The dramatic corporate downsizing occurred in most industries and at all ranks, breaking the traditional deal of a lifelong job with mutual loyalty between the employer and the employee. Replacing this tradition is the so-called “new employment relationship”. Instead of loyalty (i.e., job security), the employer offers the employee a challenging job, a fixed compensation package, and the promise of opportunities to learn valuable skills.

The employee, in turn, pays back the employer through job performance without making a strong commitment to the organization. In other words, the bond between employer and employee has shifted from a long-term relationship involving loyalty and commitment to a contract-like economic exchange.

1.1. Nature of Employee Relations

Scholars proposed a framework that juxtaposes two key considerations in the Employee Relations (ER). One consideration is the set of contributions an employer may expect from employees, such as work performance, commitment, or suggestions for organizational improvement. The other consideration is the array of rewards (defined broadly) or inducements an employer offers to employees in exchange for their contributions. We use the terms expected contributions and offered inducements to refer to these two major considerations. The nature of the new employment relationship can be understood within this framework.

Hierarchy of Importance Among Justice Characteristics

Offer Inducement	Expected Contribution	
	Low/Narrow	High/Broad
Low/Narrow	(1) Quasi-spot Contract	(2) Under-Investment
High/Broad	(3) Over-Investment	(4) Mutual-Investment

Source: Tsui, A.S. & Wu, J.B. (2005). The new employment relationship versus the mutual investment approach: Implications for human resource management. *Human Resource Management*, 44(2), 115-121.

1.1.1. Quasi-spot Contract

The new employment relationship is a quasi-spot contract (Cell 1 of Figure 1) defined by a relatively narrow set of inducements offered by an employer and a narrow set of

contributions expected from an employee. Employers adopting this ER are interested primarily in a high level of employee task performance without requiring commitment from the employees to the overall success of the organization. In return, employees obtain the promised rewards once they meet the predetermined output expectations. Additionally, employees do not expect the employer to provide long-term job security.

This employment relationship represents a pure economic exchange focused on a short-term and relatively well-defined set of duties (e.g., brokerage firms' contracts with stockbrokers). Under competitive pressure, many well-regarded employers are shifting to the use of temporary, part-time employees or contractors to keep from paying benefits. All this breaks the traditional employer-employee contract and the bond between the two parties.

Though this type of exchange is usually found in relationships with contractors in unskilled, skilled, and even professional jobs, its application recently has extended to senior executives. Temporary executives, interim executives, and so-called "corporate samurai" are becoming popular in today's labor market. Rather than having a job, this new employment relationship form focuses on doing a job. Clearly, firms use the quasi-spot contract approach to gain flexibility in the employment and deployment of people resources.

1.1.2. Under-Investment

Another form of the new employment relationship is the underinvestment approach. Underinvestment occurs when a firm offers a narrow set of inducements but in return expects a broad set of contributions from employees. This ER is imbalanced to the advantage of employers because they get more (from employees) out of less (from themselves). The economic downturn and slow recovery have increased market competition, which pushes employers to increase productivity with limited resources. This demanding situation increases employee workload while holding inducements constant. Without noticeable economic recovery, employees lack alternatives and have to sustain this imbalance in the employment exchange. Some labor economists have observed that "not only are companies making people work harder, but some people want to . . . they are trying to protect their job security".

Organizations adopting the quasi-spot contract and the underinvestment approach reported a number of unfavorable employee outcomes. These negative outcomes included lower performance as rated by the supervisors, lower employee engagement in organizational citizenship behaviors (OCB: behaviors beyond the call of duty, such as helping coworkers), expressing a tendency to leave the company if there were alternative employment opportunities, and being less psychologically committed toward the organization. The employees also perceived a lower level of fairness, had less trust in their coworkers, and reported more frequent absences. Thus, while firms may gain some flexibility in employment, they may lose high-performing and committed employees.

1.1.3. Over-Investment

Many state own organizations adopt overinvestment approach of ER, which arises when organizations couple high or broad inducements with low or narrow expected

contributions. This exchange favors employees, who receive more than they give and is practiced by government bureaucracies and quasi-monopolistic corporations. To illustrate, Chinese state-owned enterprises historically supply lifetime jobs and cradle-to-grave benefits to workers while demanding minimal productivity with few responsibilities. Over-investment employers do not obligate sizeable returns, lessening employees' indebtedness. Consequently, they do not need to trust employees as much—nor express as much trust—because they do not intend to fully collect on those “debts.”

1.1.4. Mutual-Investment

According to many research findings, organization performance was the best when firms adopted the mutual investment employment relationship. The goal of the mutual investment ER is to solicit a broader range of behaviors and stronger commitment from employees by offering a large number of inducements in exchange for significant employee contributions. The firm focuses on developing a long-term and open-ended relationship with the employees. Under this approach, employees are expected to contribute broadly to their organization instead of focusing only on performing their own jobs.

The underlying rationale for the effectiveness of the mutual investment ER is twofold. First, when employees experience long-term investment from employers, they reciprocate with loyalty to these organizations and contribute much more than simple job performance. Second, the mutual investment ER sets higher performance goals and expectations for employees. Empirical research confirms that difficult and challenging goals lead to higher performance. Mutual investment is the “older and wiser” approach, contrary to the common wisdom in most companies now facing competitive pressure. Psychological research has shown that money is not a motivating factor for employees (assuming that basic needs are being met), and other factors, such as job satisfaction, respect, advancement, and work environment, are much more important in influencing employee attraction, motivation, and retention. In general, the mutual investment ER focuses on social and career investment more than monetary benefits.

1.2. Recruitment and Selection

To establish a mutual investment ER from the outset, employers must clearly communicate their endorsement of the value of long term loyalty and commitment to job applicants and show that they are looking for the same from employees. Applicants especially should be informed about the company's expectations of broad contributions from employees.

Unfortunately, recruiters may exaggerate inducements (both tangible and intangible) to attract talent while remaining vague about performance expectations. Peer recruiting or work team interviewing could be a useful tool to facilitate the communication of accurate expectations. Talking with their prospective colleagues will give applicants a more realistic picture of what mutual commitment and trust mean in the organization, how to contribute broadly, and what to expect in terms of a long-term career within the firm.

1.3. Training and Development

To signal long-term investment, the focus of training and development is not on improving skills to perform the current job but on preparing employees for future responsibilities. Job rotation and participation in cross functional or cross-divisional project teams are effective methods to build an organization wide perspective and to promote organizational interests. Promotion from within and succession planning are the core elements of a company's broader development plans for its human resources. Finally, in order for employees to make broad contributions, teamwork training is essential for them to learn the skills of effective collaboration.

1.4. Performance Management

The mutual investment ER focuses employees' attention on their teams and the organization. Excellence in doing one's own job is only a small part of a total performance assessment. Performance appraisal criteria and processes should be related to broad contributions. In addition to individual evaluation, performance appraisal by peers and team-based performance are common features of the evaluation process. The broad based contributions can be captured in a 360-degree feedback system. Employees' superiors, peers, subordinates, and even customers rate their performance.

1.5. Compensation and Benefits

The key to using compensation and benefits in building a mutual investment ER is not focusing merely on increasing the absolute amount of pay or benefits but on communicating preferred behaviors and accentuating long-term investment in employees. The important point is that compensation and benefits practices in the mutual investment ER breed and facilitate mutual commitment rather than serve merely as an economic bond.

The backbone of the mutual investment ER is generalized reciprocal loyalty, trust, and a focus on a long-term relationship. It emphasizes a high level of both offered inducements and expected contributions. Future human resource executives can shape a mutual investment ER by using human resource practices that accentuate both dimensions. Evidence is strong that the mutual investment ER is a wise tool that will strengthen an organization's ability to compete in the dynamic global environment through building a committed workforce eager to contribute to the organization's success.

2. Employee Engagement

Gallup found that whether unionized or not, world-class organizations have two crucial things in common: They recognize that talented managers are the core of an organization's success, and they understand and leverage the fact that engagement predicts performance. Employee engagement has become a widely used and popular term, and it has its basis in practice rather than theory and empirical research, while its construct often overlaps with other constructs, such as organization commitment, job involvement, or organizational citizenship behaviors (OCB). However, engagement is not an attitude; it is the degree to which an individual is attentive and absorbed in the performance of their roles. In HR practice, the concept is commonly seen as capturing levels of commitment and

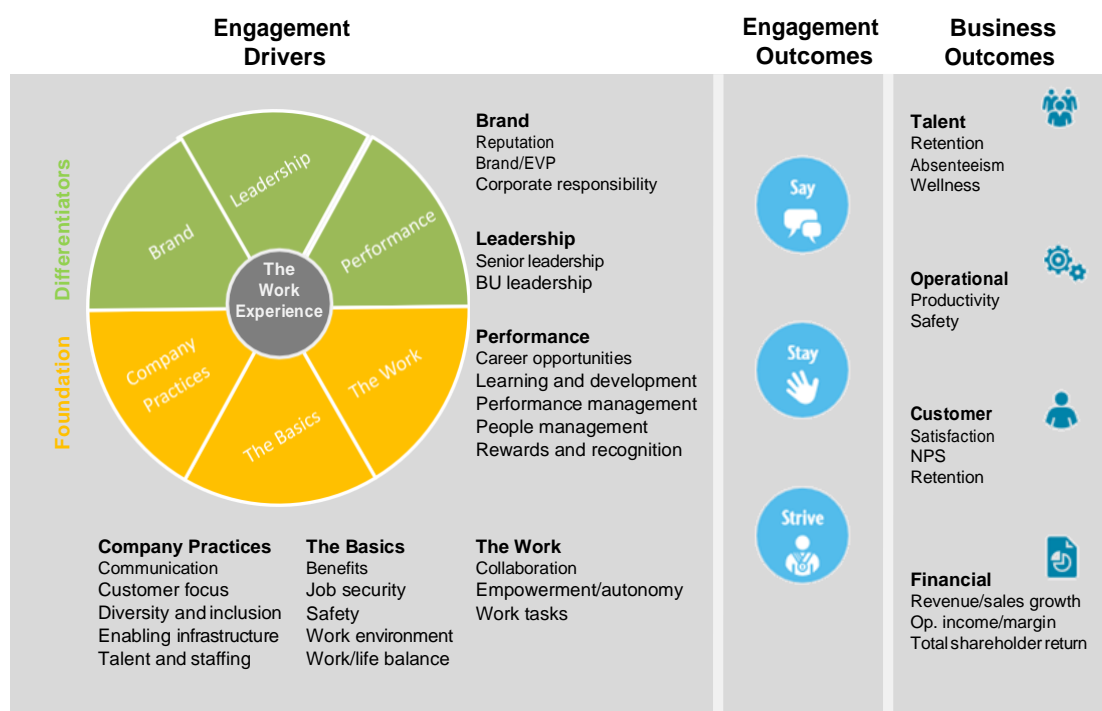
discretionary effort exhibited by employees.

**Organizational citizenship behaviors (OCBs) are discretionary workplace behaviors that exceed one's basic job requirements. They are often described as behaviors that "go above and beyond the call of duty".*

An engaged employee is a person who is fully involved in, and enthusiastic about, his or her work. Truly engaged employees are attracted to, and inspired by, their work (“I want to do this”), committed (“I am dedicated to the success of what I am doing”), and fascinated (“I love what I am doing”). Engaged employees care about the future of the company and are willing to invest the discretionary effort – exceeding duty’s call – to see that the organization succeeds.

According to Aon Hewitt, there are three dimensions through which organizations can measure the strength of their employee engagement – which the consulting firm defines as “the psychological state and behavioral outcomes that lead to better performance”. These dimensions are labelled by Aon Hewitt simply as Say, Stay and Strive.

Engaged employees: Say—speak positively about the organization to coworkers, potential employees and customers; Stay—have an intense sense of belonging and desire to be a part of the organization; and Strive—are motivated and exert effort toward success in one’s job and for the company.



Employee Engagement Model

Source: Aon Hewitt

Aon Hewitt’s Engagement Model also covers “Engagement Drivers.” These are the areas over which management has a great deal of control—the action areas. Their extensive research formed the six major categories of the work experience that include the work people do, the people they work with, opportunities, total rewards, company practices and

general quality of life.

2.1. Brand

The organizational reputation of a company isn't just important from a consumer point of view, says Aon Hewitt. The consulting firm explains that how the business is perceived, both internally among employees and externally to the public can have a big impact on employee engagement. It is therefore important to consider your employee value proposition, or EVP, and recognize its role in connecting "an external brand promise to customers with delivery on the internal brand promise to employees". Aon Hewitt revealed that around 82 per cent of employees value this aspect of a company's brand, and a solid reputation as an employer of choice can go a long way in engaging employees.

