

EMPLOYEE RELATIONS



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Employee Relations (Gehrett)

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Employee relations examines the efforts to maintain positive relationships between employers and employees while managing performance both positive and negative, up to and including the termination process. Students will also learn about the investigation process, and practice conflict resolution.

This resource was created to fill a gap in available materials to cover these important topics.

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Glossary

Detailed Licensing

Detailed Licensing

Licensing

A detailed breakdown of this resource's licensing can be found in **Back Matter/Detailed Licensing**.

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1.1: Readings

Reading Materials

Read the materials on the following pages:

1.2 [Human Resource Management and Compliance](#)

1.3. [Performance Management](#)

1.4 [Building an Organization for the Future](#)

After reading these sections, you should be able to answer these questions:

1. What has been the evolution of human resource management over the years, and what is the current value it provides to an organization?
2. How does the human resources compliance role of HR provide value to a company?
3. How do performance management practices impact company performance?
4. How do companies use rewards strategies to influence employee performance and motivation?
5. What is talent acquisition, and how can it create a competitive advantage for a company?
6. What are the benefits of talent development and succession planning?

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1.2: Human Resource Management and Compliance

How does the human resources compliance role of HR add value to an organization?

Human resources compliance is an area that traces back to the very origin of the human resources function—to administrative and regulatory functions. Compliance continues to be a very important area that HR manages, and there are numerous regulations and laws that govern the employment relationship. HR professionals must be able to understand and navigate these laws to help their organizations remain compliant and avoid having to pay fines or penalties. The additional threat of reputational harm to the organization is another reason that HR needs to be aware and alert to any potential gaps in compliance.

Some of the most common examples of laws and regulations that govern the **employer-employee relationship** include the following (SHRM.org):

- Age Discrimination in Employment Act (ADEA)
- Americans with Disabilities Act (ADA)
- Fair Labor Standards Act (FLSA)
- Family and Medical Leave Act (FMLA)
- National Labor Relations Act (NLRA)
- Worker Adjustment and Retraining Notification Act (WARN)

The Age Discrimination in Employment Act (ADEA) of 1967 protects individuals who are 40 years of age or older from employment discrimination based on age. These protections apply to both employees and job applicants. It also makes it unlawful to discriminate based on age with respect to any terms of employment, such as hiring, firing, promotion, layoff, compensation, benefits, job assignments, and training.

The Americans with Disabilities Act (ADA) of 1990 prohibits private employers, state and local governments, employment agencies, and labor unions from discriminating against qualified individuals with disabilities. The ADA defines an individual with a disability as a person who: 1) has a mental or physical impairment that substantially limits one or more major life activities, 2) has a record of such impairment, or 3) is regarded as having such impairment. An employer is required to make a reasonable accommodation to the known disability of a qualified applicant or employee if it would not impose an “undue hardship” on the operation of the employer’s business.

The Fair Labor Standards Act (FLSA) of 1938 establishes the minimum wage, overtime pay, recordkeeping, and youth employment standards affecting full-time and part-time workers in the private sector and in federal, state, and local governments. Special rules apply to state and local government employment involving fire protection and law enforcement activities, volunteer services, and compensatory time off instead of cash overtime pay.

The Family and Medical Leave Act (FMLA) of 1993 entitles eligible employees to take up to 12 weeks of unpaid, job-protected leave in a 12-month period for specified family and medical reasons. FMLA applies to all public agencies, including state, local, and federal employers, local education agencies (schools), and private-sector employers who employed 50 or more employees in 20 or more workweeks in the current or preceding calendar year, including joint employers and successors of covered employers.

The National Labor Relations Act (NLRA) of 1947 extends rights to many private-sector employees, including the right to organize and bargain with their employer collectively. Employees covered by the act are protected from certain types of employer and union misconduct and have the right to attempt to form a union where none exists.

The Worker Adjustment and Retraining Notification Act (WARN) of 1988 generally covers employers with 100 or more employees, not counting those who have worked less than six months in the last 12 months and those who work an average of less than 20 hours a week. Regular federal, state, and local government entities that provide public services are not covered. WARN protects workers, their families, and communities by requiring employers to provide notification 60 calendar days in advance of plant closings and mass layoffs.

These are just a few of the key regulatory federal statutes, regulations, and guidance that human resources professionals need to understand to confirm organizational compliance. For additional information on HR compliance resources, the **Society of Human**

Resource Management (SHRM) at SHRM.org maintains a plethora of resources for the HR professional and the businesses that they support.

To ensure the successful management and oversight of the many compliance rules and regulations, the human resources team must utilize best practices to inform and hold employees accountable to HR compliance practices. Some of these best practices include education and training, documentation, and audit. Each of these is described in greater detail, and will help HR achieve its important goal of maintaining HR compliance for the organization.

Education and training in the areas of compliance and labor law is critical to ensure that all applicable laws and regulations are being followed. These laws can change from year to year, so the HR professionals in the organization need to ensure that they are engaged in ongoing education and training. It is not just imperative for the HR professional to receive training. In many organizations, managers receive training on key rules and regulations (such as FMLA or ADA, to name a few) so that they have a foundation of knowledge when dealing with employee situations and potential risk areas. Human resources and management need to partner to ensure alignment on compliance issues—especially when there is a risk that an employee situation treads into compliance regulation territory. See Table 1.2.1 for a partial list of federal labor laws by number of employees, as displayed on the Society for Human Resource Management website.

Table 1.2.1: Federal Labor Laws by Number of Employees.

Federal Labor Laws by Number of Employees
American Taxpayer Relief Act of 2012
Consumer Credit Protection Act of 1968
Employee Polygraph Protection Act of 1988
Employee Retirement Income Security Act of 1974 (ERISA)
Equal Pay Act of 1963
Fair and Accurate Credit Transaction Act of 2003 (FACT)
Fair Credit Reporting Act of 1969
Fair Labor Standards Act of 1938
Federal Insurance Contributions Act of 1935 (Social Security) (FICA)
Health Insurance Portability and Accountability Act of 1996 (if a company offers benefits) (HIPPA)
Immigration Reform and Control Act of 1986
These federal laws cover all employees of all organizations. Several other factors may apply in determining employer coverage, such as whether the employer is public or private, whether the employer offers health insurance, and whether the employer uses a third party to conduct background checks. Source: SHRM website, https://www.shrm.org/ , accessed October 20, 2018.

Table 1.2.1. (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)

Documentation of the rules and regulations—in the form of an employee handbook—can be one of the most important resources that HR can provide to the organization to mitigate compliance risk. The handbook should be updated regularly and should detail the organization's policies and procedures and how business is to be conducted. Legal counsel should review any such documentation before it is distributed to ensure that it is up-to-date and appropriate for the audience.

Scheduling HR compliance audits should be part of the company's overall strategy to avoid legal risk. Noncompliance can cause enormous financial and reputational risk to a company, so it is important to have audits that test the organization's controls and preparedness. When the human resources function takes the lead in implementing audits and other best practices, they create real value for the organization.

concept check

1. What does an employee handbook provide to an organization?

1.3: Performance Management

How do performance management practices impact company performance?

Performance management practices and processes are among the most important that human resources manages, yet they are also among the most contentious processes in an organization. Many people view performance management as a human resources role and believe that it is in some parallel path with the business. On the contrary, for the process to be successful, it should not only be human resources that is responsible for driving performance. For the (typically) annual performance management process, human resources and line management should partner on the implementation and ongoing communication of the process. Although HR is responsible for creating and facilitating the performance management processes, it is the organizational managers that need to strongly support the process and communicate the linkage of performance management to overall organizational goals and performance. In my experience, it was helpful when business leadership emphasized that performance management isn't a human resources process—it is a mission-critical business process. If a business manager can't track and drive performance at the individual level, then the overall organization won't know how it's tracking on overall organizational goals. Performance Management Before discussing the state of performance management in the workplace today, it is important to understand the origin of performance management. Performance management began as a simple tool to drive accountability (as it still does) but has evolved more recently into a tool used for employee development.

Performance management can be tracked back to the U.S. military's "merit rating" system, which was created during World War I to identify poor performers for discharge or transfer ("The Performance Management Revolution," Harvard Business Review, October 2016). After World War II, about 60% of all U.S. companies were using a performance appraisal process. (By the 1960s nearly 90% of all U.S. companies were using them.) Although the rules around job seniority determined pay increases and promotions for the unionized worker population, strong performance management scores meant good advancement prospects for managers. In the beginning, the notion of using this type of system to *improve* performance was more of an afterthought, and not the main purpose. By the 1960s or so, when we started to see a shortage of managerial talent, companies began to use performance systems to develop employees into supervisors, and managers into executives.

In 1981, when Jack Welch became CEO of General Electric, he championed the forced-ranking system—another military creation. He did this to deal with the long-standing concern that supervisors failed to label real differences in performance (HBR, The Performance Management Revolution). GE utilized this performance management system to shed the people at the bottom. They equated performance with people's inherent capabilities and ignored their potential to grow. People were categorized as "A" players (to be rewarded), "B" players (to be accommodated), and "C" players (to be dismissed). In the GE system, development was reserved for the "A" players—and those with high potential were chosen to advance to senior positions. Since the days of GE's forced ranking, many companies have implemented a similar forced-ranking system, but many have backed away from the practice. After Jack Welch retired, GE backed away from the practice as well. Companies, GE included, saw that it negatively fostered internal competition and undermined collaboration and teamwork and thus decided to drop forced ranking from their performance management processes.

Most people agree, in theory, that performance management is important. What people may *not* agree on is *how* performance management should be implemented. As the dissatisfaction with performance management processes began to increase, some companies began to change the way they thought about performance. In 2001, an "Agile Manifesto" was developed by software developers and "emphasized principles of collaboration, self-organization, self-direction, and regular reflection on how to work more effectively, with the aim of prototyping more quickly and responding in real-time to customer feedback and changes in requirements." (Performance Management Revolution, HBR). The impact on performance management was clear, and companies started to think about performance management processes that were less cumbersome, incorporated frequent feedback, and delivered performance impacts.

In a recent public survey by Deloitte Services, 58% of executives surveyed believed that their current performance management approach drives neither employee engagement nor high performance. They need something more nimble, real-time, and individualized—and focused on fueling performance in the future rather than assessing it in the past. ("*Reinventing Performance Management*," Harvard Business Review, Buckingham and Goodall, 2015). In light of this study, Deloitte became one of the companies that has recently sought to redesign their performance processes. As part of their "radical redesign," they seek to see performance at the individual level, and thus they ask team leaders about their own future actions and decisions with respect to

each individual. They ask leaders what they'd do with their team members, not what they think of them ("Reinventing Performance Management," HBR). The four questions that Deloitte asks of its managers are as follows:

- Given what I know of this person's performance, and if it were my money, I would award this person the highest possible compensation increase and bonus.
- Given what I know of this person's performance, I would always want him or her on my team.
- This person is at risk for low performance.
- This person is ready for promotion today.

Although there has been some discussion over the last several years about some companies wanting to drop performance appraisals completely, most of the research seems to support that the total absence of performance management doesn't help either. A recent global survey by CEB Global reports that more than 9,000 managers and employees think that not having performance evaluations is worse than having them. ("Let's Not Kill Performance Evaluations Yet," HBR, Nov 2016, Goler, Gale, Grant). Their findings indicate that even though every organization has people who are unhappy with their bonuses or disappointed that they weren't promoted, research shows that employees are more willing to accept an undesirable outcome when the process is fair. The key question really becomes: how can HR help the business create a process to fairly evaluate performance and enhance employee development while *not* burdening the business with undue bureaucracy and non-value-added activities?

managing change

Global versus Local HR

Multinational companies are always challenged to determine the balance between global and local needs when creating a human resource management strategy. Some large companies weigh heavily on the side of centralization, with very few local deviations from the global strategy. Others may allow more localization of processes and decision-making if there are very specific local cultural needs that must be addressed. In either case, companies are well-served by maintaining global standards while also allowing for local market adaptation in the human resources areas where it makes the most sense.

According to the MIT Sloan Management Review article "Six Principles of Effective Global Talent Management" (Winter 2012), most multinational companies introduce global performance standards, competency profiles, and performance management tools and processes. These are the human resources areas that are most closely linked to the overall strategies and goals, and thus remain at the global level. Those HR processes that are not perceived as being as closely linked to the strategy and that may need to have local market inputs include processes such as training and compensation. Hiring practices may also need to be locally adapted, due to country-specific labor laws and challenges. One caveat, however, is that a company may limit itself in terms of its global talent management if it has too many country-specific adaptations to hiring, assessment, and development processes for top talent. It is important that the company takes a global approach to talent management so that cross-learning opportunities and cross-cultural development opportunities can take place.

One of the most important aspects of global talent management is that a company can break down silos and pollinate the business with talented employees from around the globe. Some companies even have global leadership programs that bring together high-potential leaders from across the organization to build camaraderie, share knowledge, and engage in learning. Others have created rotational programs for leaders to be able to experience new roles in other cultures in order to build their personal resumes and cultural intelligence. Human resources can have an enormous impact on the company's ability to harness the power of a global talent pool when they create a global network for talent while also balancing this with the requirements of the local market.

Discussion Questions:

1. Why might compensation programs and hiring practices need to have local adaptation? What would be the risks if these were not adapted to local markets?

As organizations evaluate their options for a performance management system, human resources and business leadership need to consider several challenges that will need to be addressed—no matter what the system. ("The Performance Management Revolution," Capelli and Tavis, HBR, pp. 9-11).

The first is the challenge of aligning individual and company goals. Traditionally, the model has been to "cascade" goals down

through the organization, and employees are supposed to create goals that reflect and support the direction set at the top. The notion of SMART goals (Specific, Measurable, Achievable, Relevant, Timebound) has made the rounds over the years, but goal setting can still be challenging if business goals are complex or if employee goals seem more relatable to specific project work than to the overall top-line goals. The business and the individual need to be able to respond to goal shifts, which occur very often in response to the rapid rate of change and changing customer needs. This is an ongoing issue that human resources and business leadership will need to reconcile.

The next key challenge to think about when designing a performance management process is rewarding performance. Reward structures are discussed later in this chapter, but reward systems must be rooted in performance management systems. Currently, the companies that are redesigning their performance processes are trying to figure out how their new practices will impact their **pay-for-performance** models. Companies don't appear to be abandoning the concept of rewarding employees based on and driven by their performance, so the linkage between the two will need to be redefined as the systems are changed.

The identification of poor performers is a challenge that has existed since the earliest days of performance management, and even the most formal performance management process doesn't seem to be particularly good at weeding out poor performers. A lot of this is due to the managers who evaluate employees and are reluctant to address the poor performers that they're seeing. Also, the annual performance management process tends to make some managers feel that the poor performance should be overlooked during the year and only addressed (often ineffectively) during a one-per-year review. Whatever new performance management models an organization adopts, they will have to ensure that poor performance is dealt with in real time and is communicated, documented, and managed closely.

Avoiding legal troubles is another ongoing challenge for organizations and is another reason for real-time communication and documentation of performance issues. Human resources supports managers as they deal with employee relations issues, and the thought of not having a formal, numerical ratings system is unfathomable for some people who worry about defending themselves against litigation. However, because even formal performance processes can be subjective and may reveal ratings bias, neither the traditional formal process nor some of the radical new approaches can guarantee that legal troubles will never develop. From my experience, the best strategy for effective and fair performance management is real-time communication and documentation of issues. The employee is told about his or her performance issues (in as close to real time as possible), and the manager has documented the performance issues and conversations objectively and has engaged human resources with any larger or more complex issues.

"Managing the feedback firehose" and keeping conversations, documentation, and feedback in a place where it can be tracked and utilized is an ongoing challenge. The typical annual performance process is not conducive to capturing ongoing feedback and conversations. There have been some new technologies introduced (such as apps) that can be used to capture ongoing conversations between managers and employees. General Electric uses an app called PD@GE (PD = performance development) that allows managers to pull up notes and materials from prior conversations with employees. IBM has a similar app that allows peer-to-peer feedback. Although there are clearly some technology solutions that can be used to help communicate and collect feedback, human resources will need to continue to communicate and reinforce rules around objectivity and appropriate use of the tools.

Performance management processes—traditional and inventive new approaches alike—will face the same challenges over time. Human resource management professionals need to be aware of these challenges and design a performance management system that addresses them in the format and within the context of their culture.

concept check

1. What are some of the key challenges of any performance management process?

1.4: Building an Organization for the Future

What is talent acquisition, and how can it create a competitive advantage for a company?

We've discussed some of the key focus areas that human resource management professionals need to address to ensure that employees are performing their roles well and are being fairly rewarded for their contributions. We haven't yet addressed how we think about where these employees come from—Whom do we hire? What skills do we need now and in the future? Where will we even look for these employees? What are some best practices? **Talent acquisition** is the area within human resource management that defines the strategy for selection, recruiting, and hiring processes, and helps the organization fight the “**war for talent**” during good times and bad.

Hiring strong talent is a key source of competitive advantage for a company, yet so many companies do it poorly. Often, the recruiting and hiring processes happen reactively—someone leaves the organization and then people scramble to fill the gap. Very few companies take a longer-term, proactive approach and work to create a strategic plan for talent acquisition. In the article “The Definitive Guide to Recruiting in Good Times and Bad” (Fernandez-Araoz, Groysberg, Nohria, HBR, 2009), the authors advocate for a rigorous and strategic recruiting process that includes the following critical actions:

- Anticipate your future leadership needs based on your strategic business plan.
- Identify the specific competencies required in each position you need to fill.
- Develop a sufficiently large candidate pool.

In organizations today, there are often pieces of the talent acquisition process that are outsourced to external recruiters, as opposed to being managed internally by human resources employees. While outsourcing specific searches is not an issue, there must be internal HR/talent acquisition employees responsible for creating the overall strategic plan for the recruiting function. Contract recruiters may then take responsibility for a piece of the overall process by leveraging the strategy and competencies that the HR team puts forth.

Recruiting and hiring of high-level leadership candidates has special risks and rewards associated with it. The risk that a key leadership position is vacant or becoming vacant poses a risk to the organization if it is left open for too long. These high-level positions are often harder to fill, with fewer candidates being available and the selection of the right talent being so critical to the organization's future. The reward, however, is that with due diligence and clear goals and competencies/skills defined for the position, the HR/talent acquisition professional can create a competitive advantage through the recruitment of key high-level talent.

The following best practices illustrate the key steps for effective recruiting of key leadership hires. Both human resources and business leadership should partner to discuss and define each of the elements to ensure alignment and support of the recruiting plan and process (Definitive Guide to Recruiting, HBR, 2009).

Anticipate your needs. Every two to three years there should be a review of high-level leadership requirements based on the strategic plan. Some of the questions to answer here are:

- How many people will we need, and in what positions, in the next few years?
- What will the organizational structure look like?
- What must our leadership pipeline contain today to ensure that we find and develop tomorrow's leaders?

Specify the job. For each leadership position identified, specify competencies needed in each role. For example:

- Job-based: What capabilities will the job require?
- Team-based: Will the applicant need to manage political dynamics?
- Firm-based: What resources (supporting, talent, technology) will the organization need to provide the person who fills this role?

Develop the pool. Cast a wide net for candidates by asking suppliers, customers, board members, professional service providers, and trusted insiders for suggestions. It helps to start this process even before you have a role that you're hiring for. During

succession planning and talent discussions internally, it helps to start making of list of internal *and* external contacts and potential candidates before the need arises.

Assess the candidates. Have the hiring manager, the second-level manager, and the top HR manager conduct a “behavioral event interview” with each candidate. Candidates will describe experiences they’ve had that are like situations they’ll face in the organization. Gain an understanding of how the candidate acted and the reasoning behind their actions. Make sure to evaluate a broad range of references to ask about results the candidate achieved.



Figure 1.4.1. **The Job Fair** A job fair, career fair, or career expo, like this one at the College of DuPage, is an event in which employers, recruiters, and schools give information to potential employees and job seekers attend hoping to make a good impression on potential employers. They also interact with potential coworkers by speaking face-to-face, exchanging résumés, and asking questions in an attempt to get a good feel for the work needed. Likewise, online job fairs give seekers another way to get in contact with probable employers using the Internet. (Credit: Taavi Burns/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

Close the deal. Once you have chosen the final candidate, you can increase the chance that the job offer will be accepted by:

- Sharing passion about the company and role, and showing genuine interest in the candidate
- Acknowledging the opportunities and challenges of the role, differentiating the opportunities at your organization from those of your competitor
- Striking a creative balance between salary, bonuses, and other long-term incentives

Integrate the newcomer. It is important to integrate new hires into the company’s culture:

- During the first few months, have the managers and the HR team check in with each new hire.
- Assign a mentor (star employee) to provide ongoing support to each new hire.
- Check in with the new hire to ensure that they are getting enough support, and inquire about what other support might be needed. Ensure that new hires are adequately building new relationships throughout the organization.

Refer to Table 1.4.1: Hiring Top-Level Executives, adapted from “The Definitive Guide to Recruiting in Good Times and Bad,” from the article “Hiring Top Executives: A Comprehensive End-to-End Process,” *Harvard Business Review*, May 2009.

By following these best practices, human resources and business leadership can ensure that the new hire is integrating well and has the best possible start in the new role. Talent acquisition is a key element of any human resource management program, and the right process can mean the difference between a poor hire and a distinct competitive advantage gained through top talent.

concept check

1. How can we ensure a more successful integration of the new hire?

1.5: READ- 5 Questions to Ask Your Underperforming Employee

5 Questions to Ask Your Underperforming Employee

Underperformance can stem from many issues. Unclear expectations from management, poor cultural fit, and a lack of constructive feedback are just a few. Underperforming employees prevent your company from meeting its business goals. They can also dampen the rest of the team's spirits. Bad energy is contagious.

As a manager, you know you need to find a solution. But you don't want to hurt the employee's feelings—especially if you're not a dominant manager by nature. Even so, you have to have those tough conversations. It's the only way to make progress.

Start by asking specific questions in a direct but caring manner. The goal is to identify the root cause of the dissatisfaction while making your employee feel heard and supported. Here are five questions that should help you dig down to the heart of the performance problem:

1. What do you need right now to perform to the best of your ability?

Urgency is key.

If you framed the question as “What do you need to do better?” the underperforming employee may offer up long-term solutions. These won't immediately resolve pressing performance issues like missed deadlines or unmet quotas.

Providing short-term solutions like moving a problematic client will won't eradicate disengagement. (It usually runs deeper than one bad apple client.) But it can fix those pressing problems. And it shows the employee that you're willing to help—and that you care about his or her well-being. This will help build trust, which is the foundation for any successful relationship. In fact, “trustworthy” was a top trait of great managers in our recent People Management Study.

2. What is the most defeating/motivating part of your job?

If performing a specific task makes your employee want to bang his or her head against the wall, guess what? That drain will catch up to your organization at large. Find out what that task is—maybe it's manual timesheets or tedious data entry that you could automate. Then assess whether the company can make a change.

But what if the problem is a lack of trust in—or dislike of—upper management?

Researchers sifted through more than one million Glassdoor reviews. They found that employees' views of senior management correlated with overall employer ratings. If your underachieving employee has a negative perception of leadership, it will be difficult to motivate this person to perform at a higher level. And if one person is feeling this way, it's likely many other employees are too. Managers must correct any behaviors that frustrate or create mistrust among employees. It starts with self-awareness.

On the other hand, if there's a component of an employee's job spec that's inspiring and enjoyable, lean into this. Offer the opportunity to do more of this type of work.

3. Are you clear on the impact of your work and how it serves the business?

One person's underperformance never occurs in a vacuum. There's always another coworker, or team of co-workers, who have to pick up the slack—or deal with the ramifications of poor performance. Many times the underperforming employee doesn't realize this.

Explain the circle of consequences—every action has an outcome that triggers other actions and outcomes. This will generate a more concrete sense of accountability.

For example, showing up late to work a few times a week may not seem like a big deal to one individual. But he or she needs to know that chronic tardiness can cost the business money because of decreased productivity. It can also create feelings of resentment in team members. See if there is anything you can do to help your employee correct the unwanted behavior.

4. How are we going to prevent similar issues from arising in the future?

Employees need to invest in their own performance improvement plans. If not, they may view any judgement on their work as heavy handed or retaliatory. Be cognizant of not micromanaging your employees' course-correction.

Define benchmarks the employee must meet within a certain amount of time. Set dates for check-ins. Provide additional support as outlined in your plan. But allow staff to prove themselves knowing that their output is theirs, not yours to shepherd along.

This puts the underachiever in the driver's seat. It makes them responsible for their success based on terms they believe are attainable and practical. Don't forget to reward improvement. When you give meaningful feedback and recognize when someone does a good job, you'll strengthen your bond over time.

5. Are we utilizing your talents effectively?

Again, this sort of question prompts workers go beyond a yes or no response. It also demonstrates that you believe the person has important skills and talents.

You may find out you hired the wrong person for the role and that he or she would be better suited for a different department.

Or, you may uncover that the employee has expertise that you're under-utilizing. If they're adept at analyzing data, for example, find ways to leverage that ability. It'll benefit the both of you.

It's never too early to start the conversation with your underperforming employee.

The right answers come from the right questions, and it's never too early to start a conversation with your staff. Remember, set clear performance goals, specify the time frame in which you expect to see improvement, and reward improvement in meaningful ways.

Source: Otto, Will, [5 Questions to Ask Your Underperforming Employee](#), The Predictive Index, October 4, 2018.

1.6: READ- 10 Questions to Ask an Underperforming Employee

10 Questions to Ask an Underperforming Employee

Underperformance is the failure of an employee to meet his or her work obligations to the required standard. The effects can range from a decline in quality of output to a loss in business income.

Underperformance can also strain teams by leaving one or a few team members to carry the extra load. This will in turn strain those team members, leading to a cycle of underperformance in the organization.

Management's inability to deal with an underperforming employee can also lead others to underperform. Whereas terminating an underperforming employee is one of the options, some organizations like to consider it as a last resort after trying to remedy the situation.

If you have gone through a rigorous hiring process and are confident that you hired the right person for the job, there are several questions you can ask an underperforming employee in order to reveal challenges and formulate solutions.

Have we provided you with a clear way to measure your output?

When organizations do not provide employees with proper metrics or KPI's against which they will be measured, it will not be clear to employees when they fall short. The solution in this case can be as easy as quantifying the organization's goals for the employee and the business.

The goals set should be SMART. 'Engage customers' could be translated into 'call 5 customers every week and have them respond to this questionnaire.'

Do you have the tools you need to do your work?

Tools of work can be software, machines or vehicles. In their absence, an employee might continue to underperform.

Are you familiar with the organization's mission, values and objectives?

Employees who are familiar with and have a personal and emotional attachment to the organization's mission are more engaged and likely to outperform their counterparts.

Do you have the right support from your team mates and supervisor to do your job?

This can zero down on whether communication is working the right way. If an employee is unable to get clear and correct communication it can lead to persistent underperformance.

This question can also reveal team dynamics at play. How well employees relate with their managers greatly affects their output. Good managers facilitate open discussions that can solve problems and ensure performance.

The relationship with team mates can also reveal if the team is toxic, if there is bullying or if there are cliques within teams that might make an employee feel left out. On the other spectrum, the team might not be capable, forcing the under performer to do all the work.

Information gathered here can lead to an examination that will benefit that employee and an audit that can benefit the entire organization.

Do you feel heard?

A good follow-up to the previous question is if the employee feels heard. It is one thing for communication to flow in a top-down manner but there must also be systems for employees to be heard. Whether it is through anonymous surveys or one on one catch ups.

Once management receives their feedback they should acknowledge it otherwise it can create a situation where employees feel like it doesn't matter if they share feedback or not. Constantly feeling like one is ignored can greatly affect morale and lead to a

drop in performance.

How challenging are your roles?

This question seeks to find out if the job roles are hard or if they are too easy. Either answer can result in underperformance.

Too hard a task will take more time to complete and will demoralize an employee. Too easy tasks can lead to employees being disengaged because they are bored.

If tasks are too hard, training can be employed, if too easy, a change in roles can be considered.

If the role is too easy, it can also show that growth opportunities are lacking for the employee. Mastering a level and not being given the opportunity to take on more responsibility or to do something else can be demoralizing.

What are your interests?

Ask an underperforming employee this question to reveal two things. First, what activities can be used to motivate them, employees will be encouraged to exceed their targets if they know there is a reward at the end of the day.

Second, if their current job aligns with their interests. The output of someone in accounting who is actually interested in people and management may plateau and decline after a while.

How are you coping with the changes at the company?

This question is good to ask an employee who used to perform well but whose performance has dropped in light of a change at work.

Changes in organizations, including new systems, mergers or new leaders might destabilize some employees. Asking this question will inform measures like giving an employee more training or simply allowing them time to adjust.

Do you feel comfortable here?

Ask an underperforming employee if they are fitting in with the culture or finding the policies equitable. In the increasingly diverse workplaces of today, it is not uncommon to find that some adjustment might help an employee perform better.

Comfort might also mean something physical. Such as the type of chair someone with a delicate back is using daily or how close to a window someone with an allergy is.

Are you OK?

Employees have lives outside of the workplace and sometimes what is going on there might spill over into work and affect performance. While managers are restricted from asking employees certain personal questions, in the absence of an HR manager or an established mental health initiative like EY's, asking after an employees' wellbeing will fall on a direct supervisor.

In Summary

Asking questions with kindness and curiosity shows that you care and are seeking to find solutions and not to blame an employee. Sometimes the best thing to ask an underperforming employee is this; 'How can we help you?' They might know just what they need to turn their performance around.

Source

- Ainomugisha, Gerald. "[10 Questions to Ask an Underperforming Employee.](#)" *6Q Blog*. 2024.

1.7: READ- When an Employee is Struggling Here's What the Best Managers Do

When an employee is struggling, here's what the best managers do.

Someone's slipping. You see it. You feel it. You're not on the same page. You desperately want to pull the person up, but you're not sure exactly how. Do you encourage them? Switch them off the project? Change how you're leading them?

You're now facing one of the toughest tasks as a leader: How do you manage underperformance at work? And more specifically, how do you sit down and talk about their underperformance with them, during a one-on-one meeting with her or him?

It's tempting to look outward first. To blame the person herself or extenuating circumstances. "They don't pay attention to detail." Or, "The client is being unreasonable with them."

While those may very well be the case, you should also turn inward. As leaders, when an employee is underperforming, we must self-reflect. What are you doing that is stopping this person from doing their best work?

The hard part about managing an underperforming employee is choosing to look both inward and outward for the sources of underperformance at work: What are you doing to hold an underperforming employee back? And what is the underperforming employee doing to hold herself back?

Oftentimes, we think we know the answer to those questions. We have hunches about what's causing the underperformance: "It's their perfectionist tendency getting in the way, obviously..." or "It's my lack of context I shared about the project, clearly..."

So, we just create a performance improvement plan based on those hunches and move forward. That path is instinctual—but that path is flawed. Assuming what's wrong doesn't help you get any closer to finding out what actually is wrong. While your hunches may end up being spot-on, in my experience, I discover the truth of what's really holding an employee back when I ask, not when I assume. Coaching a struggling employee to success begins with asking the right questions, not simply arriving with the supposed answers.

Given this, when you sit down in a one-on-one with an underperforming employee, what should you ask? What questions will help you look both inward and outward to get to the underlying source of underperformance?

Here are 14 questions to try. They are by no means the only questions you ask during a one-on-one (here are other ones to consider). But, they provide a good starting place to delve into how to better manage an underperforming employee.

Ask these questions to look inward.

You're trying to figure out: "How have I been letting this person down? How have I been getting in the way?"

- Is it clear what needs to get done? How can I make the goals or expectations clearer?
- Is the level of quality that's required for this work clear? What examples or details can I provide to clarify the level of quality that's needed?
- Am I being respectful of the amount of time you have to accomplish something? Can I be doing a better job of protecting your time?
- Do you feel you're being set up to fail in any way? Are my expectations realistic? What am I asking that we should adjust so it's more reasonable?
- Do you have the tools and resources to do your job well?
- Have I given you enough context about why this work is important, who the work is for, or any other information that is crucial to do your job well?
- What's irked you or rubbed you the wrong way about my management style? Does my tone come off the wrong way? Do I follow-up too frequently with you, not giving you space to breathe?

Ask these questions to look outward.

You're trying to figure out: "What on the employee's end is limiting them? What choices or capabilities of their own are keeping them from the results you want to see?"

- How have you been feeling about your own performance lately? Where do you see opportunities to improve, if any?
- What are you most enjoying about the work you're doing? What part of the work is inspiring, motivating, and energizing, if any?
- What part of the work do you feel stuck? What have you been trying the "crack the nut" on, but it feels like you're banging your head?
- What part of the work is "meh"? What tasks have you felt bored or ambivalent about?
- When's the last time you got to talk to or connect with a customer who benefited from the work you did? Would you like more opportunities to do that, and should make that happen?
- Do you feel you're playing to your strengths in your role? Where do you feel like there is a steep learning curve for you?
- Would you say you're feeling optimistic, pessimistic or somewhere in the middle about the company's future?

You'll notice that none of these questions ask, "What do you think you're doing wrong?" or "What do you think I'm doing wrong?" The point of these questions is not to end up in an accusatory place, either way. Your goal is to reach a place of better understanding.

By approaching the conversation with an underperforming employee with questions to ask, rather than answers or directives to insert, you create space for that employee to want to do something different. To actually change and improve.

That change, that improvement, is the goal, after all.

Source

- Law, Claire, "[14 Questions to ask an underperforming employee during a one-on-one meeting](#)", Canopy, October, 22, 2018.

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1.8: READ- Ask these 8 questions to get difficult employees back on track

Ask these 8 questions to get difficult employees back on track

Difficult behavior runs the gamut — some of it intentional, some of it not. But it all has this one thing in common: You want to get the employee back on track.

And most managers have to deal with it much more than they'd like.

"You've probably tried to help those employees before," said Kevin Pitts, a leadership coach and moderator when he spoke at an American Management Association conference. "Now it's time to get them to take responsibility for the fix."

It's critical for both employees and their bosses to move toward accountability. 84% of employees say the way leaders behave is the most important factor influencing accountability at work. Yet, just 15% of leaders successfully define and broadly communicate it, according to the Partners In Leadership Workplace Accountability Study.

Back on track with a one-on-one

Skip the public beratement. That'll only lead to defensiveness and create resentment. Not to mention, other employees will feel uncomfortable and likely become disengaged.

Instead, move to a one-on-one meeting — whether it needs to happen immediately or you schedule it to happen soon.

When you sit down, quickly identify the specific issue that's causing problems. Give examples of the exact behavior, when it happened and how it affects other employees, customers or operations.

Once you lay out the situation, ask difficult employees these questions to guide that conversation, reduce defensiveness and move the situation in the right direction.

1. Can you tell me what's going on?

This allows employees to tell their side of the story without putting them on the defense. The question shows you understand that there might be bigger issues they need to share.

In some cases, they may be waiting for someone to notice there's an issue and they have a need for help. They were just reluctant to ask for it.

2. How is that impacting you?

Now they can open up about how it makes them feel and how it might affect their work quality, productivity, relationships and morale.

Bottom line: The problem may not just be impacting you, other employees or operations. And you both need to find out the total reach.

3. Who else might be impacted?

Difficult employees often don't see how their behavior affects other people. They only see themselves as a victim.

With this question, you encourage them to recognize that their actions have negative effects on others.

4. If nothing happens, what are the implications?

This prompts the employee to recognize the consequences of continuing the behavior.

You might have to help them see or understand the disciplinary issues or career consequences that come if they keep it up.

5. What's your role in this situation?

Now they need to take some – if not all – responsibility for what’s going on.

They might point some fingers to colleagues and circumstances, so you’ll want to continue to probe with a similar question such as:

- And how did you help create that relationship with Ruth?
- How did you help create the incomplete report? or
- What happened when you didn’t respond to the inquiry?

6. What is the ideal outcome?

This is meant to prompt the employee to admit to something that needs to be improved. It could be a 180-degree change in behavior or a slight shift in attitude.

Now’s when you can suggest or work together on a plan to change or improve.

7. When this is resolved, what difference will it have made?

This will help difficult employees set the final goal – for example, on-time arrival, less arguing with colleagues, accurate reports, etc.

Most importantly they should identify their positive impact on individual and team performance.

Confirm that you’re on the same page about the:

- issue
- steps to resolve it, and
- consequences if the behavior isn’t changed.

8. When should I follow up?

You want to make them accountable for following the action steps you’ve laid out in a timeframe that works for both of you.

Set a date and time on both of your schedules before ending the meeting.

Source

- Michele McGovern, "[Ask these 8 questions to get difficult employees back on track.](#)" *HR Morning*. November 7, 2024.

1.9: READ- So employees aren't performing...

So employees aren't performing...

I've had the dreaded performing convo more times than I can count.

It usually goes like this:

Manager: Someone on my team isn't performing.

Me: What feedback have you given them?

Manager: None. So should I fire them?

Me: No.

If you've JUST had this conversation or one like it, I have something for you. Today's edition dives into how to get performance back on track.

Two things you need to consider:

1. What's at play?
2. What's the plan?

Let's look at what I mean!

What's at play?

There are many reasons an employee may not be performing, like:

1. **Lack of clarity in expectations:** unclear expectations leading to uncertainty about what to work on. (most commonly at play!)
2. **Skills and knowledge gap:** the employee may not actually have the skills or knowledge to execute their tasks well.
3. **Low motivation and engagement:** an employee who isn't engaged may feel disconnected from their work and might not perform their best.
4. **Poor work environment:** ineffective leaders, toxicity, high stress, and interpersonal conflict can all negatively impact an employee and their performance.
5. **Personal problems:** an employee may be facing problems outside of work that end up impacting their performance. Things like family problems, financial stress, illness, etc.

Getting to the root cause of what is really going on will be important when supporting the leader AND the employee.

Here are some of my favorite questions to ask managers to assess the situation:

1. What tasks or responsibilities does the employee struggle with?
2. What feedback, if any, has been directly shared with the employee?
3. Have you noticed any patterns or recurring issues?
4. How would you describe the employee's engagement or motivation?
5. Are there any external factors that could be impacting the employee?
6. Have you observed any behavioral challenges or attitude issues?
7. Are there any obstacles or barriers that are preventing the employee from achieving their tasks and broader goals?
8. Have there been any changes to the employee's workload or responsibilities?
9. Is there anything in the organization or team culture that could be influencing the employee's performance?
10. What strategies do you think could be helpful to address the performance issues? (a great manager will have ideas here!)

Something to look out for: some managers will instantly blame the employee rather than taking accountability.

Spoiler alert: A manager's job is to set their team up for success. Meaning if someone on their team isn't performing it ultimately falls to the manager to take accountability.

Just sayin'.

Once you know what issues are at play you can work with the manager to set the plan.

What's the plan?

I love a good plan when it comes to performance.

Now, some folks hear performance issues and instantly think – Performance Improvement Plan (PIP).

To PIP or not to PIP, that is the lifelong question...

Here's my take: I've seen PIP's leveraged more to CYA than to actually help the employee.

If you actually want to fix employee performance and retain talent you shouldn't jump to a PIP.

Here's a better plan:

1. **Check in with the employee.** I feel like this step is sometimes skipped but a good manager will want to know if there's something holding an employee back. Creating a space for an employee to share their view of the situation creates trust. Nothing will wreck the situation faster than a manager coming in hot saying you're not performing and completely lacking awareness of the situation. By doing this first prior to sharing feedback you might learn something that would impact the feedback being given.
2. **Give actionable feedback directly to the employee.** If the manager didn't learn anything new during the check-in the next step is to share feedback about performance. The feedback must be actionable, feature examples and discuss the impact. It should be delivered verbally and in writing. In writing is crucial because some employees may hear one thing and think another. When you follow up in writing you give the employee an additional way to process the feedback. And as shi**y as it sounds, in writing creates documentation that a conversation is being had about performance so no one is confused.
3. **Check in weekly on the feedback.** An employee won't change overnight, this will be a process. Checking in weekly helps ensure things are on the right track. The manager has the opportunity to celebrate changes being made, reinforce the behavior they desire, and continue to correct any behavior that needs to change.
4. **Have a back up plan.** If the employee does not respond to the feedback, the situation does not improve and the manager and you agree that enough effort has been dedicated, it might be time to consider something more serious. At this point a lot of folks would move to PIP but some would also consider terminating. It comes down to your organization's preference.

The bottom line: Some employees will not thrive in your environment.

The caveat: If you realize that the employees that aren't successful in your environment all belong to underrepresented groups then something is wrong with your environment...

Source

- Hebba Youssef, "[So employees aren't performing...](#)", *Workweek.com*. March 24, 2024.

1.10: WATCH- Identifying the Causes of Poor Performance

There are many reasons why an employee has performance issues at work. Someone's performance can be affected by their ability and motivation. In this course on Diagnosing Performance Issues, you will learn how to identify the causes of poor performance and how to set expectations for individuals and teams.

YouTube Video

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Source: "[Identifying the Causes of Poor Performance](#)" | Knowledgecity

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2.1: WATCH- What is Performance Management?

What is Performance Management?

Performance management is the processes to ensure the organization connects mission with the work of employees. The activities of performance management include performance appraisal where managers provide feedback to employees, improvement activities to boost performance, and interventions that provide employees the tools and resources needed to perform.

Performance management involves two related activities:

1. Evaluating the performance of your employees against the standards set for them and
2. Helping them develop action plans to improve their performance.

Effective performance management depends on the development and implementation of appropriate performance management tools, feedback and documentation. Organizations generally use performance appraisals in two ways:

1. Making pay or other administrative decisions.
2. And, developing people.

Feedback is essential to any strong performance management system. No performance feedback should be left to an annual performance meeting. There should be no surprises in performance management. Finally, Strong documentation is critical in performance management.

YouTube Video

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Source: "[What is Performance Management?](#)", GreggU.

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2.2: REVIEW- Effective Performance Management Graphic

Effective Performance Management: Key Elements

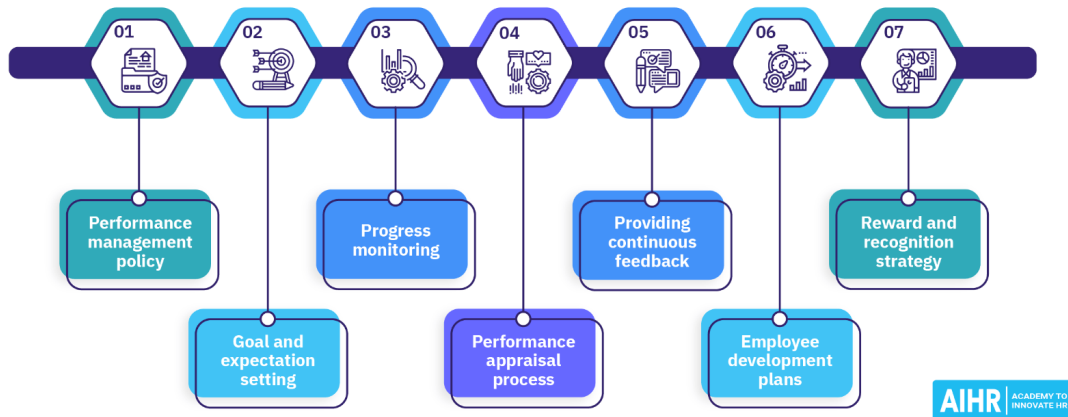


Figure 2.2 "chart shows seven key elements of effective performance management: policy, goal setting and expectations, monitoring, appraisal process, providing feedback, employee development plans, and reward and recognition strategies.

2.3: WATCH- Performance Appraisal

Watch this overview of the importance of performance appraisal

YouTube Video

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[View this YouTube Video online](#)



Source: "[Performance appraisal](#)", NRC CILT

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2.4: READ- Performance Appraisals and Feedback

The Importance of Performance Appraisals and Feedback

1. How do organizations effectively use performance appraisals to improve individual job performance, and what are the limitations inherent in the use of various appraisal systems?

Performance appraisals are one of the most important and often one of the most mishandled aspects of management. Typically, we think of performance appraisals as involving a boss evaluating a subordinate. However, performance appraisals increasingly involve subordinates appraising bosses through a feedback process known as 360 feedback,¹ customers appraising providers, and peers evaluating coworkers.