2.2. Leadership

A company does not become a best employer without strong leadership. Companies that excel at leadership are differentiated through four disciplines: 1) Leaders set the tone for the importance of leadership by cultivating and developing talent; 2) they pursue an unrelenting focus on talent beyond a typical performance management cycle; 3) leadership programs and practices are aligned with business strategy; and 4) leadership is a way of life—it is embedded into the values and expected behaviors and culture of the organization. Leaders play an important role in employee engagement and becoming a best employer company. They do this in direct and indirect ways. First, leaders have an indirect "multiplier effect" on all the top engagement drivers and other best employer indices. Ultimately, leaders make the decisions on brands, performance goals, pay and recognition, communication to employees, work process and innovation.

2.3. Performance

Lastly, a strong "performance focus" is essential to employee engagement. Getting real about employee engagement requires moving beyond a generic concept and clarifying the behaviors in which you would like employees to go above and beyond. For many employers there is increasing need for agility, speed and flexibility—these traits and behaviors will vary by industry and job profile. Clarifying what engagement looks like for employees is a prerequisite to their engagement. Aligning performance management, people management, learning and development, and rewards and recognition with these engaged behavior expectations will focus, enable and reinforce employees' efforts and energy.

2.4. The Basics

Many organizations with lower levels of engagement struggle to jump right to a "culture of engagement." Leaders should not overlook the positive impact of strong company practices and enabling infrastructure; basics like benefits, safety and work-life balance; or fulfilling work itself. Many companies that have had significant increases in employee engagement in a short period of time focus on fixing issues in some of these basic elements. Getting the foundation right is often the first step in building a culture of engagement, and cracks in this foundation can quickly erode employee engagement

for any organization.

2.5. The work

Collaboration: The act of working with other people to achieve a mutual benefit is vital to employee engagement. Surveys indicate that being cared about by colleagues is a strong predictor of employee engagement. Thus, a continuous challenge for leaders is to rally individuals to collaborate on organizational, departmental, and group goals, while excluding individuals pursuing their self-interest.

Empower/autonomy: Employees are given the freedom and authority they need to make necessary decisions. Empowerment is therefore critical to driving higher performance. Give people more autonomy, empower them to act and you increase the chances of them delivering more.

Work task: Meaning and purpose are core employee performance motivators that money doesn't compare to. Meaningful work is work that makes sense because we know what's expected and have the resources to do it, while understanding how our part contributes to a greater company goal and how it benefits others.

2.6. Company Practices

Communication: Internal communication is important for building a culture of transparency between management and employees, and it can engage employees in the organization's priorities. Executives employ a variety of communication methods, including face-to-face communication, to communicate with employees. The executives' chosen communication strategies aim to build trust and engagement with employees.

Customer Focus: Customer focus and employee engagement are two sides of the same coin. Clearly if your customers are going to be satisfied it takes an engaged workforce that is passionate about their work and holds a strong desire to deliver great experiences. In line with meaning of work, employees become disengaged when they lose meaning in their work. This meaning can only come from recognition and acknowledgment from customers (whether internal or external).

Diversity and inclusion: Diversity and Inclusion are values that reflect a company's culture of respect for people and the value it place on differences. An open and more inclusive environment will build trust and confidence within the organization and generate a culture in which everyone feels valued and respects their colleagues, and therefore increase employee engagement.

The business outcomes often result from strong engagement drivers and higher employee engagement levels. Researches have consistently found that companies with higher engagement levels also have better talent, operational, customer and financial outcomes.

2.7. The ten C's of employee engagement

The manager-employee relationship is the most crucial connection in an organization; more than half the perception of leadership is related to the perception of the local

workgroup. Managers act as the agent between leadership and employees. Great managers, through their strong relationships with employees, can mitigate outside influences that affect productivity, absenteeism, turnover, and customer interactions.

According to global practices, how can managers engage employees' heads, hearts, and hands? A literature wrote by Dan Crim and Gerard Seijts offers several avenues for action; They summarize these as the Ten C's of employee engagement.

2.7.1. Connect

Managers must show that they value employees. Employee-focused initiatives such as profit sharing and implementing work–life balance initiatives are important. However, if employees' relationship with their managers is fractured, then no amount of perks will persuade employees to perform at top levels. Employee engagement is a direct reflection of how employees feel about their relationship with the boss. Employees look at whether organizations and their manager walk the talk when they proclaim that.

2.7.2. Career

Managers should provide challenging and meaningful work with opportunities for career advancement. Most people want to do new things in their job. For example, do organizations provide job rotation for their top talent? Are people assigned stretch goals? Do managers hold people accountable for progress? Are jobs enriched in duties and responsibilities? Good managers challenge employees; but at the same time, they must instill the confidence that the challenges can be met. Not giving people the knowledge and tools to be successful is unethical and de-motivating; it is also likely to lead to stress, frustration, and, ultimately, lack of engagement.

2.7.3. Clarity

Managers must communicate a clear vision. People want to understand the vision that senior leadership has for the organization, and the goals that managers or departmental heads have for the division, unit, or team. Success in life and organizations is, to a great extent, determined by how clear individuals are about their goals and what they really want to achieve. In sum, employees need to understand what the organization's goals are, why they are important, and how the goals can best be attained. Clarity about what the organization stands for, what it wants to achieve, and how people can contribute to the organization's success is not always evident.

2.7.4. Convey

Managers clarify their expectations about employees and provide feedback on their functioning in the organization. Good managers establish processes and procedures that help people master important tasks and facilitate goal achievement. There is a great anecdote about the legendary UCLA basketball coach, John Wooden. He showed how important feedback – positive and constructive – is in the pursuit of greatness. Among the secrets of his phenomenal success was that he kept detailed diaries on each of his players. He kept track of small improvements he felt the players could make and did make. At the end of each practice, he would share his thoughts with the players. The lesson here is that good managers work daily to improve the skills of their

people and create small wins that help the team, unit, or organization perform at its best.

2.7.5. Congratulate

Surveys show that, over and over, employees feel that they receive immediate feedback when their performance is poor, or below expectations. These same employees also report that praise and recognition for strong performance is much less common. Exceptional managers give recognition, and they do so a lot; they coach and convey.

2.7.6. Contribute

People want to know that their input matters and that they are contributing to the organization's success in a meaningful way. This might be easy to articulate in settings such as hospitals and educational institutions. Good managers can help people see and feel how they are contributing to the organization's success and future.

2.7.7. Control

Employees value control over the flow and pace of their jobs and managers can create opportunities for employees to exercise this control. Do managers consult with their employees with regard to their needs? For example, is it possible to accommodate the needs of a mother or an employee infected with Human Immunodeficiency Virus (HIV) so that they can attend to childcare concerns or a medical appointment? Are managers flexible and attuned to the needs of the employees as well as the organization? Do managers involve employees in decision-making, particularly when employees will be directly affected by the decision? Do employees have a say in setting goals or milestones that are deemed important? Are employees able to voice their ideas, and does leadership show that contributions are valued?

A feeling of "being in on things," and of being given opportunities to participate in decision making often reduces stress; it also creates trust and a culture where people want to take ownership of problems and their solutions. There are numerous examples of organizations whose implementation of an open-book management style and creating room for employees to contribute to making decisions had a positive effect on engagement and organizational performance. The success of Microsoft, for example, stems in part from Bill Gates' belief that smart people anywhere in the company should have the power to drive an initiative. Initiatives such as Six Sigma are dependent, in part, on the active participation of employees on the shop floor.

2.7.8. Collaborate

Studies show that, when employees work in teams and have the trust and cooperation of their team members, they outperform individuals and teams which lack good relationships. Great managers are team builders; they create an environment that fosters trust and collaboration. Surveys indicate that being cared about by colleagues is a strong predictor of employee engagement. Thus, a continuous challenge for managers is to rally individuals to collaborate on organizational, departmental, and group goals, while excluding individuals pursuing their self-interest.

2.7.9. Credibility

Managers should strive to maintain a company's reputation and demonstrate high ethical standards. People want to be proud of their jobs, their performance, and their organization.

2.7.10. Confidence

Good managers help create confidence in a company by being exemplars of high ethical and performance standards. Practitioners and academics have argued that competitive advantage can be gained by creating an engaged workforce. The data and argument that we present above are a compelling case why managers need to make employee engagement one of their priorities. Managers should actively try to identify the level of engagement in their organization, find the reasons behind the lack of full engagement, strive to eliminate those reasons, and implement behavioral strategies that will facilitate full engagement. These efforts should be ongoing. Employee engagement is hard to achieve and if not sustained by managers it can wither with relative ease.

3. Employee Communication

Communication plays a very important role in our life, as people interchange their ideas, information, feelings, opinions by communicating. Communication could be verbal – spoken or written, or non-verbal i.e. by means of sign language, body movements, facial expressions, gestures, eye contact or even with the tone of voice. Someone said correctly “The very attempt of, not to speak, speaks a lot”.

In an organization, communication could be categorized into – formal and informal. In this article excerpt, we are going to discuss about the difference between formal and informal communication.

	Formal Communication	Informal Communication
Definition	Perceived Intentional Message Perceived Intentional Setting	Random Message Relational Setting
Situation	Strong	Weak
Style	Speech Publication E-mail Blast	Conversation Personal Note Informal comment
Example	Policies & Procedures Memoranda Report	Grapevine Chatting Sharing

3.1. Formal Communication

The communication in which the flow of information is already defined is termed as Formal Communication. The communication follows a hierarchical chain of command

which is established by the organization itself. In general, this type of communication is used exclusively in the workplace and the employees are bound to follow it while performing their duties.

Example: Requests, commands, orders, reports etc.

The formal communication is of four types:

- Upward or Bottom-up: The communication in which the flow of information goes from sub-ordinate to superior authority.
- Downward or Top-down: The communication in which the flow of information goes from superior to sub-ordinate.
- Horizontal or Lateral: The communication between two employees of different departments working at the same level.
- Crosswise or Diagonal: The communication between the employees of two different departments working at different levels.

3.2. Informal Communication

The communication which does not follow any type of pre-defined channel for the transmission of information is known as informal communication. This type of communication moves freely in all directions and thus it is very quick and rapid. In any organization, this type of communication is very natural as people interact with each other about their professional life, personal life and other matter.

Example: Sharing of feelings, casual discussion, gossips etc.

The informal communication is of four types:

- Single Strand Chain: The communication in which one person tell something to another, who again tells something to some other person and the process goes on.
- Cluster Chain: The communication in which one person tells something to some of its most trusted people and then they tells them to their trustworthy friends and the communication continues.
- Probability Chain: The communication happens when a person randomly chooses some persons to pass on the information which is of little interest but not important.
- Gossip Chain: The communication starts when a person tells something to a group of people and then they pass on the information to some more people and in this way the information is passed on to everyone.

3.3. Key Differences Between Formal and Informal communication

3.3.1. Formal communication is also known by the name of official communication. Informal Communication is also known by the name of grapevine.

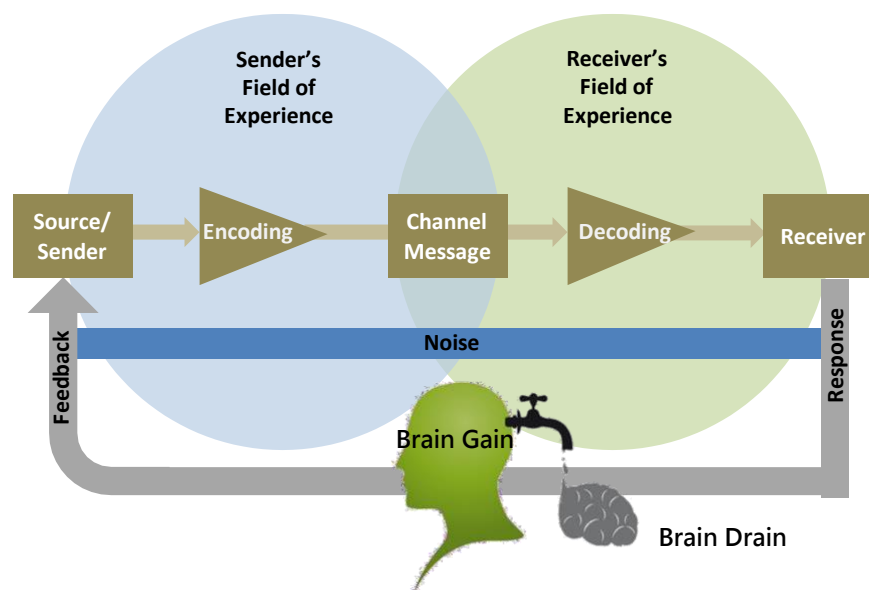
3.3.2. In formal communication the information must follow a chain of command. Conversely, the informal communication can move freely in any direction.

- 3.3.3. In formal communication full secrecy is maintained, but in the case of informal communication maintenance of secrecy is a very tough task.
- 3.3.4. Formal communication is generally written, whereas Informal communication is oral.
- 3.3.5. Formal communication is time consuming as opposed to Informal communication, which is rapid and quick.
- 3.3.6. Formal communication is more reliable than Informal communication.
- 3.3.7. Formal communication is designed by the organization. Informal communication starts itself due to the urge of 'human to talk'.
- 3.3.8. In formal communication the documentary evidences are always available. On the other hand, in the case of informal communication the documentary evidences are not available.