Whether appraisals are done by subordinates, peers, customers, or superiors, the process itself is vital to the lifeblood of the organization. Performance appraisal systems provide a means of systematically evaluating employees across various performance dimensions to ensure that organizations are getting what they pay for. They provide valuable feedback to employees and managers, and they assist in identifying promotable people as well as problems. However, such appraisals are meaningless unless they are accompanied by an effective feedback system that ensures that the employee gets the right messages concerning performance.

Reward systems represent a powerful motivational force in organizations, but this is true only when the system is fair and tied to performance. Because a variety of approaches to appraising performance exists, managers should be aware of the advantages and disadvantages of each. In turn, an understanding of reward systems will help managers select the system best suited to the needs and goals of the organization.

Performance appraisal systems serve a variety of functions of central importance to employees. Appraisal techniques practiced today are not without problems, though. Managers should keep abreast of recent developments in compensation and reward systems so they can modify existing systems when more appropriate alternatives become available.

A key management responsibility has always been to oversee and develop subordinates. In fact, it has been said that every manager is a human resource manager. Nowhere is this truer than with regard to evaluating and rewarding subordinates. Managers are consistently involved with employee training and development, monitoring employee performance, providing job-related feedback, and administering rewards.

In this chapter, we examine three interrelated aspects of the performance appraisal and reward process. As [Exhibit 8.2](#) shows, this process moves from evaluating employee performance to providing adequate and constructive feedback to determining discretionary rewards. Where effort and performance are properly evaluated and rewarded, we would expect to see more stable and consistent job performance. On the other hand, where such performance is only evaluated intermittently or where the appraisal and review process is poorly done, we would generally see less consistent performance. We begin our discussion with a look at the nature of appraisals.

We begin by examining three aspects of performance appraisal systems: (1) the uses of performance appraisals, (2) problems found in performance appraisals, and (3) methods for reducing errors in the appraisal system. This overview will provide a foundation for studying specific techniques of performance appraisal. Those interested in more detailed information on performance appraisal systems may wish to consult books on personnel administration or compensation.

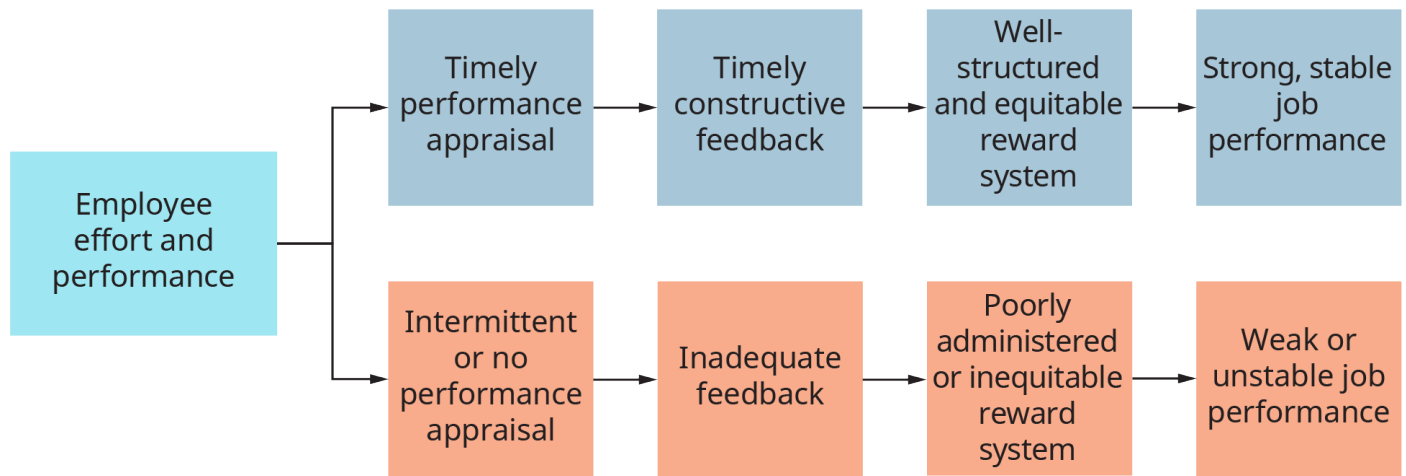


Fig. 2.4. The Performance Appraisal and Reward Process (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Uses of Performance Appraisals

In most work organizations, performance appraisals are used for a variety of reasons. These reasons range from improving employee productivity to developing the employees themselves. This diversity of uses is well documented in a study of why companies use performance appraisals.² Traditionally, compensation and performance feedback have been the most prominent reasons organizations use performance appraisals.

Feedback to employees. Performance appraisals provide feedback to employees about quantity and quality of job performance. Without this information, employees have little knowledge of how well they are doing their jobs and how they might improve their work.

Self-development. Performance appraisals can also serve as an aid to employee self-development. Individuals learn about their strengths and weaknesses as seen by others and can initiate self-improvement programs (see discussion on behavioral self-management programs).

Reward systems. In addition, appraisals may form the bases of organizational reward systems—particularly merit-based compensation plans.

Personnel decisions. Performance appraisals serve personnel-related functions as well. In making personnel decisions, such as those relating to promotions, transfers, and terminations, they can be quite useful. Employers can make choices on the basis of information about individual talents and shortcomings. In addition, appraisal systems help management evaluate the effectiveness of its selection and placement functions. If newly hired employees generally perform poorly, managers should consider whether the right kind of people are being hired in the first place.

Training and development. Finally, appraisals can help managers identify areas in which employees lack critical skills for either immediate or future performance. In these situations, new or revised training programs can be established to further develop the company's human resources.

It is apparent that performance appraisal systems serve a variety of functions in organizations. In light of the importance of these functions, it is imperative that the accuracy and fairness of the appraisal be paramount considerations in the evaluation of a system. Many performance appraisal systems exist. It is the manager's job to select the technique or combination of techniques that best serves the particular needs (and constraints) of the organization. Before considering these various techniques, let us look at some of the more prominent problems and sources of error that are common to several of them.

Problems with Performance Appraisals

A number of problems can be identified that pose a threat to the value of appraisal techniques. Most of these problems deal with the related issues of the validity and reliability of the instruments or techniques themselves. **Validity** is the extent to which an

instrument actually measures what it intends to measure, whereas **reliability** is the extent to which the instrument consistently yields the same results each time it is used. Ideally, a good performance appraisal system will exhibit high levels of both validity and reliability. If not, serious questions must be raised concerning the utility (and possibly the legality) of the system.

It is possible to identify several common sources of error in performance appraisal systems. These include: (1) central tendency error, (2) strictness or leniency error, (3) halo effect, (4) recency error, and (5) personal biases.

Central Tendency Error. It has often been found that supervisors rate most of their employees within a narrow range. Regardless of how people actually perform, the rater fails to distinguish significant differences among group members and lumps everyone together in an “average” category. This is called **central tendency error** and is shown in [Exhibit 8.3](#). In short, the central tendency error is the failure to recognize either very good or very poor performers.

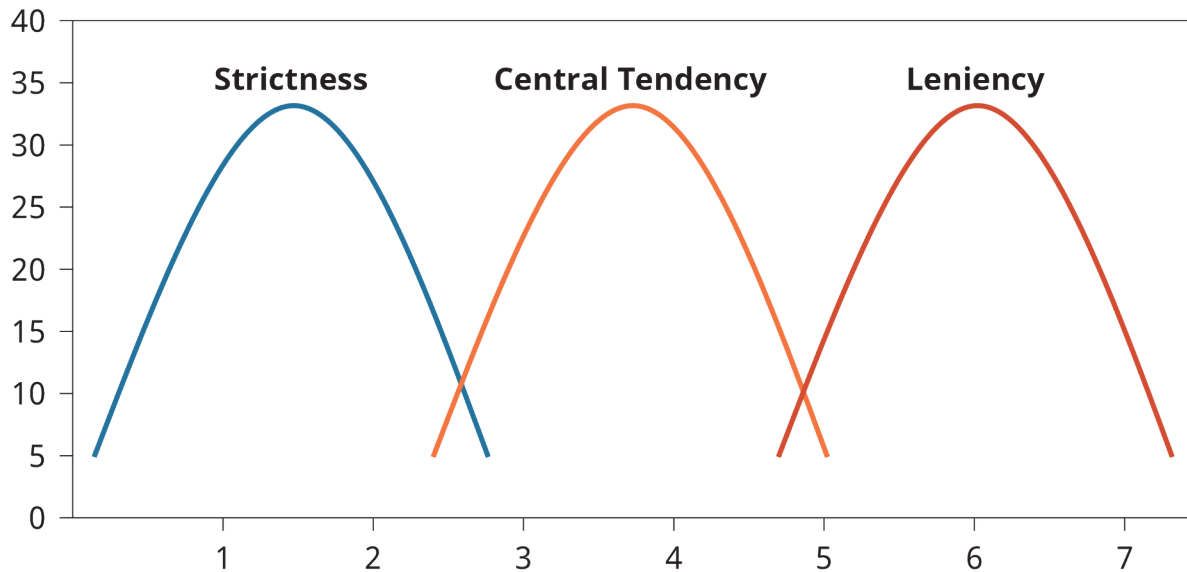


Exhibit 8.3 Examples of Strictness, Central Tendency, and Leniency Errors (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Strictness or Leniency Error. A related rating problem exists when a supervisor is overly strict or overly lenient in evaluations (see [Exhibit 8.3](#)). In college classrooms, we hear of professors who are “tough graders” or, conversely, “easy A’s.” Similar situations exist in the workplace, where some supervisors see most subordinates as not measuring up to their high standards, whereas other supervisors see most subordinates as deserving of a high rating. However, one cannot be overly strict and overly lenient at the same time or to the same person. Thus, while you can only be one side of the spectrum, what impacts whether one is overly strict or lenient could be based on the situation or the individual being graded. As with central tendency error, **strictness error** and **leniency error** fail to distinguish adequately between good and bad performers and instead relegate almost everyone to the same or related categories.

Halo Effect. The **halo effect** exists where a supervisor assigns the same rating to each factor being evaluated for an individual. For example, an employee rated above average on quantity of performance may also be rated above average on quality of performance, interpersonal competence, attendance, and promotion readiness. In other words, the supervisor cannot effectively differentiate between relatively discrete categories and instead gives a global rating.

These types of bias are based on our perceptions of others. The halo effect occurs when managers have an overly positive view of a particular employee. This can impact the objectivity of reviews, with managers consistently giving an employee high ratings and failing to recognize areas for improvement.

Whether positive or negative, we also have a natural tendency to confirm our preconceived beliefs about people in the way we interpret or recall performance, which is known as confirmatory bias.

For example, a manager may have a preconception that her male report is more assertive. This could cause her to recall instances more easily in which her report asserted his position during a meeting. On the other hand, she may perceive her female report to be less assertive, predisposing her to forget when the report suggested an effective strategy or was successful in a tough

negotiation.

The halo effect is often a consequence of people having a similarity bias for certain types of people. We naturally tend to favor and trust people who are similar to us. Whether it's people who also have a penchant for golf or people who remind us of a younger version of ourselves, favoritism that results from a similarity bias can give certain employees an unfair advantage over others. This can impact a team to the point that those employees may receive more coaching, better reviews and, as a result, more opportunities for advancement.³

Recency Error. Oftentimes evaluators focus on an employee's most recent behavior in the evaluation process. This is known as the **recency error**. That is, in an annual evaluation, a supervisor may give undue emphasis to performance during the past months—or even weeks—and ignore performance levels prior to this. This practice, if known to employees, leads to a situation where employees may “float” for the initial months of the evaluation period and then overexert themselves in the last few months or weeks prior to evaluation. This practice leads to uneven performance and contributes to the attitude of “playing the game.”

Personal Biases. Finally, it is not uncommon to find situations in which supervisors allow their own personal biases to influence their appraisals. Such biases include like or dislike for someone, as well as racial and sexual biases. Personal biases can interfere with the fairness and accuracy of an evaluation and are illegal in many situations.

Reducing Errors in Performance Appraisals

A number of suggestions have been advanced recently to minimize the effects of various biases and errors on the performance appraisal process.⁴ When errors are reduced, more accurate information is available for personnel decisions and personal development. These methods for reducing error include

- ensuring that each dimension or factor on a performance appraisal form represents a single job activity instead of a group of job activities.
- avoiding terms such as *average*, because different evaluators define the term differently.
- ensuring that raters observe subordinates on a regular basis throughout the evaluation period. It is even helpful if the rater takes notes for future reference.
- keeping the number of persons evaluated by one rater to a reasonable number. When one person must evaluate many subordinates, it becomes difficult to discriminate. Rating fatigue increases with the number of rates.
- ensuring that the dimensions used are clearly stated, meaningful, and relevant to good job performance.
- training raters so they can recognize various sources of error and understand the rationale underlying the evaluation process.

Using mechanisms like these, better employee ratings that can have greater meaning both for the individual employee and the organization will result.

Concept Check

1. What are performance appraisals, and how are they used in organizations?
2. How are performance appraisals used as a reward system, and what problems can they cause?

2.4.1: Techniques of Performance Appraisal

2. What practices are used in the performance appraisal process?

Organizations use numerous methods to evaluate personnel. We will summarize several popular techniques. Although countless variations on these themes can be found, the basic methods presented provide a good summary of the commonly available techniques. Following this review, we will consider the various strengths and weaknesses of each technique. Six techniques are reviewed here: (1) graphic rating scales, (2) critical incident technique, (3) behaviorally anchored rating scales, (4) behavioral observation scales, (5) management by objectives, and (6) assessment centers.

Graphic Rating Scales

Certainly, the most popular method of evaluation used in organizations today is the **graphic rating scale**. One study found that 57 percent of the organizations surveyed used rating scales, and another study found the figure to be 65 percent.⁵ Although this method appears in many formats, the supervisor or rater is typically presented with a printed or online form that contains both the employee's name and several evaluation dimensions (quantity of work, quality of work, knowledge of job, attendance). The rater is then asked to rate the employee by assigning a number or rating on each of the dimensions. An example of a graphic rating scale is shown in **Table 8.1**.

A Sample of a Typical Graphic Rating Scale					
Name _____	Dept. _____	Date _____			
Quantity of work	Outstanding	Good	Satisfactory	Fair	Unsatisfactory
Volume of acceptable work under normal conditions					
Comments:					
Quality of work	Outstanding	Good	Satisfactory	Fair	Unsatisfactory
Thoroughness, neatness, and accuracy of work					
Comments:					
Knowledge of job	Outstanding	Good	Satisfactory	Fair	Unsatisfactory
Clear understanding of the facts or factors pertinent to the job					
Comments:					
Personal qualities	Outstanding	Good	Satisfactory	Fair	Unsatisfactory
Personality, appearance, sociability, leadership, integrity					
Comments:					

Table 8.1 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

A Sample of a Typical Graphic Rating Scale					
Name _____ Dept. _____ Date _____					
Cooperation	Outstanding	Good	Satisfactory	Fair	Unsatisfactory
Ability and willingness to work with associates, supervisors, and subordinates toward common goal					
Comments:					
Dependability	Outstanding	Good	Satisfactory	Fair	Unsatisfactory
Conscientious, thorough, accurate, reliable with respect to attendance, lunch periods, reliefs, etc.					
Comments:					
Initiative	Outstanding	Good	Satisfactory	Fair	Unsatisfactory
Earnestness in seeking increased responsibilities Self-starting, unafraid to proceed alone					
Comments:					

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By using this method, if we assume that evaluator biases can be minimized, it is possible to compare employees objectively. It is also possible to examine the relative strengths and weaknesses of a single employee by comparing scores on the various dimensions.

However, one of the most serious drawbacks of this technique is its openness to central tendency, strictness, and leniency errors. It is possible to rate almost everyone in the middle of the scale or, conversely, at one end of the scale. In order to control for this, some companies have assigned required percentage distributions to the various scale points. Supervisors may be allowed to rate only 10 percent of their people outstanding and are required to rate 10 percent unsatisfactory, perhaps assigning 20 percent, 40 percent, and 20 percent to the remaining middle categories. By doing this, a distribution is forced within each department. However, this procedure may penalize a group of truly outstanding performers or reward a group of poor ones.

Critical Incident Technique

With the **critical incident technique** of performance appraisal, supervisors record incidents, or examples, of each subordinate's behavior that led to either unusual success or unusual failure on some aspect of the job. These incidents are recorded in a daily or weekly log under predesignated categories (planning, decision- making, interpersonal relations, report writing). The final performance rating consists of a series of descriptive paragraphs or notes about various aspects of an employee's performance (see **Table 8.2**).

An Example of Critical Incident Evaluation

The following performance areas are designed to assist you in preparing this appraisal and in discussing an individual's performance with her. It is suggested that areas of performance that you feel are significantly good or poor be documented below with specific examples or actions. The points listed are suggested as typical and are by no means all-inclusive. Examples related to these points may be viewed from either a positive or negative standpoint.

1. Performance on Technology of the Job

A. *Safety Effectiveness*—possible considerations:

1. sets an excellent safety example for others in the department by words and action
2. trains people well in safety areas
3. gains the cooperation and participation of people in safety
4. insists that safety be designed into procedure and processes
5. is instrumental in initiating departmental safety program
6. accepts safety as a fundamental job responsibility

Item	Related Examples

B. *Job Knowledge*—Technical and/or Specialized—possible considerations:

1. shows exceptional knowledge in methods, materials, and techniques; applies in a resourceful and practical manner
2. stays abreast of development(s) in field and applies to job
3. "keeps up" on latest material in her special field
4. participates in professional or technical organizations pertinent to her activities

Item	Related Examples

2. Performance on Human Relations

A. *Ability to Communicate*—possible considerations:

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An Example of Critical Incident Evaluation

1. gives logical, clear-cut, understandable instructions on complex problems
2. uses clear and direct language in written and oral reporting
3. organizes presentations in logical order and in order of importance
4. provides supervisor and subordinates with pertinent and adequate information
5. tailors communications approach to group or individual
6. keeps informed on how subordinates think and feel about things

Item	Related Examples

B. *Results Achieved through Others*—possible considerations:

1. develops enthusiasm in others that gets the job done
2. has respect and confidence of others
3. recognizes and credits skills of others
4. coordinates well with other involved groups to get the job done

Item	Related Examples

Source: Adapted from R. Daft and R. Steers, *Organizations: A Micro/Macro Approach* (Glenview, Ill.: Scott, Foresman and Company, 1986), p. 129.

Table 8.2 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

The critical incident method provides useful information for appraisal interviews, and managers and subordinates can discuss specific incidents. Good qualitative information is generated. However, because little quantitative data emerge, it is difficult to use this technique for promotion or salary decisions. The qualitative output here has led some companies to combine the critical incident technique with one of the quantitative techniques, such as the rating scale, to provide different kinds of feedback to the employees.

Behaviorally Anchored Rating Scales

An appraisal system that has received increasing attention in recent years is the **behaviorally anchored rating scale** (BARS). This system requires considerable work prior to evaluation but, if the work is carefully done, can lead to highly accurate ratings with high inter-rater reliability. Specifically, the BARS technique begins by selecting a job that can be described in observable behaviors. Managers and personnel specialists then identify these behaviors as they relate to superior or inferior performance.

An example of this is shown in **Exhibit 8.4**, where the BARS technique has been applied to the job of college professor. As shown, as one moves from extremely poor performance to extremely good performance, the performance descriptions, or behavioral anchors, increase. Oftentimes, six to ten scales are used to describe performance on the job. **Exhibit 8.4** evaluates the professor's

organizational skills. Other scales could relate to the professor's teaching effectiveness, knowledge of the material, availability to students, and fairness in grading. Once these scales are determined, the evaluator has only to check the category that describes what she observes on the job, and the employee's rating is simultaneously determined. The BARS technique has several purported advantages. In particular, many of the sources of error discussed earlier (central tendency, leniency, halo) should be significantly reduced because raters are considering verbal descriptions of specific behaviors instead of general categories of behaviors, such as those used in graphic rating scales. In addition, the technique focuses on job-related behaviors and ignores less relevant issues such as the subordinate's personality, race, or gender. This technique should also lead to employees being less defensive during performance appraisals, because the focus of the discussion would be actual measured behaviors, not the person. Finally, BARS can aid in employee training and development by identifying those domains needing most attention.

Organizational skills: A good constructional order of material slides smoothly from one topic to another; design of course optimizes interest; students can easily follow organizational strategy; course outline is followed.

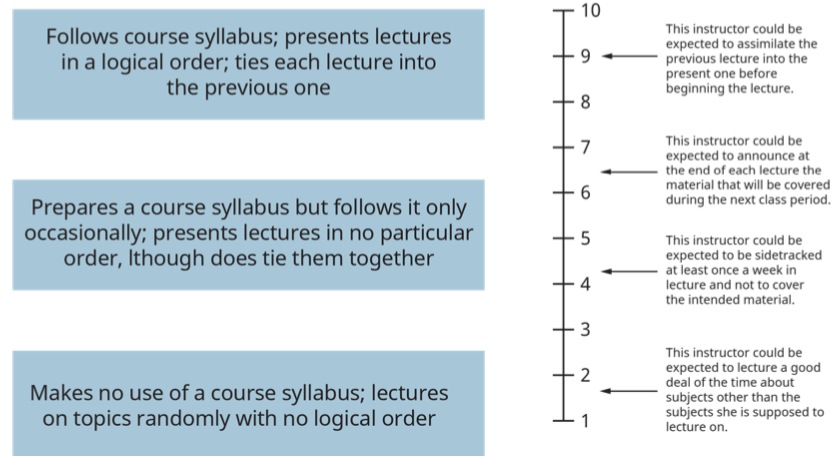


Exhibit 8.4 A Behaviorally Anchored Scale for Rating College Professors Source: Reprinted by permission of H. John Bernardin. (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

On the negative side, as noted above, considerable time and effort in designing the forms are required before the actual rating. Because a separate BARS is required for each distinct job, it is only cost-efficient for common jobs. Finally, because the technique relies on observable behaviors, it may have little applicability for such jobs in such areas as research science (and sometimes management), where much of the work is mental and relevant observable behaviors are difficult to obtain.

Behavioral Observation Scales

The **behavioral observation scale** (BOS) is similar to BARS in that both focus on identifying observable behaviors as they relate to performance. It is, however, less demanding of the evaluator. Typically, the evaluator is asked to rate each behavior on a scale from 1 to 5 to indicate the frequency with which the employee exhibits the behavior. Evaluation of an employee's performance on a particular dimension is derived by summing the frequency ratings for the behaviors in each dimension.

For example, in **Table 8.3** we can see an example of a form to evaluate a manager's ability to overcome resistance to change. The rater simply has to circle the appropriate numbers describing observed behaviors and get a summary rating by adding the results. The BOS technique is easier to construct than the BARS and makes the evaluator's job somewhat simpler. Even so, this is a relatively new technique that is only now receiving some support in industry.

Example of a Behavioral Observation Scale for Managers: Overcoming Resistance to Change					
	Almost Never				Almost Always
1. Describes the details of the change to subordinates	1	2	3	4	5
2. Explains why the change is necessary	1	2	3	4	5
3. Discusses how the change will affect the employee	1	2	3	4	5
4. Listens to the employee's concerns	1	2	3	4	5
5. Asks the employee for help in making the change work	1	2	3	4	5
6. If necessary, specifies the date for a follow-up meeting to respond to employee's concerns	1	2	3	4	5
Total:	6-10	11-15	16-20	21-25	26-30
	Below adequate	Adequate	Full	Excellent	Superior
Source: Adapted from K. Wexley and G. Latham, <i>Increasing Productivity Through Performance Appraisal</i> , 3rd ed. Englewood Cliffs, NJ: Prentice Hall, 2001.					

Table 8.3 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Management by Objectives

A popular technique for evaluating employees who are involved in jobs that have clear quantitative output is **management by objectives** (MBO). Although the concept of MBO encompasses much more than just the appraisal process (incorporating an organization-wide motivation, performance, and control system), we will focus here on its narrower application to evaluating employee performance. MBO is closely related to the goal-setting theory of motivation.

Under MBO, individual employees work with their supervisor to establish goals and objectives for which they will be responsible during the coming year. These goals are stated in clear language and relate to tasks that are within the domain of the employee. An example of these goals for a sales representative is shown in **Table 8.4**. Following a specified period of time, the employee's performance is compared to the preset goals to determine the extent to which the goals have been met or exceeded.

MBO Evaluation Report for Sales Representative			
Goals Categories	Goal	Actual Performance	Variance
1. Number of sales calls	40	38	95%
2. Number of new customers contacted	10	10	100%
3. Number of customer complaints	5	10	50%
4. Sales of product #1	10,000 units	11,000 units	110%
5. Sales of product #2	15,000 units	14,000 units	93%
6. Sales of product #3	25,000 units	30,000 units	120%

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Several advantages of MBO have been observed. These include the ability to do better planning; improved motivation, because of knowledge of results; fairer evaluations, done on the basis of results rather than personality; improved commitment through participation; and improved supervisory skills in such areas as listening, counseling, and evaluating. On the negative side, however, MBO has been criticized because it emphasizes quantitative goals at the expense of qualitative goals and often

creates too much paperwork. It is difficult to compare performance levels among employees because most are responsible for different goals. Sometimes the implementation of MBO goals are autocratic and therefore ineffective or even counterproductive. As discussed in the study of motivation, goals must be accepted to be effective. Finally, in order to be successful, MBO implementation must have constant attention and support from top management; MBO does not run itself. In the absence of this support, the technique loses legitimacy and often falls into disrepair.

Assessment Centers

A relatively new method of evaluation is the **assessment center**. Assessment centers are unique among appraisal techniques in that they focus more on evaluating an employee's long-range potential to an organization than on her performance over the past year. They are also unique in that they are used almost exclusively among managerial personnel.

An assessment center consists of a series of standardized evaluations of behavior based on multiple inputs. Over a two- or three-day period (away from the job), trained observers make judgments on managers' behavior in response to specially developed exercises. These exercises may consist of in-basket exercises, role- playing, and case analyses, as well as personal interviews and psychological tests. An example of an assessment center program is shown in **Table 8.5**.

Example of Two-Day Assessment Center Schedule			
Day #1		Day #2	
8:00–9:00 A.M.	Orientation session	8:00–10:30 A.M.	In-basket exercise
9:00 –10:30 A.M.	Psychological testing	10:30–10:45 A.M.	Coffee break
10:30–10:45 A.M.	Coffee break	10:45–12:30 P.M.	Role-playing exercise
10:45–12:30 P.M.	Management simulation game	12:30–1:30 P.M.	Lunch
12:30–1:30 P.M.	Lunch	1:30–3:15 P.M.	Group problem-solving exercise
1:30–3:15 P.M.	Individual decision-making exercise	3:15–3:30 P.M.	Coffee break
3:15–3:30 P.M.	Coffee break	3:30–4:30 P.M.	Debriefing by raters
3:30–4:30 P.M.	Interview with raters		

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On the basis of these exercises, the trained observers make judgments on employees' potential for future managerial assignments in the organization. More specifically, information is obtained concerning employees' interpersonal skills, communication ability, creativity, problem-solving skills, tolerance for stress and ambiguity, and planning ability. This technique has been used successfully by some of the largest corporations in the United States, including AT&T, IBM, and General Electric.

Results from a series of assessment center programs appear promising, and the technique is growing in popularity as a means of identifying future managerial potential. For example, Coca-Cola USA experimented with using assessment centers to select its managerial personnel. After a detailed study, the company found that those selected in this way were only one-third as likely to leave the company or be fired than those selected in the traditional way. Although the assessment center approach added about 6 percent to the cost of hiring, the lower turnover rate led to large overall savings.⁶

Some problems with the technique have been noted. In particular, because of the highly stressful environment created in assessment centers, many otherwise good managers may simply not perform to their potential. Moreover, the results of a poor evaluation in an assessment center may be far-reaching; individuals may receive a “loser” image that will follow them for a long time. And, finally, there is some question concerning exactly how valid and reliable assessment centers really are in predicting future managerial success.⁷ Despite these problems, assessment centers remain a popular vehicle in some companies for developing and appraising managerial potential.

ethics in practice

Tesla's Performance Review

At Tesla, the automotive giant, the standards are set extremely high for their employees. In 2017, Tesla conducted its annual performance reviews as it does each year. Due to the review process, the company sees both voluntary and involuntary departures. During the review process, the managers discuss “results that were achieved, as well as how those results were achieved” with their employees.* Tesla also has a performance recognition and compensation program that includes equity rewards as well as promotions in some cases, along with the constructive feedback.

The departure of employees during the review period is not unique to Tesla; however, in 2017 there was a large exodus of approximately 700 employees following their employee reviews. Elon Musk, who recently has stepped down from the role of chairman and has been under scrutiny for his behavior,* saw the media coverage of this news as “ridiculous.”

“You have two boxes of equal ability, and one’s much smaller, the big guy’s going to crush the little guy, obviously,” states Musk. “So, the little guy better have a heck of a lot more skill or he’s going to get clobbered. So that is why our standards are high . . . if they’re not high, we will die.”

Overall, approximately 17 percent of their employees were promoted, almost half in manufacturing. As Tesla continues to grow and develop new vehicles, it is consistently pushing the boundaries and pushing its employees to new limits. Performance reviews are of the highest importance for Tesla’s business to succeed; the company needs the best people with the best skills. It is constantly growing and attempting to “suck the labor pool dry” to fill positions at many of its locations and factories.

Questions:

1. What factors do you feel could have changed in Tesla’s approach to its performance reviews?
2. How can a high-pressure environment affect an employee’s performance? What factors should be considered to combat these issues?

Sources: K. Korosec. “Tesla Fires Hundreds of Workers After Their Annual Performance Review.” *Fortune*, October 14, 2017, <http://fortune.com/2017/10/13/tesla-fires-employees/>; D. Muoio. “Tesla fired 700 employees after performance reviews in the third quarter.” *Business Insider*, November 1, 2017, <https://www.businessinsider.com/tesla-fires-employees-2017-11>; J. Wattles. “Elon Musk agrees to pay \$20 million and quit as Tesla chairman in deal with SEC.” *Money*, September 30, 2018, <https://money.cnn.com/2018/09/29/tesla-sec-settlement/index.html>.

Comparison of Appraisal Techniques

It is important to consider which appraisal technique or set of techniques may be most appropriate for a given situation. Although there is no simple answer to this question, we can consider the various strengths and weaknesses of each technique. This is done in **Table 8.6**. It is important to keep in mind that the appropriateness of a particular appraisal technique is in part a function of the purpose for the appraisal. For example, if the purpose of the appraisal is to identify high potential executives, then assessment centers are more appropriate than rating scales.

Major Strengths and Weaknesses of Appraisal Techniques						
	Rating Scales	Critical Incidents	BARS	BOS	MBO	Assessment Centers
Meaningful dimensions	Sometimes	Sometimes	Usually	Usually	Usually	Usually
Amount of time required	Low	Medium	High	Medium	High	High
Development costs	Low	Low	High	Medium	Medium	High
Potential for rating errors	High	Medium	Low	Low	Low	Low
Acceptability to subordinates	Low	Medium	High	High	High	High
Acceptability to superiors	Low	Medium	High	High	High	High
Usefulness for allocating rewards	Poor	Fair	Good	Good	Good	Fair
Usefulness for employee counseling	Poor	Fair	Good	Good	Good	Good
Usefulness for identifying promotion potential	Poor	Fair	Fair	Fair	Fair	Good

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As would be expected, the easiest and least expensive techniques are also the least accurate. They are also the least useful for purposes of personnel decisions and employee development. Once again, it appears that managers and organizations get what they pay for. If performance appraisals represent an important aspect of organizational life, clearly the more sophisticated—and more time-consuming—techniques are preferable. If, on the other hand, it is necessary to evaluate employees quickly and with few resources, techniques such as the graphic rating scale may be more appropriate. Managers must make cost-benefit decisions about the price (in time and money) they are willing to pay for a quality performance appraisal system.

concept check

- What are the techniques and scales used in performance appraisals?
- What are MBOs, and how do they relate to performance appraisals?
- What are assessment centers?

2.4.2: Performance Appraisal Systems

exploring managerial careers: Two Performance Appraisal Interviews

"Janet, thanks for coming in. As you know, it's that time of year again. I've been going over this performance appraisal form and have written in my evaluation. I'd like you to look it over and then sign it."

Janet looked over her ratings, which were nearly all in the "satisfactory" range. Even the category of dependability was marked "satisfactory"; yet, it was Janet who came in on three different occasions to cover for workers in her group who were absent for one reason or another. Janet mentioned this issue to her boss, Ken.

"Well, Janet, you're right and that's exactly what I expect of my employees. You know this is your first year here and you can't expect to reach the top in one jump. But I like your style and if you keep it up, who knows how far you'll go."

Twenty-four minutes after the interview began, Janet left, bewildered and disappointed. She had worked hard during her first year; in fact, she had gone the extra mile on a few occasions, and now she was more confused than ever about what was expected of her and what constituted good performance. "Maybe it just doesn't pay to work hard."

Two weeks before their scheduled interview, Mary asked Ron to review his goals and accomplishments for the last six months and to note any major changes in his job that had taken place during that period. In the meantime, Mary pulled out the file in which she had periodically recorded both positive and negative specific incidents over the last six months concerning Ron's performance. She also reviewed the goals they had jointly set at the end of the last review and thought carefully about not only the possible goals for the next six months but longer-term development needs and goals that might be appropriate for Ron.

On the day of the interview, both Mary and Ron came well prepared to review the past six months as well as to think about and plan for the next performance period and beyond. The interview took nearly two hours. After candidly discussing Ron's past performance and the extent to which both sides felt he had or had not accomplished the goals for that period, they began to focus on what should be accomplished in the future. The discussion caused both sides to make changes in their original evaluations and ideas about targets for the future. When it was over, Ron left more motivated than before and confident that even though he had areas in which he could improve, he had a bright future ahead of him if he continued to be motivated and work hard.

1. How do organizations effectively use performance appraisals to improve individual job performance, and what are the limitations inherent in the use of various appraisal systems?

Performance appraisals are one of the most important and often one of the most mishandled aspects of management. Typically, we think of performance appraisals as involving a boss evaluating a subordinate. However, performance appraisals increasingly involve subordinates appraising bosses through a feedback process known as 360 feedback,¹ customers appraising providers, and peers evaluating coworkers.

Whether appraisals are done by subordinates, peers, customers, or superiors, the process itself is vital to the lifeblood of the organization. Performance appraisal systems provide a means of systematically evaluating employees across various performance dimensions to ensure that organizations are getting what they pay for. They provide valuable feedback to employees and managers, and they assist in identifying promotable people as well as problems. However, such appraisals are meaningless unless they are accompanied by an effective feedback system that ensures that the employee gets the right messages concerning performance.

Reward systems represent a powerful motivational force in organizations, but this is true only when the system is fair and tied to performance. Because a variety of approaches to appraising performance exists, managers should be aware of the advantages and disadvantages of each. In turn, an understanding of reward systems will help managers select the system best suited to the needs and goals of the organization.

Performance appraisal systems serve a variety of functions of central importance to employees. Appraisal techniques practiced today are not without problems, though. Managers should keep abreast of recent developments in compensation and reward

systems so they can modify existing systems when more appropriate alternatives become available.

A key management responsibility has always been to oversee and develop subordinates. In fact, it has been said that every manager is a human resource manager. Nowhere is this truer than with regard to evaluating and rewarding subordinates. Managers are consistently involved with employee training and development, monitoring employee performance, providing job-related feedback, and administering rewards.

In this chapter, we examine three interrelated aspects of the performance appraisal and reward process. As **Exhibit 8.2** shows, this process moves from evaluating employee performance to providing adequate and constructive feedback to determining discretionary rewards. Where effort and performance are properly evaluated and rewarded, we would expect to see more stable and consistent job performance. On the other hand, where such performance is only evaluated intermittently or where the appraisal and review process is poorly done, we would generally see less consistent performance. We begin our discussion with a look at the nature of appraisals.

We begin by examining three aspects of performance appraisal systems: (1) the uses of performance appraisals, (2) problems found in performance appraisals, and (3) methods for reducing errors in the appraisal system. This overview will provide a foundation for studying specific techniques of performance appraisal. Those interested in more detailed information on performance appraisal systems may wish to consult books on personnel administration or compensation.

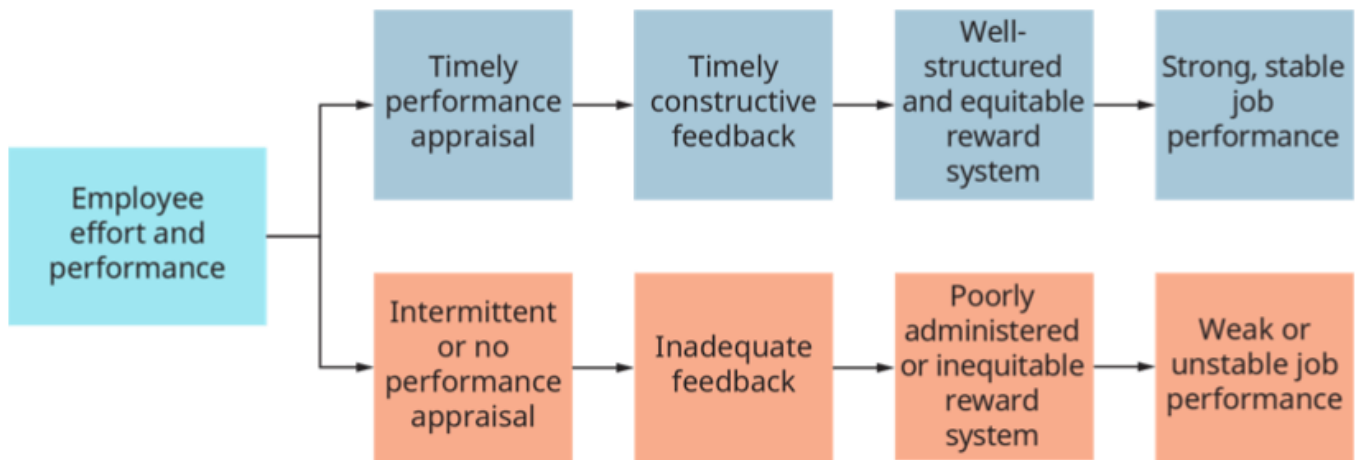


Exhibit 8.2 The Performance Appraisal and Reward Process (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Uses of Performance Appraisals

In most work organizations, performance appraisals are used for a variety of reasons. These reasons range from improving employee productivity to developing the employees themselves. This diversity of uses is well documented in a study of why companies use performance appraisals.² Traditionally, compensation and performance feedback have been the most prominent reasons organizations use performance appraisals.

Feedback to employees. Performance appraisals provide feedback to employees about quantity and quality of job performance. Without this information, employees have little knowledge of how well they are doing their jobs and how they might improve their work.

Self-development. Performance appraisals can also serve as an aid to employee self-development. Individuals learn about their strengths and weaknesses as seen by others and can initiate self-improvement programs (see discussion on behavioral self-management programs).

Reward systems. In addition, appraisals may form the bases of organizational reward systems—particularly merit-based compensation plans.

Personnel decisions. Performance appraisals serve personnel-related functions as well. In making personnel decisions, such as those relating to promotions, transfers, and terminations, they can be quite useful. Employers can make choices on the

basis of information about individual talents and shortcomings. In addition, appraisal systems help management evaluate the effectiveness of its selection and placement functions. If newly hired employees generally perform poorly, managers should consider whether the right kind of people are being hired in the first place.

Training and development. Finally, appraisals can help managers identify areas in which employees lack critical skills for either immediate or future performance. In these situations, new or revised training programs can be established to further develop the company's human resources.

It is apparent that performance appraisal systems serve a variety of functions in organizations. In light of the importance of these functions, it is imperative that the accuracy and fairness of the appraisal be paramount considerations in the evaluation of a system. Many performance appraisal systems exist. It is the manager's job to select the technique or combination of techniques that best serves the particular needs (and constraints) of the organization. Before considering these various techniques, let us look at some of the more prominent problems and sources of error that are common to several of them.

Problems with Performance Appraisals

A number of problems can be identified that pose a threat to the value of appraisal techniques. Most of these problems deal with the related issues of the validity and reliability of the instruments or techniques themselves. **Validity** is the extent to which an instrument actually measures what it intends to measure, whereas **reliability** is the extent to which the instrument consistently yields the same results each time it is used. Ideally, a good performance appraisal system will exhibit high levels of both validity and reliability. If not, serious questions must be raised concerning the utility (and possibly the legality) of the system.

It is possible to identify several common sources of error in performance appraisal systems. These include: (1) central tendency error, (2) strictness or leniency error, (3) halo effect, (4) recency error, and (5) personal biases.

Central Tendency Error. It has often been found that supervisors rate most of their employees within a narrow range. Regardless of how people actually perform, the rater fails to distinguish significant differences among group members and lumps everyone together in an "average" category. This is called **central tendency error** and is shown in **Exhibit 8.3**. In short, the central tendency error is the failure to recognize either very good or very poor performers.

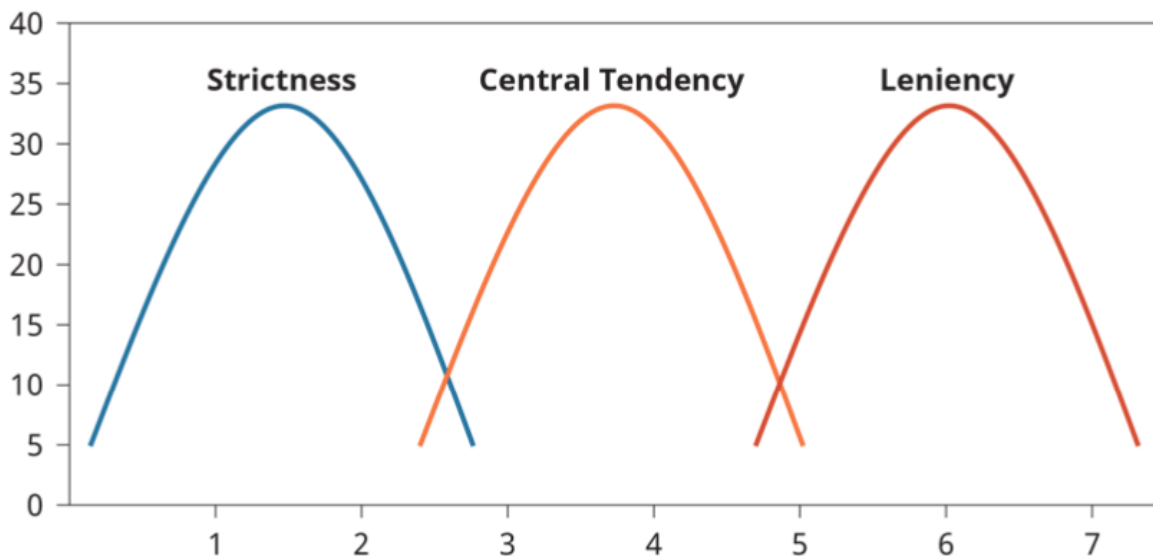


Exhibit 8.3 Examples of Strictness, Central Tendency, and Leniency Errors (Attribution: Copyright Rice University, OpenStax, under CC BY- NC-SA 4.0 license)

Strictness or Leniency Error. A related rating problem exists when a supervisor is overly strict or overly lenient in evaluations (see **Exhibit 8.3**). In college classrooms, we hear of professors who are "tough graders" or, conversely, "easy A's." Similar situations exist in the workplace, where some supervisors see most subordinates as not measuring up to their high standards, whereas other supervisors see most subordinates as deserving of a high rating. As with central tendency error, **strictness error** and **leniency error** fail to distinguish adequately between good and bad performers and instead relegate almost everyone to the same or related categories.

Halo Effect. The **halo effect** exists where a supervisor assigns the same rating to each factor being evaluated for an individual. For example, an employee rated above average on quantity of performance may also be rated above average on quality of performance, interpersonal competence, attendance, and promotion readiness. In other words, the supervisor cannot effectively differentiate between relatively discrete categories and instead gives a global rating.

These types of bias are based on our perceptions of others. The halo effect occurs when managers have an overly positive view of a particular employee. This can impact the objectivity of reviews, with managers consistently giving an employee high ratings and failing to recognize areas for improvement.

Whether positive or negative, we also have a natural tendency to confirm our preconceived beliefs about people in the way we interpret or recall performance, which is known as confirmatory bias.