A very deep discussion on the difference between formal and informal communication has been done in this article. Nowadays, many big Transnational Organizations has started an open-door policy, in which any employee of any department can communicate directly with the head of an organization, about their complaints, grievances and requests. This results in reducing the complexity of the formal communication.

4. Communication Process

The function of all elements of the HR management is to communicate, so HR professionals must understand the communication process. This process can be very complex; successful marketing communications depend on a number of factors, including the nature of the message, the audience's interpretation of it, and the environment in which it is received. For effective communication to occur, the sender must encode a message in such a way that it will be decoded by the receiver in the intended manner. Feedback from the receiver helps the sender determine whether proper decoding has occurred or whether noise has interfered with the communication process.



- Source/Sender – the person or organization that has information to share
- Receiver – person(s) with whom the sender is sharing thoughts
- Message – the information the source hopes to convey
- Channel – method by which the communication travels from source to receiver
- Encoding – putting thoughts, ideas, or information into symbolic form
- Decoding – transforming the sender's message back into thought
- Response – receiver's reactions after seeing, hearing, or reading the message
- Feedback – part of the receiver's response that is communicated back to the sender
- Noise – unplanned distortion or interference

Successful communication is accomplished when the marketer selects an appropriate source, develops an effective message or appeal that is encoded properly, and then selects the channels or media that will best reach the target audience so that the message can be effectively decoded and delivered.

Employee Relations professionals as well as marketers are very interested in feedback, that part of the receiver's response that is communicated back to the sender. Feedback, which may take a variety of forms, closes the loop in the communications flow and lets the sender monitor how the intended message is being decoded and received.

5. Employee Survey

Many companies regularly conduct employee engagement or internal climate survey to assist in making accurate HR decisions for attracting and retaining HCNs. Employee survey 'season' is now in full flow and it's a great chance for HR to show their expertise and added value.

A well conducted and executed employee survey helps organizations create impact by increasing key focus areas such as employee engagement, as well as improving organizational performance. A poorly conducted and executed employee survey will damage employees' confidence in future employee surveys, as well as in HR.

Many of the most successful approaches to employee surveys are tailored to that organization, and there is no one size fits all versions. While each survey will require a different plan, this article aims to highlight some of the key aspects for consideration in the setting up of an effective employee survey process, and how to use that data in a way that benefits your organization and your people. Your organization's culture, employee profile, leadership approach and even geographical location will dictate the format and content.



Employee Survey Process

Source: Barends, A. (2014). 5 steps to create impactful employee surveys. Effectory.

5.1. Preparation

How to create impactful employee surveys tackles the preparation of your employee survey. Do you have a clear idea of your survey aim? Are your stakeholders involved from the start? Can you guarantee anonymity?

There are many things to remember if you want a successful employee survey. First of all, you have to have a clear idea of the aim of your survey. Secondly, it is important to involve stakeholders in the survey right from the start. Which method is appropriate to your organization? How should you draw up a questionnaire? And how will you handle the anonymity of the employees?

5.1.1. Determine the Survey Objectives

You carry out an employee survey to gain insights into your employees' perception of their work. The aim is to use this to make targeted improvements to your organization. Are your employees engaged? Are teams productive? What issues are important within your organization? Among other things, your employee survey gives you an insight into the satisfaction, employee commitment, employee engagement, loyalty, motivation and customer orientation of the employees.

There are many constructs regarding the objectives of employee survey. HR professionals should distinguish among these terms as follows:

Job satisfaction defined as degree to which employees have a positive affective orientation towards employment by the organization. Employee satisfaction depends on company and administrative policies, supervision, salary, interpersonal relations, working conditions, work itself, achievement, recognition, responsibility, and advancement.

Organizational commitment has been defined as an individual's dedication and loyalty

to an organization. Organizational commitment embraces the following three elements. These are (a) the acceptance of organizational goals and a strong belief in these goals (b) willingness to perform substantial efforts on behalf of the organization (c) having a definite desire to maintain organizational membership.

Organizational climate may be defined as “members’ collective perceptions about their organization with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovation and fairness.

Job involvement is defined as the degree to which a person psychologically identifies with, and is related with the work motivation that a person has with a job. Job involvement is grouped into four diverse categories. These categories: 1) work as a central life interest, 2) active participation in the job, 3) performance as central to self-esteem, and 4) performance compatible with self-concept.

Employee engagement has become a widely used and popular term, and it has its basis in practice rather than theory and empirical research, while its construct often overlaps with other constructs, such as organization commitment, job involvement, or organizational citizenship behaviors (OCB). However, engagement is not an attitude; it is the degree to which an individual is attentive and absorbed in the performance of their roles. In HR practice, the concept is commonly seen as capturing levels of commitment and discretionary effort exhibited by employees.

In order to clarify the purpose of your survey, ask yourself: Why do you want to gain an insight into the work perceptions of your employees? Without a clear objective, your survey won’t succeed and it won’t lead to improvement.

5.1.2. Creating buy-in

As well as having a clear objective, it’s important to create broad support for your survey within the organization. Too many surveys end up in the bottom drawer because the results are ultimately not accepted or applied. To avoid this pitfall, it is essential to involve all the relevant stakeholders in the survey from an early stage. The aim is that various groups should be able to take action afterwards on the basis of the results. The support of these groups for the survey must be won in advance.

The stakeholders that should be involved in the survey from an early stage are:

- (Line) managers
- Other direct reports
- HR directors and managers
- Top management
- Executive Board / Supervisory Board
- Communication department
- Works Council (if applicable)
- Trade unions (if necessary)

It's advisable to involve works council representatives from the outset, not only to adhere to rules and expectations but also because a works council can play an important role in embedding the survey in the organization. If you work at an international level, get the branch managements/units involved as well.

5.1.3. Determining the survey method

When setting up your survey, think about which survey method is appropriate for your organization. This is also the time to consider whether you should implement the survey and the associated follow-up yourself or engage an external agency. There are three phases of the methodology to be considered:

- **Distribution:** How can you distribute the questionnaires in such fashion as to reach everyone with ease?
- **Participation:** What is the easiest way for respondents to participate in the survey?
- **Data collection:** How do you ensure that you receive the maximum number of responses?

There are many methods for conducting surveys. For a good survey of employees, two methods are widely used: via an online questionnaire and/or via a written questionnaire. Choose the method that best suits your situation and make it easy for employees to complete the questionnaire.

A good survey also leads to a high response rate. If, despite everything, you anticipate a low response rate, you might consider scheduling a time when all the employees fill in the questionnaire together, such as the end of a shift. In that case, do make sure that an external person supervises it. Employees can address any question to that person. Moreover, this approach avoids consultation between respondents as the questionnaires are completed. If that happens, you will be recording group opinions instead of individual perspectives.

5.1.4. Guaranteeing anonymity

As well as a high response, you also want a reliable one. You want employees to feel free to give their honest opinion. Can you guarantee that employees will be able to complete the questionnaire anonymously? In the interests of anonymity, you should observe the following points at a minimum:

- Ensure that employees can complete the questionnaire where colleagues cannot watch them;
- Make sure that answers are received and stored on a secure server;
- Keep questions about personal characteristics to a minimum (avoid insofar as possible questions on gender, educational level, years of service etc.);
- Convert handwritten answers into standard (computer) fonts;
- When reporting the results, keep it at group level insofar as possible.

In addition, prevent situations where employees can fill in the questionnaire more than

once. To avoid duplication and unreliable results, employees should only be able to give their opinion once. Therefore, be sure to work with unique login codes that can only be used once.

5.1.5. Designing the questionnaire

Keep it simple. The participation rate can be very adversely affected if employees are daunted by the time it will take to complete the survey or if they feel the questions are irrelevant to them. Employee survey questionnaires allow an organization to understand their employees and to see what can be done to increase their satisfaction, their engagement and their commitment to the organization. Employee surveys can be designed in-house or by an external consultant. If you wish to do your own, there are some steps to follow to ensure you will get the results you need to build positive employee relations to impact your business.

- Determine the need for your survey. Employee survey questionnaires can evaluate a wide range of topics including overall satisfaction, engagement, organization commitment, job involvement, pay and benefit perception, career advancement, supervision, communication, processes and policies, productivity and efficiency, job stress and work-life balance. The aim of your survey will determine the types of questions you will ask.
- Choose which questions need to be asked to get the answers you need to evaluate your employee perceptions in regard to the need of your questionnaire.
- Select the methodology you will use to ask your questions and gather you data. It can be both quantitative and qualitative. The way you ask your questions will be greatly influenced by the methodology you pick. It is possible to write an employee survey questionnaire that mixes both methodologies for a more complete evaluation of the situation.
- Decide which vehicle you will use to send the survey and gather the results. You can offer your employees multiple options or you can decide ahead of time that all staff members have to fill out the questionnaire on a paper format, via email, or via a secure online website.
- Proof and test your questionnaire before sending the survey to your employees. This stage allows you to ensure the validity of the result and that you will get the desired results. If the results are positive, you have completed the design of your employee survey questionnaire. If the results are not conclusive enough, start again and try changing questions or methodology until you have testing results satisfying enough to send the survey to your employees.

If the survey is to be taken by employees from other countries and cultures then it is best practice to have the survey items checked both for the accuracy of language translation and cultural fit. If possible, have a native speaker of each language translate so that the correct phraseology and wording is used to ensure consistency of meaning for each item. This is very important when there is a need to compare results from different countries.

5.2. Communication

How you communicate your employee survey to stakeholders, managers and employees has a dramatic impact on the response rate of the survey. Well thought out communication is key to avoiding resistance and a poor response rate, and this blog provides you with practical steps on how to create a successful communication plan.

Keeping your employees informed about the survey's progress, as well as clear communication in every phase of the survey are essential to its success. Promoting your employee survey to all the stakeholders as early as possible is a must for there to be adequate support, and having people involved from the beginning of the process will favorably affect the response rate.

If people feel involved in the survey, this will considerably increase their willingness to act on the results. If you do not communicate clearly with employees on important issues (such as information about anonymity), they may resist it. In the worst case, employees won't trust the survey and could even sabotage the survey by deliberately giving wrong answers.

5.2.1. Creating a project plan

A good communication process requires time, energy and experience and is vital to the success of the survey.

Before the Survey

All employees must understand why you are conducting the survey and what the benefits will be if they cooperate (i.e. 'what's in it for me'). You should promote the survey before the actual start of the project and let employees know what they can expect from the survey. Remember to clearly communicate the following:

- The start date of the survey
- The planning schedule for the survey
- The intended aim
- The guarantee of strictly anonymous participation
- The deadline for completion of the questionnaire
- The possibilities for asking questions about the survey
- How you will announce the results
- What will be done with the results

The more thorough your communication is, the better. You will find that response to the survey increases substantially and don't forget to thank the employees for their cooperation!

Start of the Survey

Whether you have opted for a paper questionnaire or online, all employees should

receive a survey package. If you have chosen for a written survey, your employees should receive an envelope containing the questionnaire and an accompanying letter. In the letter you should explain what is expected of the employees and why. Don't forget to include an anonymity guarantee, and for further details, you can also include a pamphlet explaining the background and purpose of the survey. Completing the package by including the postage-paid envelope also makes it easier for employees to return the questionnaire.

For logistical reasons, it may be a better idea to issue the questionnaires on site. For example, you may wish to do this if you do not have the home addresses of your employees. In some sectors, such as retail and manufacturing, this is often the best method to get a good response.

If you have opted for an online questionnaire, you can send the link to the questionnaire by email. In doing so you can also provide additional information about the survey and anonymity in completing the questionnaire. If some employees have no email address, you can also opt to provide login codes by written letter. If necessary, these codes can be made anonymous by means of a scratch-off layer.

During the Survey

Of course, you want to avoid any last-minute surprises. It's important to track the response daily while the survey is underway and address the following:

- What is the response so far?
- Which departments are showing the most response?
- How much time is there left to respond?

It's advisable to inform managers after three or four days as to how their groups are responding, which can be done easily by email. If the response is disappointing, you can resend the survey invitation and also encourage managers to remind employees to complete the questionnaire.

After the Survey

Share what the initial results are and what steps for improvement are going to be taken together with your employees. Indicating what the actual planning for these are will help you generate the right expectations with regard to the follow-up period. In addition, it also has a positive effect on the response generated during the next survey.

4.2.2. Designing communication materials

There are many ways of bringing the survey to the attention of others. Some possibilities are listed below, although you may have other ideas on how to promote the survey in a creative manner. Ways to communicate your survey include:

- Letter
- Email
- Flyer

- Staff magazine
- Posters
- Intranet
- On-screen pop-up
- Workplace meetings
- Short Message Service (SMS)
- Holiday card
- Introductory video
- Presentation
- Soapbox addresses
- Employee meetings
- Slogan

5.3. Implementation

You've prepared and communicated your employee survey. Now for the practical part- implementing-review the distribution, data collection, verification and the reporting associated with your employee survey.

5.3.1. Distribution of questionnaires

In principle, you should distribute the questionnaire to every employee. If you are conducting the employee survey yourself in a small or medium-sized organization (up to 500 employees), it is perfectly feasible to print the questionnaires yourself. If you work for a larger organization, it is often better to outsource the printing and distribution.

If you are using an online questionnaire, make sure you have a system that works properly. Consider, for example, having an email with a link to the questionnaire, plus the possibility to save what has been filled in so far and return to it at a later time.

Which questionnaire for whom? If you work with multiple business units across international borders and with a variety of cultures, keep in mind the differences that you will encounter. You should therefore adapt questionnaires to take into account the nature of the different parts of the organization. By customizing questionnaires for each business unit, you will increase the employee commitment across the entire organization.

5.3.2. Response period

The 80/20 rule also applies to survey response times. By far the largest response is generated during the first few days. Allowing 2 weeks for responses is usually enough, but if the response is disappointing, you can always extend the deadline by a week.

5.3.3. Data collection

How to get the completed questionnaires back to you? With a digital survey, this is simple. Written (paper) questionnaires can be returned to a freepost address. In view of the anonymity guarantee, we recommend that you designate a freepost address to be used specifically for the survey.

If the questionnaires are distributed on site, you could still use return envelopes but another option is to place collection boxes at the various locations. Sometimes, to promote a high response rate, it is important to offer employees the facility to deposit their completed questionnaires in a collection box as soon as they have filled them in. This can offer a solution for safeguarding your planning schedule, especially if you are centrally directing the survey in an international organization.

How will you recognize the various questionnaires returned by different departments? The bigger and more international your organization, the greater the need to draw up specific questionnaires. You can distinguish a questionnaire in English from one in German at a glance, but how easily can you tell the difference between one from the marketing department and one from the sales department?

It is therefore always practical to mark the questionnaires with a specific code according to surveyed group, for example per team. To maintain anonymity, write only the group name on the questionnaire.

5.3.4. Verifying responses

How to process the returned questionnaires? Processing data by hand is time-consuming and requires precision. You can save a lot of time by having people complete the questionnaire via the internet, providing you have set up a good system. In most cases the best option is to have your data processed by a specialized bureau, who can automatically import the completed questionnaires (optical character reading).

How to process open questions? Employees' answers to open questions, such as "What suggestions would you make for...", constitute an additional source of information. As previously mentioned, it is important that handwritten answers are converted to standard fonts to maintain anonymity. It is also a good idea to process the comments in such a way to not lose their content.

When processing answers, eliminate personal criticisms, you can also delete any coarse language, such 'creative' words frequently attract undeserved attention and usually demotivate the people involved. Revising open answers in this manner results in a more authoritative survey. If necessary, you can choose to distribute the unrevised versions among a limited audience.

5.3.5. Reporting

What should you mention in the reports? In effect, you should include everything in your report. Why was the survey conducted? What was the response? And of course, the results. Do keep it concise. Be sure to substantiate the scores by including a statistical analysis of the results and displaying answers to open questions is important

to help you get a better feel for the results.

How do you report? We recommend using graphics, charts for example. They allow you to see the progress that is made at a single glance. Use as many colors or icons as necessary to visualize issues that score well and to indicate areas in which improvement is required. Pages full of text do not inspire reading, and so, will not inspire action either. Try to divide the answers to open questions into as few categories as possible. When presenting the results for a group, make sure that you hold people's attention. Visualize the results, using images as well as text. After all, a picture is worth a thousand words.

At what level should you report your results? The survey pays for itself when stakeholders get reports that they can truly make use of. You should therefore attune the reports to the level of the various stakeholders:

- An A4 sheet with the main outlines for the Board of Management;
- A detailed report for HR;
- An action-oriented report for the business unit and/or the department or manager.

5.4. Analysis

The employee survey has been completed, and the data has been collected. The issue now is how to analyze the results: How should you structure the data? Should you use benchmarks? How should you prioritize? Taking care to correctly analyze your employee survey is essential in order for there to be impact. Without adequate analysis, your organization might address the wrong issues. The results of your survey should immediately disclose the state of affairs in your organization. As a rule of thumb, the data should therefore be structured to immediately reveal: the successes and the areas in need of improvements

5.4.1. Benchmarking

Whilst there may be some debate surrounding benchmarks, our experience has shown us that benchmarking is an essential addition to the structured data. A comparison of your results with those of similar companies or of the countries where you have branches can reveal valuable insights.

One of the questions you should ask is do you have good benchmark data? Much time is often wasted by drawing hasty, incomplete conclusions. For example, a subject such as remuneration usually gets a low score in an organization. After discovering the low score, you may come to the conclusion that you should act upon the low score. This however is not always wise.

A good benchmark can inform you where your organizations stand in comparison to others. In the case above, the benchmark could inform you that despite your low score, your organization scores better than many comparable organizations. Such insights can really help you decide where to take action, and further help ensure that you do not devote unnecessary time and money to an area where it is not needed.

5.4.2. Setting priorities

What do your employees consider important and in which areas is your organization's score (relatively) low? A statistical program is a useful tool in this prioritization. It enables you to measure the effect of each factor on various HR themes. In this way you obtain a list of priorities showing which aspects employees are proud of and which ones call for improvement. You can see at a glance where the priorities lie and which points have a direct impact on the way your employees perceive their work. Furthermore, it immediately becomes clear which elements make you stand out as an employer in the labor market.

5.4.3. Identifying trends

Compare your current scores with those from the previous survey in order to follow trends in the results. This will provide insight into the effectiveness of the improvement measures you have taken. Once again, communicate this clearly to the organization. This will show employees that the survey is having an effect.

5.5. Action planning

An employee survey only becomes effective when something is done with the results. To delve further into process issues: not telling employees the results of a survey is frustrating, but, worse, it tells them their input is not really wanted. That can result in disengagement, apathy, and "working by the rules," not positive outcomes in an increasingly competitive and dynamic world.

The biggest challenge lies in ensuring that your organization takes action. But how can you ensure that there is action throughout the entire organization?

After your survey is complete and the results are in, you should begin informing people within your organization. It is advisable to consult with employees about how action can be taken, and to monitor the progress of planned actions. Finally, in order to establish whether the actions have really led to improvements, conduct a repeat survey and consider making an employee survey a permanent fixture in the calendar year.

5.5.1. Internal communications

Providing information in broad terms. Plan the initial presentation of the survey immediately after delivering the results. First, present the results to the higher echelons (directors, Management Board or senior management). However, make sure that the setup has been approved by the project group before presenting the results.

What should you present? Show the facts and figures, but don't make an exhaustive list of them. Omit everything irrelevant, but make sure that you present the low and high scores. Where possible, make comparisons: comparisons with other companies, countries, teams and equivalent groups. Having heard the facts, the management will immediately want to look for explanations and causes, which is fine. You give the directors some 'homework' so they can discuss the results together and make concrete improvements. This is how organization-wide points for improvement are created.

The result presentation should last no longer than one hour, otherwise those present will lose interest. Moreover, observing this time limit will ensure that the meeting deals with the most relevant points.

Providing information at group level. After the meeting with the management, let employees know what form the follow-up procedure will take. Making clear arrangements will prevent the project from losing momentum. Think about who is responsible for giving feedback on the team results; consider when and how you will give feedback on the results at group level:

Consider where the responsibility lies for the follow-up. Taking action starts with informing the employees. Don't wait too long, and be honest. Employees will soon realize if you are procrastinating. The faster you show the results, the quicker something can be done about them. Don't stop at presenting problems, but also pay specific attention to the positive points. It is important that you carefully discuss issues that cannot be remedied with your employees. The report contains meaningful information, enabling you to discuss things together and then take joint action. At a minimum, you should inform all employees with regard to the following points:

- Response
- Important scores
- Points to be proud of
- Points for improvement

Consider whether to schedule extra presentations, for example to the (European) works council or the group managers. In some countries, the trade union is an important stakeholder; decide when and how you want to give feedback to all the employees.

5.5.2. Action planning

How do you ensure that immediate action can be taken on the results? The signal to take action should follow immediately after employees have been informed about the outcomes of the survey. The basis was created at an earlier stage with a clear report available, for every level. The important thing now is to translate the report into concrete, well-coordinated actions.

- Decide who is responsible for drawing up action plans;
- Set a deadline for drawing up the action plans.

The responsible managers, project owners and team managers need to discuss the results. These are then discussed with the employees. Any uncertainties among the management members can be discussed at that time. The dialogue with the employees can be initiated per business unit or team in order to arrive at improvement plans at operational level. When that has been accomplished, the path leads upward again. You compare your plans with those of other business units or teams. Frequently, the same improvements can be adopted. You should also check that the improvement plans are in line with your organization's vision and objectives.

5.5.3. Monitoring

Once you have drawn up plans for improvement, it is important to monitor progress.

- Decide who is responsible for monitoring the action plans;
- Consider the extent to which the results and action plans are incorporated in the year plan and the evaluation system;
- Communicate regularly regarding the progress of the improvement projects.

5.5.4. Repeating the survey

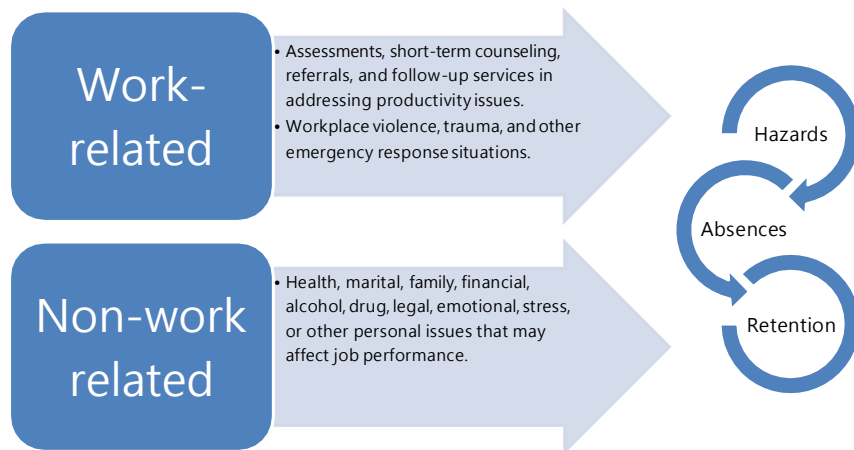
Have the actions you have taken led to positive results? The next survey is the ideal time to establish the effects your investments have had and how much employees have appreciated the effort. If you establish the employee survey as a permanent instrument, you increase the likelihood that the results will continue to improve. As you gain insight, adapt the survey to include different or additional questions or action points.

There are as many different ways to survey employees as there are organizations in the world. The specific questions are not the most important thing though; the critical components are the actions that follow. There is no reason to waste resources on a survey that does not lead to change within the organization. Every company has areas of opportunity, especially when it comes to getting their employees more engaged.

6. Employee Assistance Program (EAP)

In today's business world corporations strive to increase profits and maximize shareholder wealth in creative and new ways. Businesses implement methods such as drawing top talent with attractive compensation packages, funding innovative research and development to produce new technology, or improving the productivity and efficiency of employees' work. Each of these factors contributes to the growth and development of a corporation along with helping increase the bottom line. Arguably the most important asset of any business is its people. When businesses ensure their employees are working at their greatest potential, productivity and efficiency usually follow; however, many issues can inhibit and restrict a business's employees from working at their prime. Physical and mental issues both stand as potential hazards to employees and employers alike. These problems may come in the form of depression, sickness, disability, stress, burnout, absenteeism, and presenteeism. Businesses endeavor to reduce or eliminate these negative elements present in the organizational environment. Various workshops or counseling activities may be provided to increase employee awareness of such issues and how to cope with them.

One tool corporations can use to reduce or eliminate these problems is an employee assistance program. Employee Assistance Programs (EAPs for short) are programs sponsored by the employer intended to support the removal of various workplace problems. A scholar explains, EAPs typically provide screening, assessments, brief interventions, referrals to other services and case management with longitudinal follow-up for mental health concerns and substance abuse problems. The source of these employee problems can be either personal or work related.



Despite their design and growth, though, many businesses today are reluctant to invest in an EAP because of the debate over their return on investment. Copious amounts of research cite utilization rates or the number of times employees click through a web page to access resources provided by the EAP; however, many of these studies never truly address the effectiveness of a specific employee assistance program. Scholars note, “In other words, are employees achieving positive outcomes, and is the employer realizing the benefit—i.e., is an employee more productive at work because he or she is no longer suffering from depression, combating stress, dealing with substance abuse, or coping with marital conflict?”. By examining various studies and examples from specific businesses using EAPs, a case will be presented that businesses that use EAPs do in fact achieve a sufficient return on investment, thereby justifying and recommending the implementation of EAPs by businesses worldwide.