For example, a manager may have a preconception that her male report is more assertive. This could cause her to recall instances more easily in which her report asserted his position during a meeting. On the other hand, she may perceive her female report to be less assertive, predisposing her to forget when the report suggested an effective strategy or was successful in a tough negotiation.

The halo effect is often a consequence of people having a similarity bias for certain types of people. We naturally tend to favor and trust people who are similar to us. Whether it's people who also have a penchant for golf or people who remind us of a younger version of ourselves, favoritism that results from a similarity bias can give certain employees an unfair advantage over others. This can impact a team to the point that those employees may receive more coaching, better reviews and, as a result, more opportunities for advancements.³

Recency Error. Oftentimes evaluators focus on an employee's most recent behavior in the evaluation process. This is known as the **recency error**. That is, in an annual evaluation, a supervisor may give undue emphasis to performance during the past months—or even weeks—and ignore performance levels prior to this. This practice, if known to employees, leads to a situation where employees may “float” for the initial months of the evaluation period and then overexert themselves in the last few months or weeks prior to evaluation. This practice leads to uneven performance and contributes to the attitude of “playing the game.”

Personal Biases. Finally, it is not uncommon to find situations in which supervisors allow their own personal biases to influence their appraisals. Such biases include like or dislike for someone, as well as racial and sexual biases. Personal biases can interfere with the fairness and accuracy of an evaluation and are illegal in many situations.

Reducing Errors in Performance Appraisals

A number of suggestions have been advanced recently to minimize the effects of various biases and errors on the performance appraisal process.⁴ When errors are reduced, more accurate information is available for personnel decisions and personal development. These methods for reducing error include

- ensuring that each dimension or factor on a performance appraisal form represents a single job activity instead of a group of job activities.
- avoiding terms such as *average*, because different evaluators define the term differently.
- ensuring that raters observe subordinates on a regular basis throughout the evaluation period. It is even helpful if the rater takes notes for future reference.
- keeping the number of persons evaluated by one rater to a reasonable number. When one person must evaluate many subordinates, it becomes difficult to discriminate. Rating fatigue increases with the number of rates.
- ensuring that the dimensions used are clearly stated, meaningful, and relevant to good job performance.
- training raters so they can recognize various sources of error and understand the rationale underlying the evaluation process.
- Using mechanisms like these, better employee ratings that can have greater meaning both for the individual employee and the organization will result.

concept check

- What are performance appraisals, and how are they used in organizations?
- How are performance appraisals used as a reward system, and what problems can they cause?

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2.4.3: Feedback

3. How do managers give effective feedback to subordinates?

As previously noted, feedback represents a critical variable in determining the success or failure of the goal-setting process. The same applies to the performance appraisal process. Without effective knowledge of results, the motivational impact of the appraisal process is lost. To better understand how feedback in work settings affects employee behavior, consider the model shown in **Exhibit 8.5**.⁸

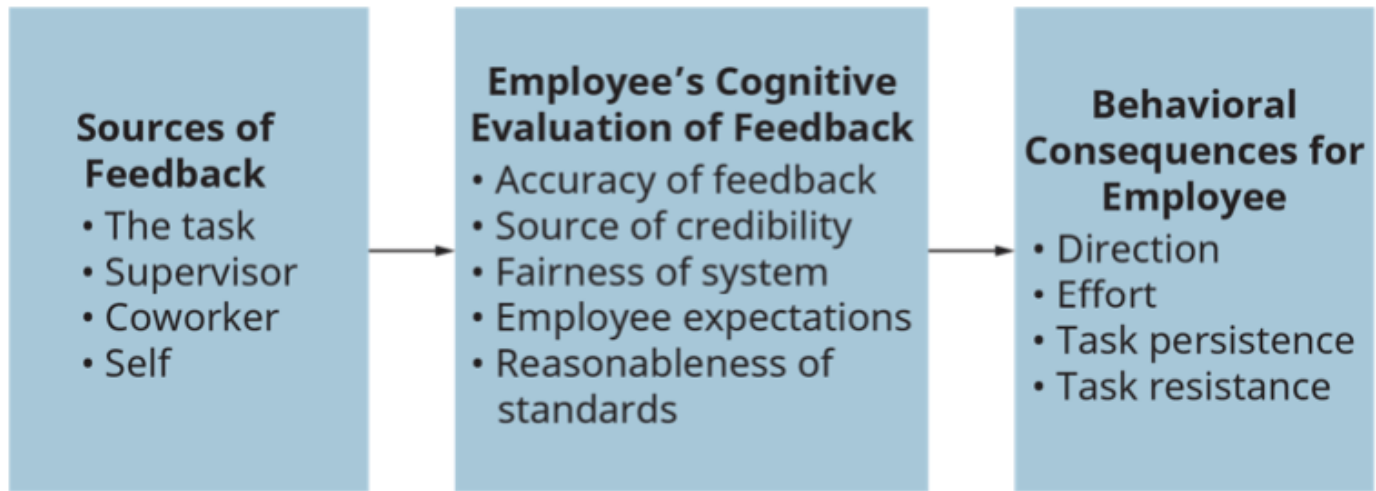


Exhibit 8.5 Effects of Feedback on Job Performance (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Feedback comes from many sources, including the task at hand, the supervisor, coworkers, and oneself. This input is then cognitively evaluated by the employee, who considers such factors as the perceived *accuracy* of the feedback (e.g., does the employee consider the information to be correct?); the *credibility of the source* of the feedback (e.g., does the employee trust the supervisor's opinion?); the employee's opinion concerning the *fairness* of the evaluation-process; the extent to which the feedback met the employee's *expectations* (e.g., does the employee think she could have done better?); and the *reasonableness* of the performance standards.

If one or more of these evaluations prove negative (for example, the employee believes she is being unfairly evaluated), the credibility of the feedback is dismissed, and the employee may increase her resistance to task effort. On the other hand, where the feedback is accepted, it reinforces the employee's direction, effort on the task, and persistence on the task. Thus, although feedback is essential, it is the nature and quality of the feedback that ultimately determines employee response.

concept check

- What types of feedback do performance appraisals provide to all organization members?

2.4.4: Reward Systems in Organizations

4. How do organizations choose the best appraisal system for their organization?

After a company has designed and implemented a systematic performance appraisal system and provided adequate feedback to employees, the next step is to consider how to tie available corporate rewards to the outcomes of the appraisal. Behavioral research consistently demonstrates that performance levels are highest when rewards are contingent upon performance. Thus, in this section, we will examine five aspects of reward systems in organizations: (1) functions served by reward systems, (2) bases for reward distribution, (3) intrinsic versus extrinsic rewards, (4) the relationship between money and motivation and, finally, (5) pay secrecy.

Functions of Reward Systems

Reward systems in organizations are used for a variety of reasons. It is generally agreed that reward systems influence the following:

- **Job effort and performance.** Following expectancy theory, employees' effort and performance would be expected to increase when they felt that rewards were contingent upon good performance. Hence, reward systems serve a very basic motivational function.
- **Attendance and retention.** Reward systems have also been shown to influence an employee's decision to come to work or to remain with the organization. This was discussed in the previous chapter.
- **Employee commitment to the organization.** It has been found that reward systems in no small way influence employee commitment to the organization, primarily through the exchange process.⁹ That is, employees develop ties with organizations when they perceive that the organization is interested in their welfare and willing to protect their interests. This exchange process is shown in **Exhibit 8.6**. To the extent that employee needs and goals are met by the company, we would expect commitment to increase.
- **Job satisfaction.** Job satisfaction has also been shown to be related to rewards, as discussed in the previous chapter. Edward E. Lawler, a well-known researcher on employee compensation, has identified four conclusions concerning the relationship between rewards and satisfaction: (1) satisfaction with a reward is a function of both how much is received and how much the individual feels should have been received; (2) satisfaction is influenced by comparisons with what happens to others, especially one's coworkers; (3) people differ with respect to the rewards they value; and (4) some rewards are satisfying because they lead to other rewards.¹⁰
- **Occupational and organizational choice.** Finally, the selection of an occupation by an individual, as well as the decision to join a particular organization within that occupation, are influenced by the rewards that are thought to be available in the occupation or organization. To prove this, simply look at the classified section of your local newspaper and notice how many jobs highlight beginning salaries.



Exhibit 8.6 The Exchange Process Between Employee and Organization (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Reward systems in organizations have far-reaching consequences for both individual satisfaction and organizational effectiveness. Unfortunately, cases can easily be cited where reward systems have been distorted to punish good performance or inhibit creativity. Consider, for example, the Greyhound Bus Company driver who was suspended for 10 days without pay for breaking a company rule against using a CB radio on his bus. The bus driver had used the radio to alert police that his bus, with 32 passengers on board, was being hijacked by an armed man. The police arrested the hijacker, and the bus driver was suspended for breaking company rules.¹¹ Such incidents hardly encourage employees to focus their efforts on responsible performance.

Bases for Reward Distribution

A common reality in many contemporary work organizations is the inequity that exists in the distribution of available rewards. One often sees little correlation between those who perform well and those who receive the greatest rewards. At the extreme, it is hard to understand how a company could pay its president \$10 to \$20 million per year (as many large corporations do) while it pays its secretaries and clerks less than \$15,000. Each works approximately 40 hours per week, and both are important for organizational performance. Is it really possible that the president is 1,000 times more important than the secretary, as the salary differential suggests?

How do organizations decide on the distribution of available rewards? At least four mechanisms can be identified. In more cases than we choose to admit, rewards go to those with the greatest **power** (either market power or personal power). In many of the corporations whose presidents earn eight-figure incomes, we find that these same people are either major shareholders in the company or have certain abilities, connections, or status that the company wants. Indeed, a threat of resignation from an important or high-performing executive often leads to increased rewards.

A second possible basis for reward distribution is **equality**. Here, all individuals within one job classification would receive the same, or at least similar, rewards. The most common example here can be found among unionized workers, where pay rates are established and standardized with little or no reference to actual performance level. Instead of ability or performance, these systems usually recognize seniority as the key factor in pay raises or promotions.

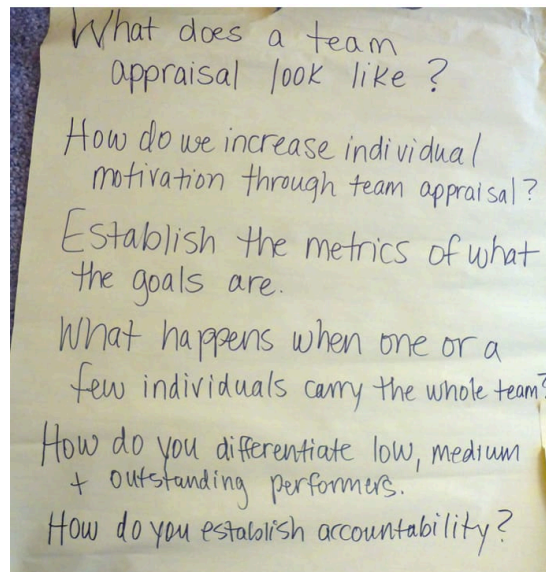


Exhibit 8.7 Team Based Rewards Performance appraisals, whether team or individual, provide feedback to workers or organizational teams. Traditionally, performance evaluations provide information to help improve individual performance, increase efficiency and define management's expectations. Performance appraisals compare work performed against measurable objectives that the employee and supervisor agreed to at the beginning of the appraisal period. As work has become more team oriented, performance appraisals now measure how a team of workers perform rather than just how an individual performs his job. (Attribution; Deb Nystrom/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

The basis for the social welfare reward system in this country is need. In large part, the greater the need, the greater the level of support. It is not uncommon to see situations in business firms where need is taken into account in layoff situations—where an employee is not laid off because she is the sole support of a family.

A fourth mechanism used by organizations in allocating rewards is **distributive justice**. Under this approach, employees receive (at least a portion of) their rewards as a function of their level of contribution to the organization. The greater the contribution (such as performance), the greater the reward. This mechanism is most prominent in merit-based incentive programs, where pay and bonuses are determined by performance levels.

Extrinsic and Intrinsic Rewards

The variety of rewards that employees can receive in exchange for their contributions of time and effort can be classified as either *extrinsic* or *intrinsic* rewards. **Extrinsic rewards** are external to the work itself. They are administered externally—that is, by someone else (usually management). Examples of extrinsic rewards include wages and salary, fringe benefits, promotions, and recognition and praise from others.

On the other hand, **intrinsic rewards** represent those rewards that are related directly to performing the job. In this sense, they are often described as “self-administered” rewards, because engaging in the task itself leads to their receipt. Examples of intrinsic rewards include feelings of task accomplishment, autonomy, and personal growth and development that come from the job.

In the literature on employee motivation, there is considerable controversy concerning the possible interrelationship of these two kinds of reward. It has been argued (with some research support) that extrinsic rewards tend to drive out the positive effects of some intrinsic rewards and can lead to unethical behavior.¹² Consider, for example, the child next door who begs you to let her help you wash your car. For a young child, this task can carry considerable excitement (and intrinsic motivation). Now, consider what happens on a Saturday afternoon when you need your car washed but the child has other options. What do you do? You offer to pay her this time to help wash your car. What do you think will happen the next time you ask the neighbor to help you wash the car for free? In other words, when extrinsic rewards such as pay are tied closely to performance (called performance-reward contingency), **intrinsic motivation**—the desire to do a task because you enjoy it—can decrease.

Also, it is important to keep in mind that because extrinsic rewards are administered by sources external to the individual, their effectiveness rests on accurate and fair monitoring, evaluating, and administration. Implementation can be expensive, and the

timing of performance and rewards may not always be close. For example, you may perform well on a task, but unless there is a way for that to be noticed, evaluated, recorded, and rewarded within a reasonable time frame, an extrinsic reward may not have a significant impact. Intrinsic rewards are a function of self-monitoring, evaluation, and administration; consequently, these rewards often are less costly and more effectively administered. For example, even if no one else notices or rewards you for superior performance on a task, you can still reward yourself with a mental pat on the back for a job well done or a sense of satisfaction for overcoming a challenge. The implications of this finding will become apparent when exploring efforts to enrich employees' jobs.

Money and Motivation: A Closer Look

A recurring debate among managers focuses on the issue of whether money is a primary motivator. Some argue that most behavior in organizational settings is motivated by money (or at least monetary factors), whereas others argue that money is only one of many factors that motivate performance. Whichever group is correct, we must recognize that money can have important motivational consequences for many people in many situations. In fact, money serves several important functions in work settings.¹³ These include serving as (1) a goal or incentive, (2) a source of satisfaction, (3) an instrument for gaining other desired outcomes, (4) a standard of comparison for determining relative standing or worth, and (5) a conditional reinforcer where its receipt is contingent upon a certain level of performance. Even so, experience tells us that the effectiveness of pay as a motivator varies considerably. Sometimes there seems to be an almost direct relationship between pay and effort, whereas at other times no such relationship is found. Why? Lawler suggests that certain conditions must be present in order for pay to act as a strong motivator:¹⁴

- Trust levels between managers and subordinates must be high.
- Individual performance must be able to be accurately measured.
- Pay rewards to high performers must be substantially higher than those to poor performers.
- Few, if any, negative consequences for good performance must be perceived.

Under these conditions, a climate or culture is created in which employees have reason to believe that significant performance-reward contingencies truly exist. Given this perception (and assuming the reward is valued), we would expect performance to be increased.¹⁵

Pay Secrecy

Secrecy about pay rates seems to be a widely accepted practice in work organizations, particularly among managerial personnel. It is argued that salary is a personal matter and we should not invade another's privacy. Available evidence, however, suggests that pay secrecy may have several negative side effects. To begin, it has been consistently found that in the absence of actual knowledge, people have a tendency to overestimate the pay of coworkers and those above them in the hierarchy. As a result, much of the motivational potential of a differential reward system is lost.¹⁶ Even if an employee receives a relatively sizable salary increase, she may still perceive an inequity compared to what others are receiving. This problem is highlighted in the results of a study by Lawler. In considering the effects of pay secrecy on motivation, Lawler noted:

Almost regardless of how well the individual manager was performing, he felt he was getting less than the average raise. This problem was particularly severe among high performers, since they believed that they were doing well yet received minimal reward. They did not believe that pay was in fact based upon merit. This was ironic, since their pay did reflect performance. . . . Thus, even though pay was tied to performance, these managers were not motivated because they could not see the connection.¹⁷

Pay secrecy also affects motivation via feedback. Several studies have shown the value of feedback in motivating performance (see previous discussion). The problem is that for managers, money represents one of the most meaningful forms of feedback. Pay secrecy eliminates the feedback.

When salary information is open (or at least when the range of percentage increases within a job classification are made known to the people in that group), employees are generally provided with more recognition for satisfactory performance and are often more motivated to perform on subsequent tasks. It is easier to establish feelings of pay equity and trust in the salary administration system. On the other hand, publicizing pay rates and pay raises can cause jealousy among employees and create pressures on managers to reduce perceived inequities in the system. There is no correct position concerning whether pay rates should be secret or open. The point is that managers should not assume a priori that pay secrecy—or pay openness—is a good thing. Instead, careful consideration should be given to the possible consequences of either approach in view of the particular situation in the organization at the time.

concept check

- What is the best appraisal system for organizations to adopt?
- How are rewards tied to performance appraisals?

2.4.5: Performance Management

How do performance management practices impact company performance?

Performance management practices and processes are among the most important that human resources manages, yet they are also among the most contentious processes in an organization. Many people view performance management as a human resources role and believe that it is in some parallel path with the business. On the contrary, for the process to be successful, it should not only be human resources that is responsible for driving performance. For the (typically) annual performance management process, human resources and line management should partner on the implementation and ongoing communication of the process. Although HR is responsible for creating and facilitating the performance management processes, it is the organizational managers that need to strongly support the process and communicate the linkage of performance management to overall organizational goals and performance. In my experience, it was helpful when business leadership emphasized that performance management isn't a human resources process—it is a mission-critical business process. If a business manager can't track and drive performance at the individual level, then the overall organization won't know how it's tracking on overall organizational goals. Performance Management Before discussing the state of performance management in the workplace today, it is important to understand the origin of performance management. Performance management began as a simple tool to drive accountability (as it still does) but has evolved more recently into a tool used for employee development.

Performance management can be tracked back to the U.S. military's "merit rating" system, which was created during World War I to identify poor performers for discharge or transfer ("The Performance Management Revolution," Harvard Business Review, October 2016). After World War II, about 60% of all U.S. companies were using a performance appraisal process. (By the 1960s nearly 90% of all U.S. companies were using them.) Although the rules around job seniority determined pay increases and promotions for the unionized worker population, strong performance management scores meant good advancement prospects for managers. In the beginning, the notion of using this type of system to *improve* performance was more of an afterthought, and not the main purpose. By the 1960s or so, when we started to see a shortage of managerial talent, companies began to use performance systems to develop employees into supervisors, and managers into executives.

In 1981, when Jack Welch became CEO of General Electric, he championed the forced-ranking system—another military creation. He did this to deal with the long-standing concern that supervisors failed to label real differences in performance (HBR, The Performance Management Revolution). GE utilized this performance management system to shed the people at the bottom. They equated performance with people's inherent capabilities and ignored their potential to grow. People were categorized as "A" players (to be rewarded), "B" players (to be accommodated), and "C" players (to be dismissed). In the GE system, development was reserved for the "A" players—and those with high potential were chosen to advance to senior positions. Since the days of GE's forced ranking, many companies have implemented a similar forced-ranking system, but many have backed away from the practice. After Jack Welch retired, GE backed away from the practice as well. Companies, GE included, saw that it negatively fostered internal competition and undermined collaboration and teamwork and thus decided to drop forced ranking from their performance management processes.

Most people agree, in theory, that performance management is important. What people may *not* agree on is *how* performance management should be implemented. As the dissatisfaction with performance management processes began to increase, some companies began to change the way they thought about performance. In 2001, an "Agile Manifesto" was developed by software developers and "emphasized principles of collaboration, self-organization, self-direction, and regular reflection on how to work more effectively, with the aim of prototyping more quickly and responding in real-time to customer feedback and changes in requirements." (Performance Management Revolution, HBR). The impact on performance management was clear, and companies started to think about performance management processes that were less cumbersome, incorporated frequent feedback, and delivered performance impacts.

In a recent public survey by Deloitte Services, 58% of executives surveyed believed that their current performance management approach drives neither employee engagement nor high performance. They need something more nimble, real-time, and individualized—and focused on fueling performance in the future rather than assessing it in the past. ("*Reinventing Performance Management*," Harvard Business Review, Buckingham and Goodall, 2015). In light of this study, Deloitte became one of the companies that has recently sought to redesign their performance processes. As part of their "radical redesign," they seek to see performance at the individual level, and thus they ask team leaders about their own future actions and decisions with respect to

each individual. They ask leaders what they'd do with their team members, not what they think of them ("Reinventing Performance Management," HBR). The four questions that Deloitte asks of its managers are as follows:

- Given what I know of this person's performance, and if it were my money, I would award this person the highest possible compensation increase and bonus.
- Given what I know of this person's performance, I would always want him or her on my team.
- This person is at risk for low performance.
- This person is ready for promotion today.

Although there has been some discussion over the last several years about some companies wanting to drop performance appraisals completely, most of the research seems to support that the total absence of performance management doesn't help either. A recent global survey by CEB Global reports that more than 9,000 managers and employees think that not having performance evaluations is worse than having them. ("Let's Not Kill Performance Evaluations Yet," HBR, Nov 2016, Goler, Gale, Grant). Their findings indicate that even though every organization has people who are unhappy with their bonuses or disappointed that they weren't promoted, research shows that employees are more willing to accept an undesirable outcome when the process is fair. The key question really becomes: how can HR help the business create a process to fairly evaluate performance and enhance employee development while *not* burdening the business with undue bureaucracy and non-value-added activities?

managing change

Global versus Local HR

Multinational companies are always challenged to determine the balance between global and local needs when creating a human resource management strategy. Some large companies weigh heavily on the side of centralization, with very few local deviations from the global strategy. Others may allow more localization of processes and decision-making if there are very specific local cultural needs that must be addressed. In either case, companies are well-served by maintaining global standards while also allowing for local market adaptation in the human resources areas where it makes the most sense.

According to the MIT Sloan Management Review article "Six Principles of Effective Global Talent Management" (Winter 2012), most multinational companies introduce global performance standards, competency profiles, and performance management tools and processes. These are the human resources areas that are most closely linked to the overall strategies and goals, and thus remain at the global level. Those HR processes that are not perceived as being as closely linked to the strategy and that may need to have local market inputs include processes such as training and compensation. Hiring practices may also need to be locally adapted, due to country-specific labor laws and challenges. One caveat, however, is that a company may limit itself in terms of its global talent management if it has too many country-specific adaptations to hiring, assessment, and development processes for top talent. It is important that the company takes a global approach to talent management so that cross-learning opportunities and cross-cultural development opportunities can take place.

One of the most important aspects of global talent management is that a company can break down silos and pollinate the business with talented employees from around the globe. Some companies even have global leadership programs that bring together high-potential leaders from across the organization to build camaraderie, share knowledge, and engage in learning. Others have created rotational programs for leaders to be able to experience new roles in other cultures in order to build their personal resumes and cultural intelligence. Human resources can have an enormous impact on the company's ability to harness the power of a global talent pool when they create a global network for talent while also balancing this with the requirements of the local market.

Discussion Questions:

1. Why might compensation programs and hiring practices need to have local adaptation? What would be the risks if these were not adapted to local markets?

As organizations evaluate their options for a performance management system, human resources and business leadership need to consider several challenges that will need to be addressed—no matter what the system. ("The Performance Management Revolution," Capelli and Tavis, HBR, pp. 9-11).

The first is the challenge of aligning individual and company goals. Traditionally, the model has been to "cascade" goals down

through the organization, and employees are supposed to create goals that reflect and support the direction set at the top. The notion of SMART goals (Specific, Measurable, Achievable, Relevant, Timebound) has made the rounds over the years, but goal setting can still be challenging if business goals are complex or if employee goals seem more relatable to specific project work than to the overall top-line goals. The business and the individual need to be able to respond to goal shifts, which occur very often in response to the rapid rate of change and changing customer needs. This is an ongoing issue that human resources and business leadership will need to reconcile.

The next key challenge to think about when designing a performance management process is rewarding performance. Reward structures are discussed later in this chapter, but reward systems must be rooted in performance management systems. Currently, the companies that are redesigning their performance processes are trying to figure out how their new practices will impact their **pay-for-performance** models. Companies don't appear to be abandoning the concept of rewarding employees based on and driven by their performance, so the linkage between the two will need to be redefined as the systems are changed.

The identification of poor performers is a challenge that has existed since the earliest days of performance management, and even the most formal performance management process doesn't seem to be particularly good at weeding out poor performers. A lot of this is due to the managers who evaluate employees and are reluctant to address the poor performers that they're seeing. Also, the annual performance management process tends to make some managers feel that the poor performance should be overlooked during the year and only addressed (often ineffectively) during a one-per-year review. Whatever new performance management models an organization adopts, they will have to ensure that poor performance is dealt with in real time and is communicated, documented, and managed closely.

Avoiding legal troubles is another ongoing challenge for organizations and is another reason for real-time communication and documentation of performance issues. Human resources supports managers as they deal with employee relations issues, and the thought of not having a formal, numerical ratings system is unfathomable for some people who worry about defending themselves against litigation. However, because even formal performance processes can be subjective and may reveal ratings bias, neither the traditional formal process nor some of the radical new approaches can guarantee that legal troubles will never develop. From my experience, the best strategy for effective and fair performance management is real-time communication and documentation of issues. The employee is told about his or her performance issues (in as close to real time as possible), and the manager has documented the performance issues and conversations objectively and has engaged human resources with any larger or more complex issues.

"Managing the feedback firehose" and keeping conversations, documentation, and feedback in a place where it can be tracked and utilized is an ongoing challenge. The typical annual performance process is not conducive to capturing ongoing feedback and conversations. There have been some new technologies introduced (such as apps) that can be used to capture ongoing conversations between managers and employees. General Electric uses an app called PD@GE (PD = performance development) that allows managers to pull up notes and materials from prior conversations with employees. IBM has a similar app that allows peer-to-peer feedback. Although there are clearly some technology solutions that can be used to help communicate and collect feedback, human resources will need to continue to communicate and reinforce rules around objectivity and appropriate use of the tools.

Performance management processes—traditional and inventive new approaches alike—will face the same challenges over time. Human resource management professionals need to be aware of these challenges and design a performance management system that addresses them in the format and within the context of their culture.

concept check

1. What are some of the key challenges of any performance management process?

2.4.6: Performance Appraisal Systems

exploring managerial careers: Two Performance Appraisal Interviews

"Janet, thanks for coming in. As you know, it's that time of year again. I've been going over this performance appraisal form and have written in my evaluation. I'd like you to look it over and then sign it."

Janet looked over her ratings, which were nearly all in the "satisfactory" range. Even the category of dependability was marked "satisfactory"; yet, it was Janet who came in on three different occasions to cover for workers in her group who were absent for one reason or another. Janet mentioned this issue to her boss, Ken.

"Well, Janet, you're right and that's exactly what I expect of my employees. You know this is your first year here and you can't expect to reach the top in one jump. But I like your style and if you keep it up, who knows how far you'll go."

Twenty-four minutes after the interview began, Janet left, bewildered and disappointed. She had worked hard during her first year; in fact, she had gone the extra mile on a few occasions, and now she was more confused than ever about what was expected of her and what constituted good performance. "Maybe it just doesn't pay to work hard."

Two weeks before their scheduled interview, Mary asked Ron to review his goals and accomplishments for the last six months and to note any major changes in his job that had taken place during that period. In the meantime, Mary pulled out the file in which she had periodically recorded both positive and negative specific incidents over the last six months concerning Ron's performance. She also reviewed the goals they had jointly set at the end of the last review and thought carefully about not only the possible goals for the next six months but longer-term development needs and goals that might be appropriate for Ron.

On the day of the interview, both Mary and Ron came well prepared to review the past six months as well as to think about and plan for the next performance period and beyond. The interview took nearly two hours. After candidly discussing Ron's past performance and the extent to which both sides felt he had or had not accomplished the goals for that period, they began to focus on what should be accomplished in the future. The discussion caused both sides to make changes in their original evaluations and ideas about targets for the future. When it was over, Ron left more motivated than before and confident that even though he had areas in which he could improve, he had a bright future ahead of him if he continued to be motivated and work hard.

1. How do organizations effectively use performance appraisals to improve individual job performance, and what are the limitations inherent in the use of various appraisal systems?

Performance appraisals are one of the most important and often one of the most mishandled aspects of management. Typically, we think of performance appraisals as involving a boss evaluating a subordinate. However, performance appraisals increasingly involve subordinates appraising bosses through a feedback process known as 360 feedback,¹ customers appraising providers, and peers evaluating coworkers.

Whether appraisals are done by subordinates, peers, customers, or superiors, the process itself is vital to the lifeblood of the organization. Performance appraisal systems provide a means of systematically evaluating employees across various performance dimensions to ensure that organizations are getting what they pay for. They provide valuable feedback to employees and managers, and they assist in identifying promotable people as well as problems. However, such appraisals are meaningless unless they are accompanied by an effective feedback system that ensures that the employee gets the right messages concerning performance.

Reward systems represent a powerful motivational force in organizations, but this is true only when the system is fair and tied to performance. Because a variety of approaches to appraising performance exists, managers should be aware of the advantages and disadvantages of each. In turn, an understanding of reward systems will help managers select the system best suited to the needs and goals of the organization.

Performance appraisal systems serve a variety of functions of central importance to employees. Appraisal techniques practiced today are not without problems, though. Managers should keep abreast of recent developments in compensation and reward

systems so they can modify existing systems when more appropriate alternatives become available.

A key management responsibility has always been to oversee and develop subordinates. In fact, it has been said that every manager is a human resource manager. Nowhere is this truer than with regard to evaluating and rewarding subordinates. Managers are consistently involved with employee training and development, monitoring employee performance, providing job-related feedback, and administering rewards.

In this chapter, we examine three interrelated aspects of the performance appraisal and reward process. As **Exhibit 8.2** shows, this process moves from evaluating employee performance to providing adequate and constructive feedback to determining discretionary rewards. Where effort and performance are properly evaluated and rewarded, we would expect to see more stable and consistent job performance. On the other hand, where such performance is only evaluated intermittently or where the appraisal and review process is poorly done, we would generally see less consistent performance. We begin our discussion with a look at the nature of appraisals.

We begin by examining three aspects of performance appraisal systems: (1) the uses of performance appraisals, (2) problems found in performance appraisals, and (3) methods for reducing errors in the appraisal system. This overview will provide a foundation for studying specific techniques of performance appraisal. Those interested in more detailed information on performance appraisal systems may wish to consult books on personnel administration or compensation.

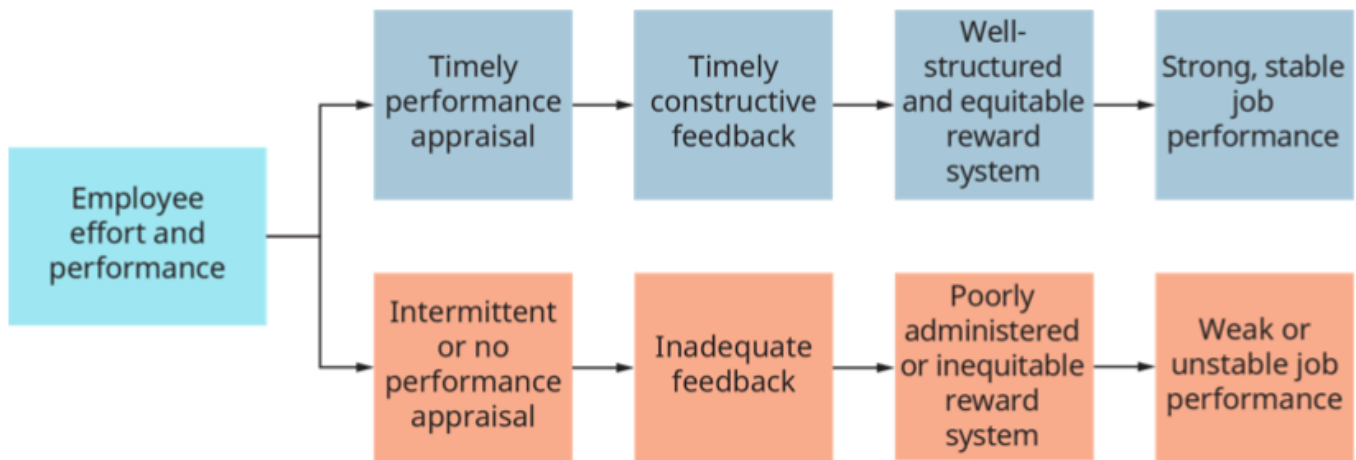


Exhibit 8.2 The Performance Appraisal and Reward Process (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Uses of Performance Appraisals

In most work organizations, performance appraisals are used for a variety of reasons. These reasons range from improving employee productivity to developing the employees themselves. This diversity of uses is well documented in a study of why companies use performance appraisals.² Traditionally, compensation and performance feedback have been the most prominent reasons organizations use performance appraisals.

Feedback to employees. Performance appraisals provide feedback to employees about quantity and quality of job performance. Without this information, employees have little knowledge of how well they are doing their jobs and how they might improve their work.

Self-development. Performance appraisals can also serve as an aid to employee self-development. Individuals learn about their strengths and weaknesses as seen by others and can initiate self-improvement programs (see discussion on behavioral self-management programs).

Reward systems. In addition, appraisals may form the bases of organizational reward systems—particularly merit-based compensation plans.

Personnel decisions. Performance appraisals serve personnel-related functions as well. In making personnel decisions, such as those relating to promotions, transfers, and terminations, they can be quite useful. Employers can make choices on the

basis of information about individual talents and shortcomings. In addition, appraisal systems help management evaluate the effectiveness of its selection and placement functions. If newly hired employees generally perform poorly, managers should consider whether the right kind of people are being hired in the first place.

Training and development. Finally, appraisals can help managers identify areas in which employees lack critical skills for either immediate or future performance. In these situations, new or revised training programs can be established to further develop the company's human resources.

It is apparent that performance appraisal systems serve a variety of functions in organizations. In light of the importance of these functions, it is imperative that the accuracy and fairness of the appraisal be paramount considerations in the evaluation of a system. Many performance appraisal systems exist. It is the manager's job to select the technique or combination of techniques that best serves the particular needs (and constraints) of the organization. Before considering these various techniques, let us look at some of the more prominent problems and sources of error that are common to several of them.

Problems with Performance Appraisals

A number of problems can be identified that pose a threat to the value of appraisal techniques. Most of these problems deal with the related issues of the validity and reliability of the instruments or techniques themselves. **Validity** is the extent to which an instrument actually measures what it intends to measure, whereas **reliability** is the extent to which the instrument consistently yields the same results each time it is used. Ideally, a good performance appraisal system will exhibit high levels of both validity and reliability. If not, serious questions must be raised concerning the utility (and possibly the legality) of the system.

It is possible to identify several common sources of error in performance appraisal systems. These include: (1) central tendency error, (2) strictness or leniency error, (3) halo effect, (4) recency error, and (5) personal biases.

Central Tendency Error. It has often been found that supervisors rate most of their employees within a narrow range. Regardless of how people actually perform, the rater fails to distinguish significant differences among group members and lumps everyone together in an "average" category. This is called **central tendency error** and is shown in **Exhibit 8.3**. In short, the central tendency error is the failure to recognize either very good or very poor performers.

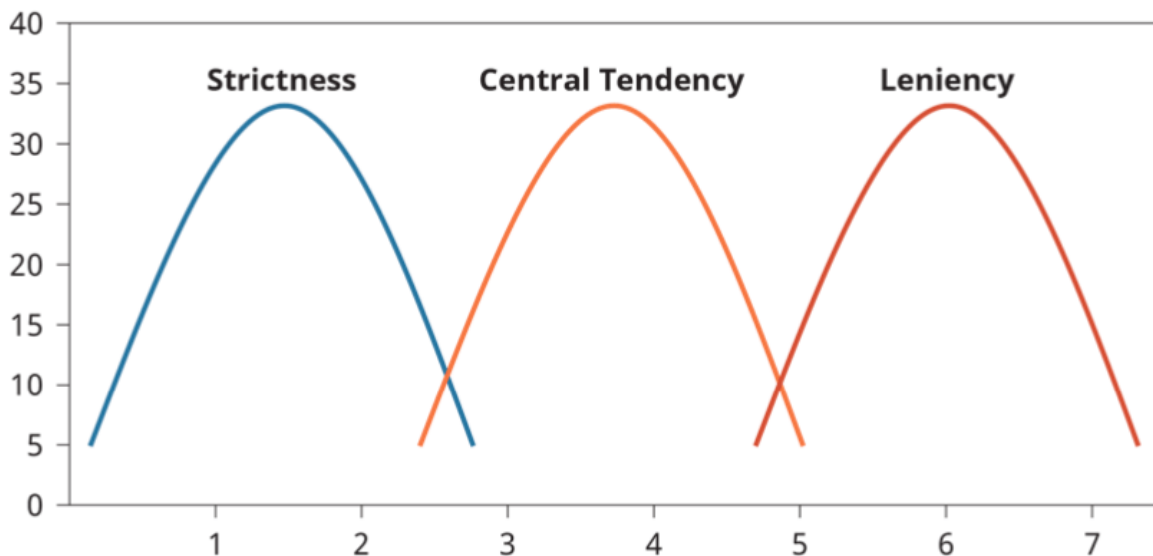


Exhibit 8.3 Examples of Strictness, Central Tendency, and Leniency Errors (Attribution: Copyright Rice University, OpenStax, under CC BY- NC-SA 4.0 license)

Strictness or Leniency Error. A related rating problem exists when a supervisor is overly strict or overly lenient in evaluations (see **Exhibit 8.3**). In college classrooms, we hear of professors who are "tough graders" or, conversely, "easy A's." Similar situations exist in the workplace, where some supervisors see most subordinates as not measuring up to their high standards, whereas other supervisors see most subordinates as deserving of a high rating. As with central tendency error, **strictness error** and **leniency error** fail to distinguish adequately between good and bad performers and instead relegate almost everyone to the same or related categories.

Halo Effect. The **halo effect** exists where a supervisor assigns the same rating to each factor being evaluated for an individual. For example, an employee rated above average on quantity of performance may also be rated above average on quality of performance, interpersonal competence, attendance, and promotion readiness. In other words, the supervisor cannot effectively differentiate between relatively discrete categories and instead gives a global rating.

These types of bias are based on our perceptions of others. The halo effect occurs when managers have an overly positive view of a particular employee. This can impact the objectivity of reviews, with managers consistently giving an employee high ratings and failing to recognize areas for improvement.

Whether positive or negative, we also have a natural tendency to confirm our preconceived beliefs about people in the way we interpret or recall performance, which is known as confirmatory bias.

For example, a manager may have a preconception that her male report is more assertive. This could cause her to recall instances more easily in which her report asserted his position during a meeting. On the other hand, she may perceive her female report to be less assertive, predisposing her to forget when the report suggested an effective strategy or was successful in a tough negotiation.

The halo effect is often a consequence of people having a similarity bias for certain types of people. We naturally tend to favor and trust people who are similar to us. Whether it's people who also have a penchant for golf or people who remind us of a younger version of ourselves, favoritism that results from a similarity bias can give certain employees an unfair advantage over others. This can impact a team to the point that those employees may receive more coaching, better reviews and, as a result, more opportunities for advancements.³

Recency Error. Oftentimes evaluators focus on an employee's most recent behavior in the evaluation process. This is known as the **recency error**. That is, in an annual evaluation, a supervisor may give undue emphasis to performance during the past months—or even weeks—and ignore performance levels prior to this. This practice, if known to employees, leads to a situation where employees may “float” for the initial months of the evaluation period and then overexert themselves in the last few months or weeks prior to evaluation. This practice leads to uneven performance and contributes to the attitude of “playing the game.”

Personal Biases. Finally, it is not uncommon to find situations in which supervisors allow their own personal biases to influence their appraisals. Such biases include like or dislike for someone, as well as racial and sexual biases. Personal biases can interfere with the fairness and accuracy of an evaluation and are illegal in many situations.

Reducing Errors in Performance Appraisals

A number of suggestions have been advanced recently to minimize the effects of various biases and errors on the performance appraisal process.⁴ When errors are reduced, more accurate information is available for personnel decisions and personal development. These methods for reducing error include

- ensuring that each dimension or factor on a performance appraisal form represents a single job activity instead of a group of job activities.
- avoiding terms such as *average*, because different evaluators define the term differently.
- ensuring that raters observe subordinates on a regular basis throughout the evaluation period. It is even helpful if the rater takes notes for future reference.
- keeping the number of persons evaluated by one rater to a reasonable number. When one person must evaluate many subordinates, it becomes difficult to discriminate. Rating fatigue increases with the number of rates.
- ensuring that the dimensions used are clearly stated, meaningful, and relevant to good job performance.
- training raters so they can recognize various sources of error and understand the rationale underlying the evaluation process.
- Using mechanisms like these, better employee ratings that can have greater meaning both for the individual employee and the organization will result.

concept check

- What are performance appraisals, and how are they used in organizations?
- How are performance appraisals used as a reward system, and what problems can they cause?

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2.5: READ- Don't Confuse Feedback with a Performance Appraisal

Don't Confuse Feedback with a Performance Appraisal

Feedback—the exchange of information about the status and quality of work products—can be used to motivate, support, direct, correct and regulate work efforts and outcomes and ensures that managers and employees are in sync and agree on the standards and expectations of the work to be performed. But feedback and performance appraisals are not one and the same. While there may be some small similarities between the two, they fundamentally differ:

Feedback	Appraisal
Provides information	Provides a judgment or evaluation
Immediate, ongoing activity	Retrospective and event-based; usually occurs at designated intervals and is often linked to pay or other rewards
Usually verbal	Written
Perceived as neutral	May cause fear and other emotional reactions

When managers regularly provide feedback about the quality and quantity of their employees' work, they're more likely to fully understand what is needed to continue good performance, correct poor performance or improve on mediocre performance. Feedback also provides you with clues about how you are aiding or hindering your subordinates' work. When you actively solicit feedback from your subordinates and discover obstacles to their success, you'll be able to remove them in a timely fashion. The best way to find solutions to common problems is to collaborate, and this collaboration requires conversation.

Feedback also builds relationships because when major challenges are presented, the environment of dialogue—and hopefully trust—is already established. This makes it easier to discuss and deal with real issues when they occur. Periodic feedback sessions give the manager and employee multiple opportunities to calibrate and recalibrate their joint efforts. Like two paths diverging, the longer it takes between the time the manager and employee speak about a performance problem, the greater the distance will be between planned and actual performance improvement. That's why continuous feedback is required for increased productivity and successful partnerships.

While most feedback should be informal, impromptu, on-the-spot and close to the time of the actual performance, planned feedback also is important. When difficult information needs to be shared, managers may delay or avoid giving feedback.

Managers who rely on performance appraisals as their primary management tool are known to save up a year's worth of criticism and give it to the employee in one big dose at the annual performance evaluation, which may be catastrophic for some employees. Employees may leave—or be terminated—upon finding out that they have been unaware of poor performance for 10 months.

While negative feedback is unavoidable, it can be a positive element in helping employees grow and improve—just don't give it all in one sitting. Supervisors can manage negative feedback by giving it in small, manageable doses. And when you give negative feedback during a feedback session vs. at an annual appraisal, the employee has the opportunity and time to digest the information and make corrections.

Feedback with Purpose

Employees want feedback delivered with clear improvement plans. When you remove judgment from feedback, they're more likely to receive information in the spirit in which it was intended. That's why coaching supports peak performance. It helps to build and maintain a relationship with the employee that is closer to a partnership instead of one that is adversarial. Judgment can be reserved for annual performance reviews, although some would argue that effective supervision and frequent feedback would negate the need to have formal evaluations as a tool to manage performance.

Constructive feedback given in the form of ratings is often counterproductive because ratings in their purest form are simply judgments. Many people react to ratings rather than hearing the important information behind the ratings. Performance

interventions must give the employee enough information about improvement points and the right amount of support to change them. Improved performance only occurs through proper coaching, guidance, training and employee support. The requirement for improved performance is open and honest dialogue—performance conversations.

Source:

Christopher D. Lee, "Don't Confuse Feedback with a Performance Appraisal", SHRM.org, April 23, 2020.