Beginning in the early 1990s, managed behavioral care (MBC) companies partnered with EAPs to provide care that is more continuous. EAPs took on an initial assessment and advocacy role to help employees determine the appropriate level of care and treatment plan, as well as to advocate for care and reduce barriers for employees to access mental health benefits. As EAPs became more accepted within public and private workplaces, they continued to expand their services to meet the changing needs of employees and employers. Services broadened to cover issues such as work-life balance, elder care, workplace violence, and supporting companywide changes, such as mergers and downsizing.

6.1. Assessment and Brief Counseling

One of the most defining services EAPs offer is direct, confidential, short-term problem resolution or counseling to individual employees and often their family members. A critical skill of the EA professional is his or her ability to assess underlying problems that are not always presented as the cause for work-related, personal related, or other mental health complaints. Because EAPs work with diverse populations on a daily basis, EA professionals must be savvy enough with regard to objective assessment and procedures to uncover hidden problems that are often the underlying cause of presenting symptoms and complaints. It is typical for employees to present to the EAP with the problem being related to their family or work. After a proper and

comprehensive clinical assessment, it may be revealed that other, sometimes more troubling issues are also involved, such as a drinking problem, a gambling addiction, or an undiagnosed depressive disorder.

6.2. Work Performance Focus

How an individual's personal problems may be affecting his or her ability to function at work is another key component of the EAP assessment. With every client, HR professionals assess not only the individual's health, mental health, and overall personal well-being but also how individual and personal problems affect productivity and work performance. The most common initial reason employees seek help from an EAP is for personal relationship/marital problems.

6.3. More Than Mental Health

More recently, employees have been coming to EAPs for problems related to or exacerbated by financial and legal problems, for which EAPs usually provide consultative and educational services (Wilburn, 2007). Additional problems commonly addressed by EAPs include work and other personal relationships, mental health (depression and anxiety), stress, substance abuse and other addiction problems, child/parenting concerns, and other emotional issues.

6.4. Management Services

While perhaps better known for their provision of direct services to employees, EAPs also provide support services to managers and supervisors. Services such as management consultation and organizational programs are often considered more important to both employers and the EAP, as they tend to be the types of services that reach the most troubled employees and, when handled appropriately, provide the best return-on-investment (ROI). For managers and supervisors, as well as the broader work organization, EAPs provide a wide array of organizational solutions and services ranging from education and training to health fairs and screenings, to crisis intervention and consultation to managers and supervisors regarding dealing with troubled employees, new policies related to behavioral health, and much more. One of the original core technology functions that all EAPs are expected to provide is consultation to managers and supervisors. This is often provided through education about constructive confrontation and other ways to interact with troubled employees often resulting in a referral to the EAP. Although the majority of contacts made by employees to the EAP are through "self-referral," EAPs and businesses place a high priority on their ability to support managers in making supervisory referrals to the EAP for employees who have been observed as having work performance and/or productivity issues.

6.5. Organizational Services

EAP services are also provided at the organizational level, either to the entire company or to smaller business units within the work organization. Some of these services include advance planning and immediate response services for crisis events (e.g., accidents, violence, and natural disasters) and leading group interventions and support groups, companywide educational programs, and supporting other internal areas with planning and implementing policy and programmatic changes. Other organizational

roles for EAPs involve interacting with union leaders and members and benefit coordinators, such as work-life, health and wellness, drug-free workplace training and mandatory referrals, and outplacement. EAPs also work with managers and supervisors around organizational issues that may result from pending or actual change in the workplace or related workforce development issues. Specific services around these issues include providing guidance regarding how to appropriately support employees during times of organizational change, supporting return-to-work and work accommodation efforts, offering performance management guidance for managers, training and education, and other consulting and coaching services, disability management, and risk management services.

6.6. Crisis Services

Because of their use of systems theory and ability to view the workplace at multiple levels-the micro level with individuals and the macro level with the organization EAPs are well-suited to work with employees and employers at all stages of crisis. EAPs received increased recognition by workplace leaders after they provided support to thousands of individuals and groups following the World Trade Center terrorist attacks on September 11, 2001. Following these events and subsequent incidents of violence and terrorism, EAPs saw a surge of utilization among employees seeking crisis support and short-term assistance but not necessarily in need of formal and long-term mental health services. Additional consultation to the workplace regarding preparedness, crisis communication, and strategic response has been viewed by management as a primary benefit offered by EAPs

6.7. EAP Delivery Models

Employees and managers often have the choice as to whether they access EA services in-person, via phone, or-less often but increasing-via web-based technologies. Usually this choice depends on the type of EAP offered or the EAP model. Currently, several kinds of operating models exist from which companies can purchase EA services. The model of EA services is important as it directly impacts the type of service provided and often the relationship the EAP has with the broader work organization. The more traditional EAP model is referred to as an **“internal”** EAP. Internal EA professionals are employed by the company or work organization offering the EAP. As outsourcing benefits and other workplace programs such as EAPs became popular in the 1990s and continues today, EAPs integrated with larger managed behavioral health companies, functioning as contractors to the workplace to provide EAP services. This is referred to as an **“external”** model of EA service delivery and is currently the most popular model within the United States today. . Two additional models of EA service delivery include the **“combination”** or **“hybrid”** EAP that typically began as an internal EAP and expanded services to be offered to other workplaces, as well as the **“consortium”** model, which describes a situation when several smaller companies share the cost of purchasing the EAP.

6.8. Service Delivery Channels

Due to the physical distance between the external EAP and the workplace, the use of telephone-based EAP counseling service is often emphasized and 24-hour access is

almost always offered. Additionally, EAP websites often include information and services that can be used by employees and their family members from any computer. A consequence of this primarily offsite approach is that the use of the EAP for management consultations and other workplace or organizational services tends to be lower when compared to internal or onsite EAPs and oftentimes the number of management referred clients and serious substance abuse cases are lower.

6.9. Research

For most of their existence, EAPs have relied on anecdotal evidence with limited empirical data to support outcomes from clinical and organizational interventions. Improvement resulting from EAP counseling interventions were traditionally measured through self-report surveys of client satisfaction and sometimes basic indicators of mental health and well-being, or other more general level of functioning scales.

6.10. Service Utilization Issues

One area of research suggests that EAP service utilization and impact rate is relatively limited with face-to-face utilization for counseling services averaging 3% to 5% each year. This raises questions about whether or not employees in the most need are actually accessing and using services. Some EAPs report that individuals who self-refer to the EAP often do so for mild to moderate problems that cause acute stress (e.g., family/marital issues, legal problems, financial concerns), rather than for serious mental health disorders and substance abuse. One of the major limiting factors to EAP use is that stigma and discrimination for mental health and addiction problems is widespread. This may result in many employees who could benefit from professional help do not seek help because of fears of discrimination or shame at work.

6.11. Clinical Best-Practices

Given the recent push to develop best practice and evidence based practice, the EAP field has expanded its breadth of research as it tries to better understand which specific interventions are most appropriate and effective for various employee problems. For example, EAPs have been studying the application of psychological first aid following workplace critical incidents and disasters and cognitive-behavioral therapy for employees with mild depression and/or stress-related illnesses.

6.12. Disability and Return-to-Work

Another promising trend for EAP research is to examine the effects of EAP collaboration with Disability Management and Return-to-Work (RTW) programs for employees with primary or co-morbid mental health conditions. Implementing a RTW program can meet the employer's duty to accommodate and facilitate the return of disabled employees to the workplace. These programs are based on the philosophy that people can safely perform progressively more demanding levels of work while also participating in the process of recovery and getting medical and/or mental health care for their problem. Workplace accommodations can be done in many areas for when the employee is back at work, either part time or full time. It is common for such accommodations to be modified or even discontinued as the employee recovers.

EAPs can serve a valuable role in coordinating such care and supporting the employee and their family through this transitional period. It is particularly important for the EAP to be involved in supporting the employee's RTW due to the high overlap of behavioral health conditions and stress-induced illness issues with other chronic medical problems.

6.13. Productivity Measurement

The impact the EAP has on the larger work organization can be challenging to objectively measure. A recently developed standardized measure to assess work performance outcomes related to the EAP and the field of Health and Productivity Management is the use of the Health and Productivity Questionnaire (HPQ). The HPQ measures the impact of chronic illness on productivity using measures of presenteeism and absenteeism—two important outcomes for EAPs. A shorter, more workplace-friendly version of the HPQ, the HPQ-Select, administered by the Integrated Benefits Institute (IBI), is leading the way in corporate benchmarking in health and productivity. The HPQ-Select is currently being adopted by many EAPs that are working to combine their operational experiences in a large international reporting database.

6.14. Workplace Outcomes

Studies show that, when appropriately administered to emphasize the EAP core technology components, EAP services produce positive clinical change, as well as contribute to better work-related outcomes such as reduced absenteeism and turnover, increased productivity, and cost savings in medical, disability, or workers' compensation claims.

6.15. Referral and Case Management

Some studies suggest that EAPs are particularly effective at helping employees with behavioral health and substance abuse issues navigate successfully through the many treatment options available. EAPs are also well-suited to provide longer-term follow-up support and case-management assistance after treatment to reduce the likelihood of relapse and improve the overall RTW process.

7. Employee Disciplinary Procedure

A disciplinary procedure is a process for dealing with perceived employee misconduct. Organizations will typically have a wide range of disciplinary procedures to invoke depending on the severity of the transgression.

A disciplinary procedure is sometimes the best way for an employer to tell their employees when something is wrong. It allows them to explain clearly what improvement is needed and should give the employees an opportunity to put their side of the situation. Employer can put their disciplinary procedure in writing, and make it easily available to you (for example, by giving details in the employee handbook). It should include the rules, what performance and behavior might lead to disciplinary action, and what action the employer might take.

Disciplinary procedures vary between informal and formal processes. Informal disciplinary procedures may not be codified and may be handled 'discretely' by a manager, while formal procedures are more likely to be codified in a company handbook or employment contract and followed closely by the employer because disagreement over handling could result in an employment tribunal.

Before a disciplinary procedure is invoked at all, the employee should be informally counselled about his conduct, attendance, work standards, or whatever it is that's causing the problem. The pre-disciplinary procedure informal counselling should be carried out to ensure the employee knows the standards expected, and should be carried out by a supervisor/manager. If this informal counselling does not bring about the required improvement the formal disciplinary procedure will be invoked.

The steps in the disciplinary procedure generally follow graduated steps including a verbal warning, written warning, final written warning, and dismissal. However, in cases of gross or serious misconduct it is permissible to start at stage 3 of the procedure.

7.1. Stage 1: Verbal warning

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

This would involve a meeting with the employee at which the employee could bring a colleague or other representative. There is no right to bring a legal representative, unless the employer agrees.

This may be a trade union representative, even though the employer may not formally recognize or engage with the union. His role will be as a minute taker and witness, not an advocate or spokesperson.

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

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

This letter should also state that failure to improve will lead to the 2nd stage of the disciplinary procedure and ultimately dismissal.

It should also state the time period for which it will remain on the employee's file, after which it will be removed. 3 months would be a reasonable period for this 1st verbal warning to stay on file, but it could remain for 6 months.

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

Once this disciplinary procedure has started the employer should assist the employee to improve conduct or performance, whichever was the source of the problem in the 1st place.

The employer should record the details of this 3 month monitoring period and retraining or relocation should be considered, if possible and reasonable.

However, if the employee fails to improve or there is a repeat of the activity that caused the oral warning in the 1st place the employer can then issue a first written warning.

7.2. Stage 2: Written Warning

The 1st written warning can be issued within the period of time advised for monitoring after the verbal warning, provided there is no improvement in conduct or performance.

Before issuing it the employee should be invited to another meeting, told of the transgression, and given the opportunity to respond.

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

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

If the required improvement is not forthcoming within the 3 month period after the 1st written warning then a 2nd written warning may be issued. This is entirely a matter for the employer and it is common for many employers to only issue a 1st and final written warning.

This warning is done in a similar fashion to the other 2 warnings referred to above but you would consider giving a 6 month monitoring period to allow improvement.

7.3. Stage 3: Final Warning

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

This warning letter will be the final one prior to dismissal so it is important that it is well drafted as it will be scrutinized closely by the employee and probably his legal advisor. This letter should only refer to the matters which have been the subject of the disciplinary procedure to date, no other matters which have never been put to the employee.

7.4. Stage 4: Dismissal or action short of dismissal

If there is no improvement after the final written warning then dismissal is the likely outcome. A meeting should be called and the employee and his representative invited.

The employer should remind the employee of the behavior/conduct that has led to this point, the repeated transgressions/failure to improve performance sufficiently, and that the dismissal is in accordance with the disciplinary procedure.

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

7.5. Gross or Serious Misconduct

Gross or serious misconduct will be normally dealt with under the final stage- stage 3 or stage 4, depending on how many stages you use in your procedure. Serious/gross misconduct should be dealt with as follows:

7.5.1. Notify the employee of the allegation without delay

This would involve, firstly, a preliminary gathering of the facts and, secondly, an invite to the employee to attend a meeting to lay the allegation. The employee should be told he can bring a work colleague or union representative to this meeting.

It is important that strict confidentiality is maintained as the employee is innocent until proven otherwise and is entitled to the protection of his good name.