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2.6: WATCH- How to Give Constructive Feedback

Suzi Alligood demonstrates how to give an employee constructive feedback at work. Watch as she and Brandon Laws role play an issue that came up in their work.

YouTube Video

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Source: [How to Give Constructive Feedback](#), Xenium HR.

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2.7: READ- Giving Employees Harsh Reviews With Empathy

Giving Employees Harsh Reviews with Empathy

Christine Landis, founder of Peacock Parent in San Diego, once had an employee who was promoted from supervisor to manager due to her length of service at the company and her expertise in the field.

However, her subpar communication skills reflected poorly on the company, an online resource platform for parents. Landis had a one-on-one with the employee, showing her three examples of emails where she had spelled words incorrectly and made grammatical errors.

Though the conversation was not a positive one, everything worked out in the end.

“She understood the critique and was ready to improve,” Landis said. “We signed her up for a business writing course.”

Giving employees harsh reviews is never simple. However, it’s something that must be done to put the employee on the right track and protect the company.

“Most people are not mind readers,” said Bill Catlette, partner at business consultancy Contented Cow Partners and a former managing director of HR at FedEx. “Whether someone is succeeding or failing at various aspects of their job, they should have the benefit of some discussion about the matter, particularly if significant consequence is in play. I would much rather have a difficult conversation with someone about their work performance than to have to tell them that today is their last day here. Those are bad days for everyone.”

Here’s how HR professionals and employers can conduct harsh reviews in a productive way that will, hopefully, lead to positive outcomes for the employee, the team and the entire company.

Build Trust with Your Team

Employers should actively work on strengthening relationships and trust with their employees so when a harsh review is necessary, it goes more smoothly, according to Tawny Lott Rodriguez, director of human resources at Rowland Hall, an independent school in Utah with 280 employees.

“Building trust is key,” Rodriguez said. “Honest feedback is critical, but it lands better on fertile ground. Throughout the year, I strive to build trusting relationships with my team members through regular check-ins, open communication and recognition of their achievements. This trust becomes the foundation for a more challenging conversation.”

Show the Employee You Care

At DeVry University, which has more than 1,300 employees and campuses throughout the United States, Vice President of Human Resources Beth Hanson often has to engage in difficult conversations with employees.

“[They] are never easy, but they are necessary,” she said. “It’s important to approach discussions with empathy and be mindful of how your employees and the collective organization feels.”

To prepare for these conversations, Hanson determines exactly what she wants to talk about with the employee. She then considers the relationship she has with the employee “and the emotional landscape,” she said. “We have to first understand where the individual may be coming from, with the ultimate goal of getting on the same page.” 2/4

Hanson always leads with compassion and recommends that other leaders do the same.

“Acknowledge that feedback can be difficult,” she said, “but that you are there to support them along the way.”

Be Direct with Your Employees

While some employers may sandwich a harsh review with compliments, Landis argues that this approach can be confusing to employees. She prefers to be direct.

“Don’t beat around the bush,” she said. “State the problem within the first sentence, then ask the employee if they understand the issue. Then explain the solutions or PIP [performance improvement plan] that may follow.”

Rodriguez is on a similar page. She believes that sugarcoating issues delays improvement.

“If an employee isn’t aware of areas needing development, they can’t address them,” she said. “Honest feedback allows them to take ownership of their performance and take steps to excel.”

Additionally, in Rodriguez’s eyes, honesty builds trust.

“Employees who feel like they’re being misled or kept in the dark quickly become disengaged,” she said. “Open communication fosters trust and respect, which are essential for a positive and productive work environment.”

Time It Properly

When preparing for a harsh review, make sure that it happens at a time of day that is optimal for both parties.

“A hangry employee might not be as receptive to feedback,” Rodriguez said. “Scheduling the conversation for midmorning or after lunch ensures everyone is focused and well-fueled for the discussion.”

Create a Performance Improvement Plan

Along with timing the review properly, Rodriguez comes up with PIPs for employees so they know what steps they can take to improve. When one employee wasn’t performing well as a supervisor, Rodriguez initiated a PIP for this individual that included a leadership and communication course.

“This course provided the supervisor with the tools and strategies to effectively communicate and build a positive team dynamic,” she said. “The results were truly remarkable. Within a short time frame, the supervisor implemented the learnings from the course. Feedback from the team completely shifted. Employees reported a positive change in his leadership style, praising his improved communication and collaborative approach.”

Use Termination as a Last Resort

There is no fixed rule when it comes to terminating an employee. However, if employers have conducted a comprehensive review and laid out the plan for improvement—and the employee isn’t following through—then termination might be the only option.

“The rule of thumb I’ve used, and encouraged others to follow, involves making a value judgment as to whether or not the individual is willing/able to change in a reasonable period of time, and whether the deficiency is sufficiently serious to warrant termination,” Catlette said. “When the needle moves to the point where it’s evident that they either can’t or won’t change sufficiently, and where others [like] customers, co-workers and the general public are being ill-served, it’s time to make a change.”

Transforming Harsh Reviews into Positive Results

Many times, harsh reviews can lead to an encouraging change in the workplace. For example, take the supervisor that Rodriguez worked with; after following through with a PIP and working hard to improve, he put himself on the right track and contributed to the overall success of his organization.

“Within a year, this supervisor, having addressed his communication issues, earned a well-deserved promotion,” Rodriguez said. “This experience solidified my belief in the power of honest feedback for driving positive change.”

Source

- Kylie Ora Lobell, "Giving Employees Harsh Reviews with Empathy", March 19, 2024, SHRM.org.

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2.8: REVIEW- Performance Review Template - Forbes

Performance Review Template

Table of Contents

- What Is a Performance Review?
- How To Prepare for a Performance Review
- What To Write in a Performance Review
- After the Performance Review: Follow Up
- Free Performance Review Template
- Performance Review Do's and Don'ts
- When To Use Performance Review Software
- Frequently Asked Questions (FAQs)

Performance review: these two words evoke mixed feelings in managers and employees alike. Some might be excited. Others become intimidated. But most managers feel stressed, because giving constructive performance feedback is a tough task.

You have to walk the fine line between coaching and criticizing. It's easy to slip into the wrong territory. You can avoid this scenario with our tips, examples and a downloadable performance review template.

What Is a Performance Review?

Performance review is a systematic process of evaluating the employee's past performance and articulating future expectations for the job. The purpose of reviews is twofold: Give constructive feedback and suggest the next steps for personal and professional development:

- Managers use performance feedback to motivate employees, prioritize career development opportunities and clarify responsibilities and accountability.
- Employees use performance feedback as a beacon. It helps them reorient their effort toward the right goals and moderate their behaviors accordingly.

Numerous psychological studies suggest that regular, fair and diverse feedback leads to substantial improvements in employee performance. Separately, workplace research suggests that meaningful feedback improves employee engagement levels and prevents talent attrition. But to capture these benefits, you must schedule regular performance reviews for each team member (typically once or twice per year).

How To Prepare for a Performance Review

Performance review is a dialogue between the feedback recipient and the giver. To have an impactful conversation, both parties should take the time to prepare their assessments, examples and commentary.

Without the lead-up work, a performance review session will lack substance and fail to deliver on its core objective—promote desired employee behaviors.

As a Manager

- **Review the past goals and track key performance indicators (KPIs):** Use available metrics to make an objective evaluation of the employee's work.
- **Analyze outcomes, not outputs:** Focus on the employee's positive contributions to the company rather than how many hours or efforts they have put in.
- **Talk to colleagues:** Request additional feedback from the recipient's peers or other line managers who they've interacted with if you have doubts.

- **Set personal biases aside:** Try to cleanse your judgment from common unconscious biases, such as the “halo effect,” “conformity bias,” “affinity bias” and possible -isms.

As an Employee

- **Collect and prepare evidence of your performance:** These can include notable accomplishments, aggregated KPIs, feedback and praise from colleagues and superiors.
- **Think about your career goals:** What would you like to accomplish next? Which career development paths sound appealing to you? Do consider both vertical and horizontal career growth opportunities.
- **Prepare to provide feedback too:** Your employer would be interested in hearing what else the company can do to support your performance.
- **Complete the provided self-assessment form:** Answer the questions honestly. Avoid inflating your personal ratings as this would put you in an awkward position.

What To Write in a Performance Review

Performance review offers an opportunity to speak about the person’s strengths and weaknesses candidly. There’s a fine line between being helpful and overly critical. Less than 20% of United States employees agree that they’ve received meaningful feedback in the last week.

Performance reviews include an evaluation of an employee’s accomplishments, along with a data-based assessment of their strengths, weaknesses and areas for improvement. Effective feedback doesn’t condemn. It guides the employer toward doing better next time.

To provide feedback in a growth-encouraging way, try to phrase your statements in the following way.

Tie your improvement suggestion to past action. Instead of telling the employee to fully change their behavior, indicate how they improve upon past actions. For example:

DON’T = Your data visualizations weren’t great and you should do better next time.

DO = I liked how you brought up data from Power BI [business intelligence] in your presentation. But next time, do spend more time visualizing it.

Put fallout into context. To better articulate the need for change, explain the downstream effects of the employee’s behavior on the team, company and their own career prospects.

DON’T = Your inability to submit new interface layouts on time was rather unfortunate.

DO = Your delay with the new interface layouts has led to a delay in the new website release. The development team couldn’t switch to other tasks because they were waiting up on you—and this also affected timelines on other projects.

Use positive reinforcement. Promote repeat behaviors through appraisal. Acknowledge the person’s strengths and explain how to succeed further—not just avoid failure.

DON’T = You’re definitely good with customer service, but still this doesn’t fully compensate for the lack of qualifications in social selling.

DO = Customer service is your definite strength. If you work further on improving your sales demo techniques, I can see you moving up to the Lead position.

When writing your review feedback, think like a coach—and talk like a mentor.

After the Performance Review: Follow Up

Performance review is a corrective tool. However, to result in meaningful change, it should be paired with supplementary action on goal-setting and progress tracking. Design an accountability mechanism to promote continuous improvements.

Research on performance management suggests that people set higher goals under the condition of accountability. They’re also

more likely to perform better when held publicly accountable, such as the goals known by the manager.

Instead of merely expressing praise and constructive criticism, set up a process for follow-up action. It can be documented either as an employee development plan or a performance improvement plan (PIP).

Employee Development Plan

An employee development plan—also called an employee growth plan—provides workers with a sequential list of tasks they must complete to improve skills and acquire knowledge for new roles.

Show the employee what actions they should take in the future to accomplish a certain goal—get a raise, advance to a new role, secure new responsibilities, and more. Doing so helps retain ambitious talent, improve overall employee engagement rates and perform succession planning.

Here's what to include in an employee development plan:

- Career development prospects: Outline the possible paths and actions required to move to a C-level position.
- Extra training and upskilling: Include a list of suggested programs, certifications or educational courses needed to advance in their role or get considered for a promotion.
- New responsibilities and duties: Suggest how an employee can make a bigger contribution to the company by taking ownership of new initiatives, such as new enterprise resource planning (ERP) system rollout, or allocating extra time to new duties like mentorship).

A full employee development plan sits at the nexus of your company's organizational needs and employees' strong sides.

Performance Improvement Plan

A performance improvement plan (PIP) documents the employee's current shortcomings and outlines corrective steps. A PIP can comment on poor performance ratings, address skill gaps, draw attention to inappropriate past actions—and suggest mandatory follow-up steps.

Unlike an employee development plan, a PIP is designed to address past failures or problematic on-the-job behaviors rather than set the backdrop for future successes. What to include in a performance improvement plan:

- Acceptable performance criteria: Outline general expectations around the employee's on-the-job performance with examples of positive/negative actions.
- Specific KPIs: Present a baseline set of quantifiable goals an employer must meet within the stated period.
- Support resources: Explain how your organization will help them address current shortcomings, such as mandatory training, mentorship and counseling.
- Check-in schedule: State how often you'll provide feedback and set up recurring meetings.
- Consequences: Describe what will happen if the employee doesn't comply with the proposed plan.

If an employee fails to follow the PIP, punitive action may be taken, such as transfer, demotion or termination.

Source

- [Tomas Laurinavicius & Kelly Main, "Performance Review Template & Examples." *Forbes*. April 30, 2024.](#)

2.9: WATCH- Performance Management - A Company Guide

Looking to upgrade your performance management processes? Learn more about key principles, benefits, performance management cycles, and how to best curate a performance management process for your organization.

YouTube Video

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Source: [Performance Management: A Complete Guide](#), Jotform.

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2.10: WATCH- Why Employee Recognition is Essential

Empower your dedicated professionals to thrive!

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Source: [Why Employee Recognition is Essential for Performance Management](#), Guardian Tracking

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3.1: WATCH- Three Rules of Disciplinary Documentation

Disciplinary Documentation

Documentation is one of the most effective tools for managing employee performance and behavioral issues and reducing legal risks. In any situation of employee performance or discipline, we must be poised to think about, write well and then give a well crafted documentation to the employee. Let's explore three critical rules of disciplinary documentation.

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Source: [Three Rules of Disciplinary Documentation](#), GreggU

3.2: WATCH- 7 Tips for Difficult Conversations

Difficult Conversations

This video offers advice for managers on how to have difficult conversations with employees. The video focuses on performance issues, behavioral issues, interpersonal conflicts, and corporate news that may not be well-received. The video provides tips on how to prepare for the conversation, how to communicate effectively, and how to work towards a resolution.

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Source: [Tips for Having Difficult Conversations with Employees](#), HR360Inc

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3.3: WATCH- How to Lead With Radical Candor

Radical Candor

"How can you say what you mean without being mean?" asks CEO coach and author Kim Scott. Delving into the delicate balance between caring and challenging when leading in the workplace, she introduces "radical candor" as the way to give constructive criticism, compassionately.

YouTube Video

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Source: [How to Lead With Radical Candor, Kim Scott | TED](#)

3.4: READ- The Elements of Due Process

The Elements of Due Process

This article is excerpted from Chapter 1 of 101 Sample Write-Ups for Documenting Employee Performance Problems: A Guide to Progressive Discipline & Termination, Third Edition (Amacom/SHRM, 2017), written by Paul Falcone. This is the first in a three part series on progressive discipline and its legal considerations.

Documenting poor performance and progressive discipline is as much an art as it is a science. Unfortunately, most human resources professionals and line managers don't have the time to study the nuances of progressive discipline, workplace due process, summary dismissal, discharge for cause, and the like. Even when that theory is mastered, however, there remains the challenge of incorporating all those ideas into a written memo that adequately documents subpar job performance or workplace conduct.

So it's not surprising that many managers avoid writing up employees like the plague. And without a template to follow and samples to emulate, it's also no wonder that many managers create memos that cannot withstand legal scrutiny. If the objective of any disciplinary system is to create and maintain a productive and responsive workforce, then disciplinary actions, when they occur, should focus on rehabilitating employees by deterring them from repeating past problem behaviors. It is simply a fact of the modern workplace that you as a manager are charged with this responsibility.

Terminated employees who are successful at winning wrongful discharge claims, on the other hand, typically can prove that they were denied due process—what we call progressive discipline. They successfully argue, with the help of their attorneys, that your company breached its de facto obligation of good faith and fair dealing in managing its employees and in following its own policies. So if you've ever scratched your head about losing a case to an employee who flagrantly disregarded work responsibilities, it's probably because an arbitrator concluded that due process was denied.

In other words, if the step formula outlined in your company's progressive discipline policy is violated, or if you fail to properly notify an employee that her job is in jeopardy, then you may end up on the losing end of a wrongful termination suit. Ditto if you dole out punishment (i.e., termination) that doesn't appear to fit the offense. In such cases, arbitrators may conclude that the misuse of your managerial discretion warrants the substitution of their judgment for yours in the handling of a specific worker. Frequently, that results in a lesser penalty (*such as reinstatement plus a written warning instead of termination*).

But what about your rights? Shouldn't workers be held accountable for their actions? Don't you retain any discretion in determining who should play on your team? After all, whose company is it?

With the help of this system of progressive discipline, here's how discharge hearings should play out in the future: An arbitrator asks a former employee/plaintiff in a wrongful discharge action, "I see that your former company offered you an opportunity to take part in an EAP program. Did you contact the EAP?" The former employee's flat response is, "No." The arbitrator then asks, "I see that you were encouraged to fill out a section of this write-up regarding your own performance improvement. It's blank, though. Why is that?" The apologetic response is, "Well, I guess I didn't have time."

The arbitrator continues: "I see. Hmm. Your company paid to send you to a one-day off-site training program on conflict resolution in the workplace. Did you attend that work shop?" The employee responds, "Yes, I did." Finally, the arbitrator closes: "So you attended the workshop that was paid for. Yet you did little else to invest in your own personal improvement. And you signed a document showing that you agreed that if you didn't meet the conditions of the agreement, you would resign or be terminated regardless of the reasons for your failure . . . I see no merit in your argument that you were denied due process or that your organization failed to make reasonable attempts to rehabilitate you. This case is dismissed."

You'll immediately notice how the burden was shifted to the employee in terms of proving that he made a good-faith effort to become a better worker. To make this fundamental paradigm shift occur, however, you have to provide the employee with resources he can use to improve himself: coaching and commitment, training, and material resources. And that's a win for both sides, since you, the employer, focus on helping your workers and they, in turn, are charged with accepting your invitations to improve.

It all begins with due process—your efforts to ensure that the employee understands what the problem is, what she needs to do

correct the problem, what will happen if she doesn't, and how much time she has to demonstrate improvement.

A legal theory called the job as property doctrine states that employment is a fundamental right of American workers and that the loss of employment has such a serious impact on a person's life that individuals should not lose their jobs without the protection of due process as later codified under the Fourteenth Amendment to the Constitution. See Arthur W. (Sherman, Jr., George W. Bohlander, and Herbert J. Chruden, *Managing Human Resources*, 8th Edition (Cincinnati: South-Western Publishing Company, 1988), p. 442.) Affording due process means recognizing the employee's right to be informed of unsatisfactory performance and to have a chance to defend himself and improve before an adverse employment action (such as discharge) is taken.

This *property right* protection places on management an obligation to deal in good faith with employees and to take corrective action measures based on just cause (i.e., good reason). This just cause requirement, in turn, mandates that businesses take corrective action measures only for clear, compelling, and justifiable reasons.

But what exactly are the elements of due process?

First, the employee must understand your expectations and the consequences of failing to meet your performance standards. If a write-up merely documents a performance problem without pointing to the consequences of failure to improve, the write-up will lack the "teeth" necessary to meet due process guidelines.

Second, you've got to be consistent in your application of your own rules. Workers have the right to consistent and predictable employer responses when a rule is violated. In other words, problems cannot be corrected on an ad hoc basis without the employer being perceived as arbitrary, unreasonable, or even discriminatory. Bear in mind as well that, generally speaking, practice trumps policy. In other words, regardless of what your handbook or policy and procedure manual says, your past practices will be scrutinized for consistency.

In addition, failure to follow through on threatened consequences damages the credibility of your disciplinary system and sets an unintended precedent: If Employee A, for example, was forgiven for making certain mistakes, Employees B through Z may arguably have to be forgiven for making those same or similar errors.

Third, the discipline must be appropriate for the offense. Occasional poor performance or a minor transgression (known as a de minimis infraction) is certainly actionable but probably not cause for termination. An employee's performance track record and prior disciplinary history must certainly be taken into account.

Fourth, the employee should be given an opportunity to respond. Administering discipline without allowing employees to give their side of the story is begging for trouble. Unfortunately, of all the elements of due process that should be incorporated in any write-up blueprint, this self-defense principle is the one that's most often lacking.

Fifth, you need to allow the employee a reasonable period of time to improve her performance. Otherwise, your disciplinary actions will appear to be an artificial excuse to get the employee out of the organization.

Several other rules of thumb are important to bear in mind as well when dealing with workplace due process:

- As an employer, you have the right to change your policies at any time. Simply give your employees advance notice of the change, along with its effective date, so that all workers can ready themselves to meet your newly defined expectations.
- Infractions need not be treated identically but should be treated consistently. For example, occasional versus habitual tardiness will typically invoke a different response from the company. In other words, you're not precluded from disciplining Susan who reports to work late on a regular basis just because you didn't discipline Fred who came in late one day last week. Likewise, sleeping on the job can be a significant infraction, but it's certainly less of an issue for a secretary (who may receive a written warning for a first offense) than for a night shift nurse (whose first offense results in a final written warning) or for an anesthesiologist (who is terminated for falling asleep during a medical procedure).
- The *final incident* plays a very significant role in determining how to best respond to any employee infraction: A clean and compelling final incident, in breach of previous documented warnings, makes for a much safer termination should you company later be challenged. Therefore, look especially to the nature of the final incident when considering termination.

Note

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HR Magazine, he's also the author of a number of SHRM best-sellers, including *96 Great Interview Questions to Ask Before You Hire*, *101 Tough Conversations to Have with Employees*, and *2600 Phrases for Effective Performance Reviews*.

3.5: READ- 7 Tips for Effective Employee Discipline Meetings

Whether the meeting is for poor performance or conduct, how you handle it can make the difference between success and failure for employees.

January 8, 2024 | Rita Zeidner

It's one of the unfortunate realities of being a manager: At some point, you're going to have to discipline an employee. But if undertaken carefully and fairly and with the support of your HR department, such confrontations need not be distressing. Keep in mind that, as a manager, you are positioned to play a positive and critical role in helping your workers improve their performance, modify their behavior and ultimately succeed. "The whole process of disciplining is to save someone," says Angela Shaw, SHRM-SCP, senior vice president of talent at Amplify Credit Union in Austin, Texas.

Still, disciplining someone for their poor performance or conduct is never pleasant. Undertaken poorly, such interactions can lead to awkward and testy confrontations that, if botched, can heighten your organization's legal risks or unfairly damage an employee's career prospects. But by following these expert tips, you can help minimize that fallout.

Own Your Employees' Performance Issues

Your first responsibility in handling problematic employee issues is to distinguish between what you should handle personally and what should rest with your HR department. Most organizations empower managers to handle their employees' performance-related issues, such as unsatisfactory work.

As a manager, you are the most familiar with the quality of your employees' work, which makes you best suited to address such situations. "HR does not do the manager's unpleasant tasks," says Don Herrmann, SHRM-SCP, vice president of human resources at We Care Senior Care, Inc. in Green Bay, Wisc. "Managers get to do and should do both the good and not-so-good activities."