7.5.2. Investigation

An investigation will be carried out and the employee may be suspended with pay pending the outcome of this investigation.

It should be carried out as quickly as possible by a party/parties with the necessary expertise, agreeable to employer and employee, and in accordance with the terms of reference for the investigation. The terms of reference should set out

- the timescale of the investigation and
- the scope of the investigation, that is, deciding whether or not the allegation has been upheld.

A written record of all meetings should be kept and confidentiality maintained. The investigator should be able to interview any employee who may be able to assist the investigation.

The employee against whom the allegation has been made should be given copies of all written notes prior to and during the investigation, e.g., witness statements, details of the alleged misconduct, notes. He should also be allowed representation at any meetings during the investigation process.

Once the investigation has completed a written report setting out the investigator's

decision, based on the balance of probabilities, will be given to senior management and the employee. If the allegation has been upheld a further disciplinary meeting will be held with the employee.

7.5.3. Disciplinary hearing

The employee should be advised of the disciplinary meeting in writing and told:

- It is a formal disciplinary meeting under Stage 4 or 5 of the disciplinary procedure
- The purpose of the meeting is to hear representations on behalf of the employee and to decide whether a disciplinary sanction is appropriate
- The possible outcome of the hearing
- The right to be accompanied

Once representations have been made, and the hearing is not to look into the allegations again, the meeting will then be adjourned to allow the decision maker to decide what action, if any, is to be taken.

The meeting will be reconvened and the decision advised to the employee who will also be told of his right to appeal the decision.

None of the above will apply to situations of gross misconduct which may lead to instant dismissal. Also, more serious transgressions of conduct may lead to the procedure being started with a written warning or at a different point in the procedure.

The key point is that there is a procedure that is fair and transparent and both employer and employee know where they stand. Equally important is that other employees see the procedure as fair and equitable and that they will get fair procedures when there is a problem.

Part Five: Talent Management

1. Talent Management

Talent management as activities and processes that involve the systematic identification of key positions which differentially contribute to the organization’s sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization.

Talent pool is refer to the pool of high potential and high performing incumbents that the organization can draw upon to fill pivotal talent positions.

The term “talent management” is used to broadly recognizing that there is considerable debate within companies about what constitutes “talent” and how it should be managed. (See “The Talent Management Wheel” as the below figure) Since the publication of a related study, many managers have considered talent management synonymous with human capital management. Among the companies we studied, there were two distinct views on how best to evaluate and manage talent. One group assumed that some employees had more “value” or “potential” than others, and that, as a result, companies should focus the lion’s share of corporate attention and resources on them; the second group had a more inclusive view, believing that too much emphasis on the top players could damage morale and hurt opportunities to achieve broader gains.

Talent Management Practices



Source: Stahl, et al. (2012). Six Principles of Effective Global Talent Management. MIT Sloan Management Review, Winter, 24-32.

1.1. Alignment With Strategy

Corporate strategy is the natural starting point for thinking about talent management. Given the company's strategy, what kind of talent do we need? For example, GE's growth strategy is based on five pillars: technological leadership, services acceleration, enduring customer relationships, resource allocation and globalization. But GE's top management understands that implementing these initiatives may have less to do with strategic planning than with attracting, recruiting, developing and deploying the right people to drive the effort. According to its CEO, the company's talent management system is its most powerful implementation tool. For instance, to support a renewed focus on technological leadership and innovation, GE began targeting technology skills as a key development requirement during its annual organizational and individual review process, which GE calls Session C. In all business segments, a full block of time was allocated to a review of the business's engineering pipeline, the organizational structure of its engineering function and an evaluation of the potential of engineering talent. In response to the CEO's concern that technology-oriented managers were underrepresented in GE's senior management ranks, the Session C reviews moved more engineers into GE's senior executive band. Talent management practices also helped to drive and implement GE's other strategic priorities (for example, establishing a more diverse and internationally experienced management cadre).

In a similar vein, a recent survey of chief human resource officers of large multinationals highlighted another approach to aligning talent management with the business strategy.

Strategic flexibility is important, and organizations must be able to adapt to changing business conditions and revamp their talent approach when necessary. For example, Oracle, the hardware and software systems company, found that its objective goal-setting and performance appraisal process was no longer adequate. Management wanted to add some nonfinancial and behavior-based measures to encourage people to focus on team targets, leadership goals and governance. This necessitated a significant overhaul of Oracle's existing performance management systems, investment in line management capability and overall changes to the mind-set of line managers and employees.

1.2. Internal Consistency

Implementing practices in isolation may not work and can actually be counter-productive. The principle of internal consistency refers to the way the company's talent management practices fit with each other. The study shows that consistency is crucial. For example, if an organization invests significantly in developing and training high-potential individuals, it should emphasize employee retention, competitive compensation and career management. It also should empower employees to contribute to the organization and reward them for initiative.

Such combinations of practices will lead to a whole that is more than the sum of its parts. There should also be continuity over time. For example, a MNC has tied everything related to talent management together in such a way that internal

consistency among the various HR elements is virtually guaranteed. The company recruits 10 to 12 graduates per year, assigns the new hires to a learning campus (a network for top new graduates within the division) and assesses them at the development center. Later, the designated employees go through a leadership quality analysis and review procedure, including feedback and performance appraisal, and become part of the mentoring program led by top managers. The whole process is continuously monitored through reviews and linked to the company's reward systems.

The emphasis on consistency is also paramount at IBM, which works hard to assure that its people management systems are consistent across its subsidiaries. To achieve this alignment, IBM combines qualitative and quantitative data collected quarterly to ensure that its practices are consistently introduced and implemented. The company also conducts an HR customer satisfaction survey twice a year to learn how employees are responding to the programs and to detect areas of employee dissatisfaction.

1.3. Cultural Embeddedness

Many successful global companies consider their corporate culture as a source of sustainable competitive advantage. They make deliberate efforts to integrate their stated core values and business principles into talent management processes such as hiring methods, leadership development activities, performance management systems, and compensation and benefits programs. For example, whereas companies have traditionally focused on job-related skills and experience to select people, some multinationals we studied have expanded their selection criteria to include cultural fit. These companies assess applicants' personalities and values to determine whether they will be compatible with the corporate culture; the assumption is that formal qualifications are not always the best predictors of performance and retention, and that skills are easier to develop than personality traits, attitudes and values.

IKEA, the Sweden-based furniture retailer, for example, selects applicants using tools that focus on values and cultural fit. Its standard questionnaire downplays skills, experience or academic credentials and instead explores the job applicants' values and beliefs, which become the basis for screening, interviewing, and training and development. Later, when employees apply internally for leadership positions, the main focus is once again on values in an effort to ensure consistency.

Researchers found that a strong emphasis on cultural fit and values was common among successful global companies. In evaluating entry-level job applications, Infosys is willing to trade off some immediate skill requirements for a specific job in favor of good cultural fit, the right attitude and what it refers to as "learn ability." In addition to evaluating the applicant's college record, Infosys puts applicants through an analytical and aptitude test, followed by an extensive interview to assess cultural fit and compatibility with the company's values.

Rather than selecting employees for attitude and cultural fit, a more common approach to promoting the organization's core values and behavioral standards is through secondary socialization and training. Standardized induction programs, often accompanied by individualized coaching or mentoring activities, were widely used among the companies that we studied. Leading companies used training and

development not only to improve employee skills and knowledge but also to manage and reinforce culture.

In addition to inculcating core values into young leaders, successful companies often make focused efforts to adapt their talent management practices to the needs of a changing work force. Consider the growing interest in healthy work-life balance. As the number of employees seeking balance between their personal and professional lives has increased, more companies have begun to offer flexible working arrangements in an effort to attract the best talent and retain high-potential employees.

Consistent with an increased emphasis on values, some companies have introduced what might be called “values-based” performance management systems: They assess high-potential employees not only according to what they achieve but also on how they reflect or exemplify shared values.

1.4. Management Involvement

Successful companies know that the talent management process needs to have broad ownership — not just by HR, but by managers at all levels, including the CEO. Senior leaders need to be actively involved in the talent management process and make recruitment, succession planning, leadership development and retention of key employees their top priorities. They must be willing to devote a significant amount of their time to these activities.

One of the most potent tools companies can use to develop leaders is to involve line managers. It means getting them to play a key role in the recruitment of talent and then making them accountable for developing the skills and knowledge of their employees. Unilever, for example, believes in recruiting only the very best people. To make this happen, top level managers must make time for interviews, even in the face of all their other responsibilities. Line managers can contribute by acting as coaches or mentors, providing job-shadowing opportunities and encouraging talented employees to move around within the organization for career development.

The responsibility for talent development extends beyond managers. Employees need to play an active part themselves by seeking out challenging assignments, cross-functional projects and new positions. However, the survey finds that job rotations across functions or business units are not very common. Although HR managers may see the value in job rotations and new assignments for career development, many companies lack the ability to implement them. A possible explanation is the tendency of managers to focus on the interests of their own units rather than the whole organization; this narrowness may hinder talent mobility and undermine the effectiveness of job rotation as a career development tool. A McKinsey study found that more than 50% of CEOs, business unit leaders and HR executives interviewed believed that insular thinking and a lack of collaboration prevented their talent management programs from delivering business value.

1.5. Balance of Global and Local Needs

For organizations operating in multiple countries, cultures and institutional environments, talent management is complicated. Companies need to figure out how

to respond to local demands while maintaining a coherent HR strategy and management approach. Among the companies we studied, there was no single strategy. For example, Oracle emphasized global integration, with a high degree of centralization and little local discretion. Matsushita, meanwhile, focused on responsiveness to local conditions and allowed local operations to be highly autonomous.

A company's decision about how much local control to allow depends partly on the industry. Furthermore, rather than being static, a company's position may evolve over time in response to internal and external pressures. Many companies are moving toward greater integration and global standards while simultaneously continuing to experience pressure to adapt and make decisions at local levels. For example, Rolls Royce has global standards for process excellence, supported by a global set of shared values and a global talent pool approach for senior executives and high potentials. At the same time, it has to comply with local institutional demands and build local talent pools. Clearly, the challenge for most companies is to be both global and local at the same time. Companies need a global template for talent management to ensure consistency but need to allow local subsidiaries to adapt that template to their specific circumstances.

Most companies have introduced global performance standards, supported by global leadership competency profiles and standardized performance appraisal tools and processes. Activities that are seen as less directly linked with the overall strategy of the corporation and/or where local institutional and cultural considerations are viewed as crucial (for example, training and compensation of local staff) continue to be more at the discretion of local management. At IBM, for example, foreign subsidiaries have no choice about whether to use the performance management system; it is used worldwide with only minor adaptations. But subsidiaries may develop other policies and practices to address local conditions and cultural norms.

While locally adapted approaches create opportunities for diverse talent pools, they limit a company's ability to build on its global learning in hiring, assessing, developing and retaining top global talent. This requires more integration across business units. When companies do not coordinate hiring and development efforts across its different divisions, so even though it had diverse talent pools, it wasn't able to take advantage of cross-learning opportunities.

1.6. Employer Branding Through Differentiation

Attracting talent means marketing the corporation to people who will fulfill its talent requirements. In order to attract employees with the right skills and attitudes, companies need to find ways to differentiate themselves from their competitors.

MNCs differ considerably in how they resolve the tension between maintaining a consistent brand identity across business units and regions and responding to local demands. Shell, for example, uses one global brand for HR excellence and several global practices or processes for all its businesses. The brand highlights talent as Shell's top priority; each business is then able to take that global brand and apply it locally. This means that rather than having all branding efforts coming from corporate headquarters, each subsidiary receives its own resources to build the brand in accordance with the

local market demands and the need for differentiation.

Intel takes a different approach. It positions many of its top-level recruiters outside the United States to ensure that the Intel brand is promoted worldwide. For instance, Intel has recently set up a large production facility in Vietnam. To staff the operation, the company sent a top-level HR manager from its California corporate office to build local awareness of Intel as an employer. "Hiring top talent, no matter where we are, is top priority for Intel," the manager explained. To accomplish this, Intel has become involved with local governments and universities to advance education and computer literacy. Such investments may not pay off immediately, but they put roots in the ground in countries that see hundreds of foreign companies come and go each year.

One way companies are trying to get an edge on competitors in attracting talent is by stressing their corporate social responsibility (CSR) activities. A global pharmaceutical company offers an excellent case in point. The company capitalizes on its employment brand and reputation through regular news releases and media events at key recruitment locations.

In addition to adhering to a common set of talent management principles, leading companies follow many of the same talent-related practices. Although many global corporations continue to use overall HR management systems that align with their cultures and strategic objectives, the companies are becoming more similar — and also more sophisticated — in how they manage talent.

Several factors seem to be driving the convergence. First, companies compete for the same talent pool, especially graduates of international business schools and top universities. Second, the trend toward greater global integration means that companies want to standardize their approaches to talent recruitment, development and management to ensure internal consistency. And third, the visibility and success of companies such as GE, amplified by commentary by high-profile consulting firms and business publications, have led to widespread imitation.

Best practices are only "best" when they're applied in a given context; what works for one company may not work in another. Indeed, the need for alignment — internally across practices, as well as with the strategy, culture and external environment — has profound implications for talent management. Even with the global convergence in terms of the practices used, companies cannot simply mimic top performers. They need to adapt talent management practices to their own strategy and circumstances and align them closely with their leadership philosophy and value system, while at the same time finding ways to differentiate themselves from their competitors. Multinational corporations that excel in managing talent are likely to retain a competitive edge.

2. Replacement Planning vs. Succession Planning vs. Talent Management

2.1. Replacement planning

Replacement planning is the process of identifying short-term and long-term emergency backups to fill critical positions or to take the place of critical people. Short-term replacement planning focuses on finding backups while a critical person is out for a short time, such as on vacation or out sick. Long-term replacement planning

focuses on finding backups to fill critical positions or to fill in for critical people when they become absent for long periods, or perhaps even forever, as a direct result of a death, disability, sudden resignation, or other sudden loss (such as being held hostage). Replacements should not necessarily mean people who will take a job forever; rather, they can meet the requirements of a job or jobholder in an acting capacity long enough for the organization to do a proper search. Even those from outside the organization – such as “temp” workers – may meet the requirement.

It is important to emphasize that replacement planning is no panacea. Its focus is on meeting the demands of emergencies. It can avoid long delays in having important decisions made when the people who make them are gone. Although some senior leaders may question the value of any HR-related effort, most of them can immediately recognize the value of having key backups identified in case of short-term or long-term emergencies. That is, in fact, a key selling point for replacement planning: its introduction usually leads to little opposition, and often much support, from otherwise skeptical senior leaders. Replacement planning usually focuses on finding backups inside the organization. It thus works well in corporate cultures characterized by strong ‘silos’ (divisions or specialty areas).

2.2. Succession planning

Succession planning is different from replacement planning. It does not focus on finding internal backups from within departments; rather, it examines the needs by level (such as the move from middle to senior manager). All talent at each level is “pooled”. Talent pools are thus defined as all people who are considered promotable to the next level up on the organization chart regardless of department. When need is great – such as may occur when all members of a group (like senior executives) are at or near retirement age – then a special focus may be placed on accelerating the development of the talent pool. Such a group, targeted for faster development, is called an acceleration pool.

The organization commits to develop all who express interest in promotion – and that is by no means everyone. But organizational leaders manage expectations by indicating that when a vacancy occurs, the best applicant to meet the organization’s needs will be chosen – and that may mean someone from outside the organization.

2.3. Talent management

Talent management moves beyond succession planning. Although a term that has been variously defined, talent management is often defined as a process of “attracting the best people, developing the best people, and retaining the best people”. It is that threefold, integrated focus that distinguishes talent management from succession planning.

	Replacement Planning	Succession Planning	Talent Management
Identification of Successors	Yes	Yes	Yes
Development of Successors	Little or none	Yes	Yes (often Talent Pools)
Managerial Levels	Top two or three	Top two or three	All, including any key positions

Source: Rothwell, W.J. (2011). Replacement planning: a starting point for succession planning and talent management. *International Journal of Training and Development*, 15(1), 87-99.

In sum, **Replacement Planning** is a process of identifying short-term or long-term backups so that organizations have people who can assume responsibility for critical positions during emergencies. Individuals identified as ‘replacements’ are not promised promotions; rather, they are prepared to the point where they can assume a critical position long enough for the organization’s leaders to do a proper internal and external search for a permanent replacement. It should not be confused with **Succession Planning**, which focuses on developing a pool of people to consider for promotion, or **Talent Management**, which focuses on attracting, developing, deploying and retaining the best people. Using a case study approach, this article describes how one organization used replacement planning as a means to raise and consider important issues as a starting point for the eventual implementation of succession planning.

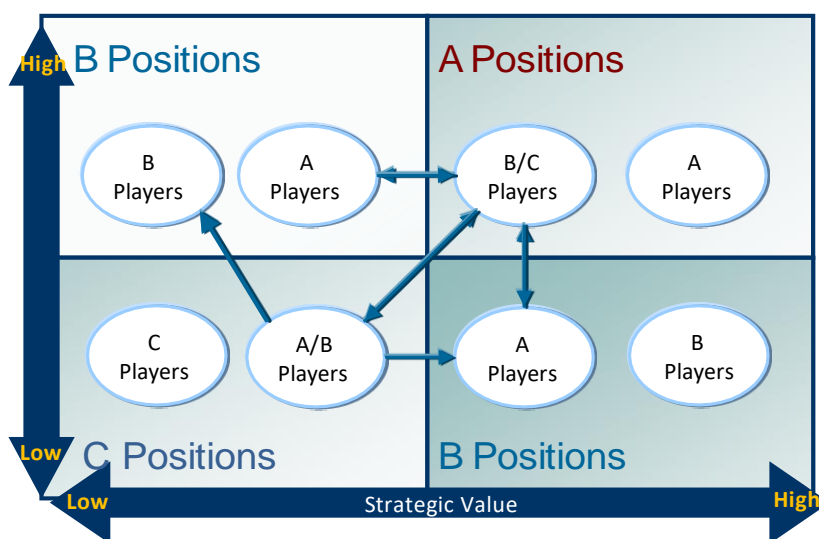
3. A Positions and A Players

A great workforce is made up of great people. What could be more intuitively obvious? Is it any wonder, then, that so many companies have devoted so much energy in recent years to identifying, developing, and retaining what have come to be known as “A players” ? Firms like GE, IBM, and Microsoft all have well-developed systems for managing and motivating their high-performance and high-potential employees—and for getting rid of their mediocre ones. Management thinkers have widely endorsed this approach. Researchers call this sort of differentiation among employees “the mother’s milk of building a performance culture.”

But focusing exclusively on A players puts, well, the horse before the cart. High performers aren’t going to add much value to an organization if they’re smoothly and rapidly pulling carts that aren’t going to market. They’re going to be effective only when they’re harnessed to the right cart—that is, engaged in work that’s essential to company strategy. This, too, may seem obvious. But it’s surprising how few companies systematically identify their strategically important A positions—and then focus on the A players who should fill them. Even fewer companies manage their A positions in such a way that the A players are able to deliver the A performance needed in these crucial roles.

While conventional wisdom might argue that the firms with the most talent win, Mark A. Huselid, Richard W. Beatty, and Brian E. Becker publish a paper on Harvard Business Review. They argued that, given the financial and managerial resources needed to attract, select, develop, and retain high performers; companies simply can't afford to have A players in all positions. Rather, they argued that the firms with the right talent win. Businesses need to adopt a portfolio approach to workforce management, placing the very best employees in strategic positions, good performers in support positions, and eliminating nonperforming employees and jobs that don't add value.

One thing to keep in mind: Effective management of your A positions requires intelligent management of your B and C positions, as well.



3.1. Identifying Your A Positions

People traditionally have assessed the relative value of jobs in an organization in one of two ways. Human resource professionals typically focus on the level of skill, effort, and responsibility a job entails, together with working conditions. From this point of view, the most important positions are those held by the most highly skilled, hardest-working employees, exercising the most responsibility and operating in the most challenging environments.

Economists, by contrast, generally believe that people's wages reflect the value they create for the company and the relative scarcity of their skills in the labor market. Thus, the most important jobs are those held by the most highly paid employees. The trouble with both of these approaches is that they merely identify which jobs the company is currently treating as most important, not the ones that actually are. To do that, one must not work backward from organization charts or compensation systems but forward from strategy.

That's why the authors argued the two defining characteristics of an A position are first, as you might expect, its disproportionate importance to a company's ability to execute some part of its strategy and second—and this is not nearly as obvious—the wide variability in the quality of the work displayed among the employees in the position.

Plainly, then, to determine a position's strategic significance, you must be clear about your company's strategy: Do you compete on the basis of price? On quality? Through mass customization? Then you need to identify your strategic capabilities—the technologies, information, and skills required to create the intended competitive advantage. Wal-Mart's low-cost strategy, for instance, requires state-of-the-art logistics, information systems, and a relentless managerial focus on efficiency and cost reduction. Finally, you must ask: What jobs are critical to employing those capabilities in the execution of the strategy?

Such positions are as variable as the strategies they promote. Consider the retailers Nordstrom and Costco. Both rely on customer satisfaction to drive growth and shareholder value, but what different forms that satisfaction takes: At Nordstrom it involves personalized service and advice, whereas at Costco low prices and product availability are key. So the jobs critical to creating strategic advantage at the two companies will be different. Frontline sales associates are vital to Nordstrom but hardly to be found at Costco, where purchasing managers are absolutely central to success.

The point is, there are no inherently strategic positions. Furthermore, they're relatively rare—less than 20% of the workforce—and are likely to be scattered around the organization. They could include the biochemist in R&D or the field sales representative in marketing.

So far, the authors' argument is straightforward. But why would variability in the performance of the people currently in a job be so important? Because, as in other portfolios, variation in job performance represents upside potential—raising the average performance of individuals in these critical roles will pay huge dividends in corporate value. Furthermore, if that variance exists across companies, it may also be a source of competitive advantage for a particular firm, making the position strategically important.

Sales positions, fundamental to the success of many a company's strategy, are a good case in point: A salesperson whose performance is in the 85th percentile of a company's sales staff frequently generates five to ten times the revenue of someone in the 50th percentile. But they are not just talking about greater or lesser value creation—they are also talking about the potential for value creation versus value destruction. The Gallup organization, for instance, surveyed 45,000 customers of a company known for customer service to evaluate its 4,600 customer service representatives. The reps' performance ranged widely: The top quartile of workers had a positive effect on 61% of the customers they talked to, the second quartile had a positive effect on only 40%, the third quartile had a positive effect on just 27%—and the bottom quartile actually had, as a group, a negative effect on customers. These people—at the not insignificant cost to the company of roughly \$40 million a year (assuming average total compensation of \$35,000 per person)—were collectively destroying value by alienating customers and, presumably, driving many of them away.

Although the \$40 million in wasted resources is jaw-dropping, the real significance of this situation is the huge difference that replacing or improving the performance of the subpar reps would make. If managers focused disproportionately on this position, whether through intensive training or more careful screening of the people hired for it,

company performance would improve tremendously.

The strategic job that doesn't display a great deal of variability in performance is relatively rare, even for those considered entry-level. That's because performance in these jobs involves more than proficiency in carrying out a task. Consider the job of cashier. The generic mechanics aren't difficult. But if the position is part of a retail strategy emphasizing the customers' buying experience, the job will certainly involve more than scanning products and collecting money with a friendly smile. Cashiers might, for example, be required to take a look at what a customer is buying and then suggest other products that the person might want to consider on a return visit. In such cases, there is likely to be a wide range in people's performance.

Some jobs may exhibit high levels of variability (the sales staff on the floor at a big-box store like Costco, for example) but have little strategic impact (because, as we have noted, Costco's strategy does not depend on sales staff to ensure customer satisfaction). Neither dramatically improving the overall level of performance in these jobs nor narrowing the variance would present an opportunity for improving competitive advantage.

Alternatively, some jobs may be potentially important strategically but currently represent little opportunity for competitive advantage since everyone's performance is already at a high level. That may either be because of the standardized nature of the job or because a company or industry has, through training or careful hiring, reduced the variability and increased the mean performance of workers to a point where further investment isn't merited. A pilot, for example, is a key contributor to most airlines' strategic goal of safety, but owing to regular training throughout pilots' careers and government regulations, most pilots perform well. Although there definitely is a strategic downside if the performance of some pilots were to fall into the unsafe category, improving pilot performance in the area of safety is unlikely and, even if marginal gains are possible, unlikely to provide an opportunity for competitive advantage.

So a job must meet the dual criteria of strategic impact and performance variability if it is to qualify as an A position. From these two defining characteristics flow a number of others—for example, a position's potential to substantially increase revenue or reduce costs—that mark an A position and distinguish it from B and C positions. B positions are those that are either indirectly strategic through their support of A positions or are potentially strategic but currently exhibit little performance variability and therefore offer little opportunity for competitive advantage. Although B positions are unlikely to create value, they are often important in maintaining it. C positions are those that play no role in furthering a company's strategy, have little effect on the creation or maintenance of value—and may, in fact, not be needed at all.

It's important to emphasize that A positions have nothing to do with a firm's hierarchy—which is the criterion executive teams so often use to identify their organizations' critical and opportunity-rich roles. As natural as it may be for you, as a senior executive, to view your own job as among a select group of vital positions in the company, resist this temptation. As we saw in the case of the cashier, A positions can be found throughout an organization and may be relatively simple jobs that nonetheless

need to be performed creatively and in ways that fit and further a company's unique strategy.

A big pharmaceutical firm, for instance, trying to pinpoint the jobs that have a high impact on the company's success, identifies several A positions. Because its ability to test the safety and efficacy of its products is a required strategic capability, the head of clinical trials, as well as a number of positions in the regulatory affairs office, are deemed critical. But some top jobs in the company hierarchy, including the director of manufacturing and the corporate treasurer, are not. Although people in these jobs are highly compensated, make important decisions, and play key roles in maintaining the company's value, they don't create value through the firm's business model. Consequently, the company chooses not to make the substantial investments (in, say, succession planning) in these positions that it does for more strategic jobs.

A positions also aren't defined by how hard they are to fill, even though many managers mistakenly equate workforce scarcity with workforce value. A tough job to fill may not have that high potential to increase a firm's value. At a high-tech manufacturing company, for example, a quality assurance manager plays a crucial role in making certain that the products meet customers' expectations. The job requires skills that may be difficult to find. But, like the airline pilots, the position's impact on company success is asymmetrical. The downside may indeed be substantial: Quality that falls below Six Sigma levels will certainly destroy value for the company. But the upside is limited: A manager able to achieve a Nine Sigma defect rate won't add much value because the difference between Six Sigma and Nine Sigma won't be great enough to translate into any major value creation opportunity (although the difference between Two- and Three-Sigma defect rates may well be). Thus, while such a position could be hard to fill, it doesn't fit the definition of an A position.

3.2. Managing Your A Positions

Having identified your A positions, you'll need to manage them—both individually and as part of a portfolio of A, B, and C positions—so that they and the people in them in fact further your organization's strategic objectives.

A first and crucial step is to explain to your workforce clearly and explicitly the reasons that different jobs and people need to be treated differently. Pharmaceutical company GlaxoSmithKline is identifying those positions, at both the corporate and business-unit levels, that are critical to the company's success in a rapidly changing competitive environment. As part of that initiative, the company developed a statement of its workforce philosophy and management guidelines. One of these explicitly addresses "workforce differentiation" and reads, in part: "It is essential that we have key talent in critical positions and that the careers of these individuals are managed centrally."

But communication is just the beginning. A positions also require a disproportionate level of investment. The performance of people in these roles needs to be evaluated in detail, these individuals must be actively developed, and they need to be generously compensated. Also, a pipeline must be created to ensure that their successors are among the best people available. IBM is a company making aggressive investments on each of these four fronts.

In recent years, IBM has worked to develop what it calls an “on-demand workforce,” made up of people who can quickly put together or become part of a package of hardware, software, and consulting services that will meet the specific needs of an individual customer. As part of this effort, IBM has sought to attract and retain certain individuals with what it terms the “hot skills” customers want in such bundled offerings.

In the past year or so, the company has also focused on identifying its A positions. The roster of such positions clearly will change as IBM’s business does. But some, such as the country general manager, are likely to retain their disproportionate value. Other strategic roles include midlevel manager positions, dubbed “deal makers,” responsible for the central strategic task of pulling together, from both inside and outside the company, the diverse set of products, software, and expertise that a particular client will find attractive.

3.2.1. Evaluation.

Because of their importance, IBM’s key positions are filled with top-notch people: Obviously, putting A players in these A positions helps to ensure A performance. But IBM goes further, taking steps to hold its A players to high standards through an explicit process—determining the factors that differentiate high and low performance in each position and then measuring people against those criteria. The company last year developed a series of ten leadership attributes—such as the abilities to form partnerships with clients and to take strategic risks—each of which is measured on a four-point scale delineated with clear behavioral benchmarks. Individuals assess themselves on these attributes and are also assessed by others, using 360-degree feedback.

3.2.2. Development.

Such detailed evaluation isn’t very valuable unless it’s backed up by a robust professional development system. Drawing on the strengths and weaknesses revealed in their evaluations and with the help of tools available on the company’s intranet, people in IBM’s A positions are required to put together a development program for themselves in each of the ten leadership areas.

This is only one of numerous development opportunities offered to people in A positions. In fact, more than \$450 million of the \$750 million that IBM spends annually on employee development is targeted at either fostering hot skills (both today’s and those expected to be tomorrow’s) or the development of people in key positions. A senior-level executive devotes all of his time to programs designed to develop the executive capabilities of people in these jobs.

3.2.3. Compensation.

IBM supports this disproportionate investment in development with an even more disproportionate compensation system. Traditionally at IBM, even employees with low performance ratings had received regular salary increases and bonuses. Today, annual salary increases go to only about half the workforce, and the best-performing employees get raises roughly three times as high as those received by the simply strong performers.

3.2.4. Succession.

Perhaps most important, IBM has worked to formalize succession planning and to build bench strength for each of its key positions, in part by investing heavily in feeder jobs for those roles. People in these feeder positions are regularly assessed to determine if they are “ready now,” “one job away,” or “two jobs away” from promotion into the strategically important roles. “Pass-through” jobs, in which people can develop needed skills, are identified and filled with candidates for the key strategic positions. For example, the position of regional sales manager is an important pass-through job on the way to becoming a country general manager. In this way, IBM ensures that its A people will in fact be ready to fill its top positions.

3.3. Managing Your Portfolio of Positions

Intelligently managing your A positions can't be done in isolation. You also need strategies for managing your B and C positions and an understanding of how all three strategies work together. The authors find it ironic that managers who embrace a portfolio approach in other areas of the business can be slow to apply this type of thinking to their workforce. All too frequently, for example, companies invest in their best and worst employees in equal measure. The unhappy result is often the departure of A players, discouraged by their treatment, and the retention of C players.

To say that you need to disproportionately invest in your A positions and players doesn't mean that you ignore the rest of your workforce. B positions are important either as support for A positions (as IBM's feeder positions are) or because of any potentially large downside implications of their roles (as with the airline pilots). Put another way, although you aren't likely to win with your B positions, you can certainly lose with them.

As for those nonstrategic C positions, you may conclude after careful analysis that, just as you need to weed out C players over time, you may need to weed out your C positions, by outsourcing or even eliminating the work.

Roche is one firm that is placing more emphasis on the strategic value of positions themselves. Over the past few years, the pharmaceutical company has been looking at different positions to determine which are necessary for maintaining competitive advantage. Regardless of how well a person performs in a role, if that position is no longer of strategic value, the job is eliminated. For example, Roche looked at the strategic value provided by data services in a recent project and as a result decided which positions need to be added, which needed to change (or be moved)—and which, such as data center services (DCS) engineer, needed to be eliminated. In a similar manner, another pharmaceutical firm, Wyeth Consumer Healthcare, following a strategic decision to focus on large customers, eliminated what had been a strategic position for the company—middle-market account manager—as well as staff that supported the people in this position.

The ultimate aim is to manage your portfolio of positions so that the right people are in the right jobs, paying particular attention to your A positions. First, using performance criteria developed for determining who your A, B, and C players are, calculate the percentage of each currently in A positions. Then act quickly to get C players out of A

positions, replace them with A players, and work to help B players in A positions become A players. GlaxoSmithKline currently is engaged in an initiative to push both line managers and HR staff to ensure that only top-tier employees (as determined by their performance evaluations) are in the company's identified key positions.

3.4. Making Tough Choices

Despite the obvious importance of developing high-performing employees and supporting the jobs that contribute most to company success, firms that routinely make difficult decisions about R&D, advertising, and manufacturing strategies rarely show the same discipline when it comes to their most valuable asset: the workforce. In fact, in our long experience, the authors have found that firms with the most highly differentiated R&D, product, and marketing strategies often have the most generic or undifferentiated workforce strategies. When a manager at one of these companies does make a tough choice in this area, the decision often relates to the costs rather than the value of the workforce.

It would be nice to live in a world where we didn't have to make hard decisions about the workforce, but we don't. Strategy is about making choices, and correctly assessing employees and roles are two of the most important. For us, the essence of the issue is the distinction between equality and equity. Over the years, HR practices have evolved in a way that increasingly favors equal treatment of most employees within a given job. But today's competitive environment requires a shift from treating everyone the same to treating everyone according to his or her contribution.

This approach may not be for everyone, that increasing distinctions between employees and among jobs runs counter to some companies' cultures. There is, however, a psychological as well as a strategic benefit to an approach that initially focuses on A positions: Managers who are uncomfortable with the harsh A and C player distinction—especially those in HR, many of whom got into the business because they care about people—may find the idea of first differentiating between A and C positions more palatable. But shying away from making the more personal distinctions is also unwise. We all know that effective business strategy requires differentiating a firm's products and services in ways that create value for customers. Accomplishing this requires a differentiated workforce strategy, as well.

4. Managing High Performers and High Potentials

Mistaking a high-performing employee for a high-potential employee can be costly. If an organization is not able to distinguish between performance and potential, it will have difficulty identifying talent. This happens all the time. A top-performing sales rep is promoted to sales manager, and struggles to transition from killing his sales goals to helping a team of junior reps kill theirs. Meanwhile, the junior rep whose hard work has facilitated the success of sales teams for years feels undervalued, and decides it's time to start looking for growth opportunities elsewhere. Both scenarios hurt morale and drive turnover.

Performance and potential are not mutually exclusive. People always possess a combination of both. But a manager who understands the difference will be more effective in engaging and retaining employees who exemplify aptitude in one or both.

4.1. Identifying High Performers and High Potentials

4.1.1. High Performers

High performers stand out in any organization. High-performers give immediate return on investment, with estimates averaging from more than 50% additional value, to as much as a 100% increase in productivity over average performers. They consistently exceed expectations, and are management's go-to people for difficult projects because they have a track record of getting the job done. They're great at their job and take pride in their accomplishments, but may not have the potential (or the desire) to succeed in a higher-level role or to tackle more advanced work.

4.1.2. High Potentials (HiPo)

High-potentials are typically defined as those demonstrating high-level contributions, organizational values, potential to move up to an identified position within a given timeframe, and potential to assume greater responsibility. High potentials can be difficult to identify, for two reasons. First, high performance is so blindingly easy to observe that it drowns out the less obvious attributes and behaviors that characterize high potentials—like change management or learning capabilities. Second, few organizations codify the attributes and competencies they value in their ideal employees—which means that managers don't know precisely what to look for to assess potential. As a result, most managers focus exclusively on performance, and that can be a problem.

4.2. Assessing Performance vs. Potential

Because employees possess varying degrees performance and potential, you should assess your employees across both dimensions. The following Table provides a framework for identifying where an employee falls in the spectrum.

Typical attributes of performance vs. potential

	Low Potential	High Potential
High Performance	Regularly exceeds expectations Lacks skills for success at higher level	Sets standard of excellence in role Model leadership candidate
Low Performance	Little-to-no aptitude Weak, unsatisfactory performance	Above-average aptitude Inconsistent performance

After you've determined which quadrant an employee falls under, you can develop a plan for employee development. Each of these categories requires a specific approach when it comes to discussing development opportunities.

4.3. Development Strategies for High Performers and High Potentials

In an ideal world, every employee in your organization would be a high performer with high potential—but that's obviously not realistic. The appropriate question is how to move employees toward the upper-right quadrant, or at least to the high-performance tier.

It's not always possible, nor always the desired goal (you might want to keep your high performers right where they are, for instance). There's no one-size-fits-all strategy, but the following table provides a general framework.

Development strategies to consider

	Low Potential	High Potential
High Performance	Keep them where they are, or promote Constant encouragement Challenging assignments Soft skill development	Keep them where they are, or promote Provide autonomy
Low Performance	Performance plan Termination	Pair with a High Performer New role better aligned with skills Training Test with more responsibilities

4.3.1. High Performers with High Potential

Employees who are high performers with high potential need to be rewarded and retained! They are your A-Team – especially the top performing/top-potential

employees. Efforts should be made and strategies devised to hold onto those employees for as long as possible. Ensure that managers are aware of who these individuals are, how to make sure that they are properly engaged and satisfied in their roles, and what positions they are primed to grow into.

4.3.2. High Performers without Potential or High Potentials without Performance

Employees in these categories are special cases. They are either all performance or all potential. One-on-one meetings with the employee should be conducted to assess their level of engagement and historical data should be revisited to locate possible trends or recent dips in performance or potential. Efforts should be made to answer. What is going on with this employee, can it be remedied, and how? Is the employee not given enough performance feedback? Have they been given the opportunity to show potential? Are they engaged in their current role? We suggest that pairing high-potential employees with established high performers who can serve as mentors. They need to know that while they are high potential, they need seasoning

4.3.3. Poor Performers without Potential

Lastly, people in this category can be problematic. Are the low performing / low potential employees at the right place? What is preventing them from performing, why do they have such a low potential? Is this a problem of motivation? How long have they been working there? Are they just waiting for a better opportunity? How driven were they in the past? Many things should be considered and acted upon – quickly.

4.3.4. Mediocre Performers and Potentials

What if employees who have fair performance with mediocre talent or potentials? They should be strategically developed and monitored in an effort to push them into the next level. Managers should be prepared to assess what is preventing better performance or how to handle high-performers with low potential.

Managers play a bigger role in building a pipeline of thriving talent than they may realize, and it's increasingly important that you empower them to do this successfully. While employee development is no cakewalk, failure to assess performance versus potential is a very real business problem.

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