Ideally, you've received some type of training from HR on how to handle performance-related issues. But even if you didn't, your organization probably has an employee handbook that spells out performance expectations and steps to take—such as performance improvement plans—when those expectations are not met.

"My spin is that HR should not conduct such meetings," says Christine Walters, SHRM-SCP, an employment attorney who heads the FiveL Company, an HR consultancy in Westminster, Maryland. A manager may ask an HR representative to sit in on an employee performance meeting as a witness, but it should be the employee's manager—not HR—who takes ownership of performance-related issues and follows through on any subsequent consequences, Walters says. "If HR were to conduct the meeting, employees would have nowhere to turn if they think the process is unfair."

Know When to Escalate

It's a different story, however, when it comes to disciplining an employee for conduct-related issues, says Jocelyn King, SHRM-SCP, chief executive officer of VirgilHR, an HR compliance software company in Washington, D.C. Allegations of employee misconduct such as sexual harassment or theft should be left to HR professionals who are trained to conduct appropriate investigations and remain impartial. Involving HR to determine a course of action once a serious allegation is made not only helps ensure the objectivity of the disciplinary process, it's also the best way to protect your organization against allegations of race, sex or age discrimination; anti-union sentiment; or any other management impropriety. "I don't keep managers involved in investigations because I want the investigations to be as neutral as possible," King says.

Be Fair

Giving employees who are facing any type of performance- or conduct-related discipline the chance to defend themselves is an important step toward ensuring the fairness of employee meetings and potential further action. Keep in mind that there are two sides to every story, Shaw says. Give an accused employee the opportunity to tell their side and the chance to write a rebuttal. Doing so "can provide information that HR was not aware of," she advises.

Be Sensitive to Extenuating Circumstances

If, after addressing an employee's problematic behavior, they tell you their conduct or performance issue is a consequence of a medical condition, you should refer that employee to HR. Depending on what the medical condition is, it could trigger employee protections under the Americans with Disabilities Act, the Family and Medical Leave Act, or any number of state and local laws that require accommodation or time off for illness, Walters says. Refusing to accommodate a covered worker may expose your organization to a costly lawsuit.

In such cases, HR should take the lead and have a private meeting with the employee. Once they have a better idea of what is at the heart of the issue, HR should bring you back into the conversation to discuss potential accommodations and a reasonable plan of action that can enable your employee to succeed.

Proceed Gradually and Deliberately

There's been a significant shift in thinking about workplace discipline over the past few decades. Today, many employers think twice before coming down hard on an employee or firing them on the spot for poor performance or for inappropriate conduct involving a first (nonviolent) offense. Instead, it's common for employers to embrace "progressive" discipline and only turn to formal written warnings or punitive steps (such as a suspension or demotion) if lesser actions aren't effective.

For example, King recommends that managers give workers two to three informal verbal warnings before issuing a written warning, which is "much more serious," she says. "It's important to give people the opportunity to adjust their behavior or performance before moving forward with a more formal process that will leave employees feeling quite uncomfortable." However, HR experts advise that managers do keep their own written record of any performance- or conduct-related discussion they have with an employee.

While some organizations require employees to sign a document acknowledging that a counseling session has taken place, not everyone agrees that's necessary or even advisable.

Requiring an employee to sign a document after they've been warned "is very old school," according to Shaw. "You can ask an employee to sign something, but I wouldn't want to make their refusal a firing offense," she advises.

Know Your Legal Requirements

You should help your organization avoid potential legal problems by ensuring that any disciplinary actions are applied consistently and that legally protected groups are not unfairly or disproportionately targeted, legal experts say. In all cases, any proposed discipline should be proportionate to the severity of the alleged infraction.

When a company's workers are unionized, managers—with the support of HR—should always follow contractual or other legal protections, including those that allow a worker who is being counseled or investigated to have a union representative present during relevant meetings, says David Pryzbyski, an employment attorney with Barnes & Thornburg LLP in Indianapolis.

Close the Meeting on a Positive Note

The most important goal of a performance meeting is to deliver the message that things need to change. Walters advises closing such meetings by asking the employee open-ended questions to confirm that they understand what you expect of them. Rather than ask your employee "yes" or "no" questions—such as whether they understand their performance improvement plan, or if they have any questions—Walters suggests asking them to explain what they understand your expectations of them to be.

If possible, end the meeting on a positive note. Thank the employee for their time and insights into the situation, but be clear that there will be follow-up, advises Shaw. Be sure to schedule a time for your next meeting. End by assuring the worker that you sincerely believe in second chances. Shaw recommends using a closing statement such as, "I am sure with our commitment to improving, we will be able to move forward from here successfully."

Rita Zeidner is an award-winning writer in Falls Church, Va., who has been covering HR management issues for various SHRM publications for nearly two decades.

3.6: REVIEW- Last Chance Agreement EXAMPLE

Example: Last Chance Agreement

Date: _____

Employee name: _____

Supervisor name: _____

In lieu of termination, [Company name] is entering into this last chance agreement with [employee name] to provide a final opportunity to [correct behavior, improve performance, etc.] and continue employment.

[Employee name] and [Company name] agree to the following:

On [date], [employee name] [describe the violation or reason for this agreement], which can be grounds for termination. Instead of immediately terminating employment, [employee name] will be suspended from work without pay for [number] business days and subject to a performance improvement plan.

The employee has received a written disciplinary notice dated [date], regarding [violation or reason for this agreement stated above]. This notice includes details regarding [Company name]'s expectations and a performance improvement plan.

The employee understands that this agreement is the employee's last chance to remain employed at [Company name]. Failure to meet all the expectations outlined in the performance improvement plan at any time will result in immediate termination.

The employee understands that [Company name] is an at-will employer and nothing in this agreement is a promise of continued employment. The employee agrees to comply with all company policies, practices and procedures and understands that this agreement in no way prevents the employer from taking disciplinary action, including termination, in the future.

Employee signature: _____ Date: _____

Supervisor signature: _____ Date: _____

Human Resources signature: _____ Date: _____

3.7: REVIEW- Disciplinary Record of Verbal Counseling

Documentation should be one of your favorite words in HR! Good documentation can save you a lot of time and stress. Review this example.

Employee name:	Department:	Supervisor name:
Date of occurrence:	Time:	Location:

The following counseling has taken place (check all that apply and give details in the summary below):

☐ Absence	☐ Harassment
☐ Tardiness	☐ Dishonesty
☐ Violation of company policies and/or procedures	☐ Violation of safety rules
☐ Horseplay	☐ Leaving work without authorization
☐ Smoking in unauthorized areas	☐ Unsatisfactory job performance
☐ Failure to follow instructions	☐ Insubordination
☐ Unauthorized use of equipment, materials	☐ Falsification of records
☐ Other	

Summary of violation:

Summary of corrective plan of action:

Follow-up date(s):

3.8: READ- Progressive Discipline

Progressive Discipline Policy Based on Type of Misconduct

Purpose

The purpose of this policy is to clarify guidelines for employee conduct and to outline appropriate disciplinary steps.

Employment with [Company Name] is “at will,” which means it is subject to termination by either [Company Name] or the employee at any time, for any reason. Nothing in this policy provides any contractual rights regarding employee discipline or counseling, nor should anything in this policy be read or construed as modifying or altering the employment-at-will relationship between [Company Name] and its employees.

Nothing in this policy is intended to, nor should be construed to limit or interfere with employee rights as set forth under all applicable provisions of the National Labor Relations Act, including Section 7 and 8(a)(1) rights to organize and engage in protected, concerted activities regarding the terms and conditions of employment.

Responsibilities of Employees

It is the duty and the responsibility of every [Company Name] employee to be aware of and to abide by existing policies and work rules.

It is also the responsibility of employees to perform their duties to the best of their ability and to the standards set forth in their job descriptions or as otherwise established. Employees are encouraged to take advantage of all learning opportunities available and to request additional instruction when needed.

Responsibilities of Supervisors, Managers and Directors

The immediate supervisor, manager or director should approach corrective measures in an objective manner.

If the employee's performance of assigned tasks is an issue, the supervisor, manager or director should confirm that proper instructions, appropriate orientation and adequate training have been given and that the employee is aware of job expectations. Both single incidents and patterns of poor performance should be of concern.

If misconduct is the issue, the supervisor, manager or director should take steps to ensure that the employee is aware of the company's policies and regulations regarding employee conduct.

If, in either case, appropriate instruction or information was not communicated, the supervisor, manager or director should immediately develop a plan for delivering such instruction or information and should review the content with the employee.

Progressive Discipline Process

[Company Name] supports the use of progressive discipline to address issues such as poor work performance or misconduct to encourage employees to become more productive workers and to adapt their behavior to company standards and expectations. Generally, a supervisor gives a warning to an employee to explain behavior that the supervisor has found unacceptable. There are two types of warnings: verbal and written.

A verbal warning occurs when a supervisor verbally counsels an employee about an issue of concern. A written record of the discussion, noting the date, event and recommended action, is placed in the employee's personnel file for future reference.

A written warning is used for behavior or performance that a supervisor considers serious or when a verbal warning has not helped change unacceptable behavior or performance. The department head, in consultation with human resources (HR), may place the employee on a performance improvement plan (PIP) not to exceed 90 days. Within this time period, the employee must

demonstrate a willingness and ability to meet and maintain the conduct and work requirements specified by the supervisor and the organization. The supervisor and employee should meet regularly to assess the progress of the PIP. If the employee has met the goals and expectations described in the PIP, the supervisor will document that he or she has successfully completed the PIP. If established goals are not met, dismissal may occur.

[Company Name] reserves the right to administer appropriate disciplinary action as needed. Each situation will be dealt with on an individual basis.

Employee Conduct That Can Result in Disciplinary Action

[Company Name] has established general guidelines to govern the conduct of its employees. No list of rules can include all instances of conduct that can result in discipline, and the list of examples below is not exhaustive. Furthermore, sound judgment and common sense should prevail.

Examples of employee conduct that would lead to discipline and the usual course of disciplinary action have been separated into groups according to the usual severity and impact of the infraction. Violations may be handled differently depending on the group they are in and the specific circumstances. [Company Name] reserves the right to determine the appropriate level of discipline for any performance or conduct issues, including oral and written warnings, suspension with or without pay, demotion, and discharge.

Group 1

Disciplinary process:

1st offense: Documented verbal warning.

2nd offense: Documented written warning.

3rd offense: Three-day suspension.

4th offense: Termination of employment.

Examples:

- Failing to follow practices as needed for the specific job assignment.
- Contributing to unsafe conditions.
- Loitering or loafing while on duty.
- Disregarding the organization's dress code.
- Damaging or using organization-owned equipment without authorization.
- Abusing lunch and break periods.
- Violating other rules or policies not specifically listed.

Group 2

Disciplinary process:

1st offense: Written warning.

2nd offense: Suspension.

3rd offense: Termination.

Examples:

1. Failing to report injuries or damage to or an accident involving company equipment.
2. Violating any safety rule.
3. Acting negligently.
4. Engaging in horseplay that results in personal injury or equipment damage.
5. Engaging in vulgar or abusive language or conduct toward others.

6. Copying [identify specific documents] for personal use.
7. Using facility communication systems in violation of company policy.
8. Using excessively abusive, threatening or obscene language.
9. Being absent or tardy or leaving early without notification or permission.
10. Not following department guidelines concerning notification of an absence.

Group 3

Disciplinary process:

1st offense: Dismissal.

Dismissal is the immediate termination of an employee for a serious breach of responsibility, unsatisfactory performance or misconduct. A supervisor or department head may impose dismissal after consultation with the HR department.

Examples:

1. Being absent for three or more days without notification or permission (also referred to as a voluntary quit or job abandonment).
2. Physically fighting or threatening violence in the workplace.
3. Demonstrating insubordination, including: [add a list of specific actions, ensuring they do not violate the employee's rights under the NRLA].
4. Dishonesty, including deception, fraud, lying, cheating or theft.
5. Violating timecard procedures.
6. Sabotaging the facility, grounds or equipment of [Company Name].
7. Falsifying company records, such as employment applications and timecards, in any way.
8. Possessing, being under the influence of or drinking intoxicants on the job.
9. Sleeping while on duty.
10. Concealing defective work.
11. Carrying a weapon on company property, including in the parking lot.
12. Disclosing [identify specific confidential records or information].
13. Soliciting gifts or tips from business-related contracts.
14. Using the facility's computer systems, including accessing confidential computer files and data, without authorization.
15. Demonstrating gross misconduct such as [include specific examples] or other serious violations of [Company Name] policies or procedures.
16. Failing to comply with licensure and certification requirements.

Source: SHRM.org

3.9: WATCH- Tips for Successful Disciplinary Conversation

Successful Employee Disciplinary Meetings

Do you know how to hold a successful employee disciplinary meeting? Many business owners struggle with disciplinary meetings or warnings to employees about performance issues. Venn Law Group attorney Eric Bass provides useful tips on how to conduct a disciplinary meeting.

YouTube Video

This interactive element is not available in this format. Visit the link or scan the QR code to access it online.

[View this YouTube Video online](#)



Source: [How Employers Can Conduct Effective Employee Disciplinary Meetings](#), Venn Law Group

4: OUTLINE INVESTIGATION PROCESS

- 4.1: REVIEW- 9 Steps of Workplace Investigations
- 4.2: READ- Avoid Workplace Investigation Mistakes
- 4.3: READ- CBS to Pay Millions to Settle Sexual Harassment Investigation
- 4.4: READ- How to Conduct a Workplace Investigation
- 4.5: READ- Rise to the Challenge of Remote Investigations
- 4.6: READ- Take Time to Plan Out Your Workplace Investigation Interviews
- 4.7: WATCH- Workplace Investigations
- 4.8: WATCH- Workplace Investigations (HR Basics)

4.1: REVIEW- 9 Steps of Workplace Investigations

9 Common Steps of Workplace Investigations

Review this graphic to learn more about common steps when conducting a workplace investigation.

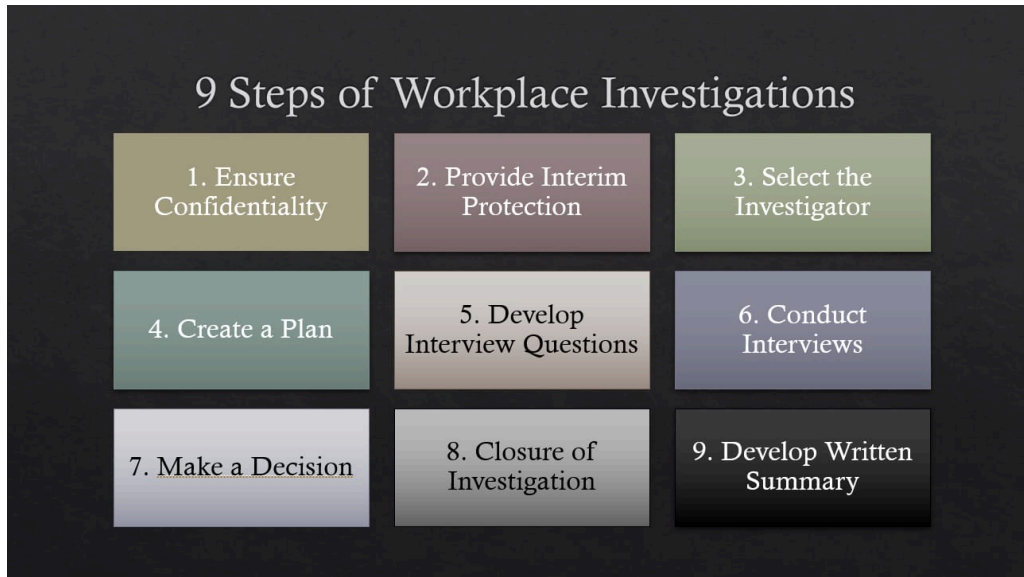


Figure 4.1: Graphic shows 9 steps of workplace investigations: 1. Ensure confidentiality, 2. Provide interim protection, 3. Select the investigator, 4. Create a plan, 5. Develop interview questions, 6. Conduct interviews, 7. Make a decision, 8. Closure of investigation, 9. Develop written summary.

4.2: READ- Avoid Workplace Investigation Mistakes

Avoid Workplace Investigation Mistakes

Article: Learn some common mistakes investigators make -- and how to avoid them.

By Lisa Guerin, J.D. · UC Berkeley School of Law

There are a number of legal traps waiting for companies that conduct an improper investigation or fail to investigate at all. Generally, these traps come in the form of lawsuits brought either by an employee who was a victim of inappropriate behavior in the workplace or by an employee who was disciplined or fired after being accused of misconduct.

In either situation, a company that performed an incomplete, biased, or late investigation—or that never investigated at all—begins the lawsuit in a fairly deep hole. Not only has the company ignored its workers' legal rights, but it has also shown a lack of concern for its workers' well-being, something that many jurors (most of whom are or were employees themselves, not employers) find offensive.

In addition to these legal issues, companies that don't investigate problems or that conduct a half-hearted investigation will face practical problems. These employers are sending precisely the wrong signals to employees, managers, and customers: that they don't want to hear about workplace problems, they don't really care what's going on in their company, and they won't enforce their own workplace rules.

Here are some common investigation errors:

Failing to Investigate

If company management is aware of serious misconduct or dangerous activity in the workplace and doesn't do anything about it, the company could have significant legal exposure.

Generally, any harm that comes to a company's employees—and sometimes, to people who aren't on the payroll, such as customers, clients, or bystanders—after the company has notice of a problem will be the company's legal responsibility.

To avoid the legal problems that can result from failing to investigate, take workplace problems seriously. Never ignore complaints of wrongdoing. Even if a situation seems straightforward, always do some initial research before deciding that an investigation isn't warranted. And make sure you know all the facts before taking disciplinary action against an employee.

Delay

Even if you eventually decide to investigate and do a good job, your company can get into legal trouble if you wait too long to get started.

If an employee suffers harm—from harassment or workplace violence, for example—after you learned about the problem but before you took action, your company will usually be legally responsible to the employee. The longer you postpone the investigation, the more serious that legal liability could be.

Of course, there's a simple solution: Don't delay your investigation. Once you learn of a serious problem or complaint, get moving right away. If you absolutely have to wait a bit before getting started (because the victim is on vacation, for example), document the reasons for the delay.

Inconsistency

Some companies get into trouble by acting inconsistently—that is, by handling similar situations differently. In the employment

arena, inconsistent treatment can lead to claims of discrimination.

An employee who feels that he or she was treated differently because of a protected characteristic—an inherent quality, such as race or gender, which cannot legally form the basis for an employment decision—might bring a discrimination lawsuit.

Avoid discrimination claims by treating similar problems similarly. If you decide to investigate one claim but not another, make sure you have a valid, business-related reason for doing so. If you punish one employee more harshly than another, be prepared to justify the difference.

Retaliation

Your company may not take any negative action against an employee for coming forward with a complaint or participating in an investigation. An employee need not show that he or she was fired or demoted to bring a retaliation claim: Lesser forms of mistreatment might also qualify as retaliation, if they could discourage employees from bringing complaints.

To protect against retaliation claims, warn everyone involved in an investigation that retaliation won't be tolerated. Ask the complaining employee—and perhaps his or her manager—to bring any instances of retaliation to your attention immediately. And if you must separate workers, either move the worker accused of misconduct or make very sure that the worker who complained is in favor of the change you propose.

Failing to Be Thorough

Performing an incomplete or sloppy investigation—by failing to interview key witnesses, neglecting to review important documents, or ignoring issues that come up during the investigation, for example—can have many of the same negative consequences as failing to investigate at all.

If an employee can show that you did an incompetent job, perhaps by hiring an expert witness to testify that you didn't investigate properly, your company will be in an even worse position than if you never investigated in the first place.

Compromising Confidentiality

Loose lips do more than sink ships: They can also torpedo a workplace investigation. From a practical standpoint, talking too much during the investigation—telling a witness what another witness said, revealing your personal opinion to one of the employees involved, or publicizing the complaint in the workplace, for example—can lead others to doubt your objectivity.

They might believe you have already made up your mind and therefore aren't going to investigate fairly. Employees involved in the investigation might change their statements, either subconsciously or intentionally, based on what you say. And you can bet that if you're talking about the investigation, the entire workplace is talking, too, which will lead to a lot of gossip and lost productivity.

Losing Objectivity

You've probably developed some personal opinions about most of the people you work with. It's human nature to like some people more than others. But you have to put these opinions aside and look objectively at the evidence when you conduct a workplace investigation.

If you let your personal feelings and opinions hold sway, you might be accused of discrimination—and the results of your investigation could be called into question.

The best antidote for this problem is to remember your role. When you investigate, you are acting on behalf of the company. If you feel unable to put your personal feelings aside, get some help. Ask someone else within the workplace (or hire an outside investigator) to conduct the investigation or get some advice from a lawyer.

Strong-Arm Interview Tactics

Some investigators are so intent on getting straight answers from the workers they interview that they restrain workers against their will. For example, an investigator might lock the door to the interview room, physically prevent the employee from leaving,

or tell the employee something like "nobody's leaving this room until I find out what really happened." Using physical means to restrain an employee, or taking actions that lead the employee to believe that he or she is not free to go, can lead to a legal claim of false imprisonment.

You can avoid false imprisonment lawsuits by avoiding coercive tactics. If an employee indicates that he or she wants to leave the room or stop an interview, let him or her go. Your company is free to take disciplinary action against an employee who refuses to answer legitimate questions or participate in a workplace investigation. However, you can't use physical means or threats to prevent the employee from leaving.

Invading Employee Privacy

Don't become so zealous in your search for the truth that you invade employees' privacy rights. This can be a tough call; after all, conducting an investigation involves a certain amount of poking around, usually into things that someone doesn't want you to know about. However, if you cross the line from legitimate workplace concerns into private employee property or behavior, you could be inviting a lawsuit for invasion of privacy.

The best way to avoid violating employee's privacy rights is to ask—or search for—only what you need to know. Exercise restraint: Don't search or monitor employees without a good reason. The further you stray from the complaint or alleged misconduct, the more likely you are to violate the rights of your employee under investigation.

Using Polygraphs Improperly

You might believe that the easiest way to get to the bottom of a workplace problem is to require everyone involved to take a lie detector test. In many situations, however, polygraph tests will only lead to trouble.

A federal law, the Employee Polygraph Protection Act strictly limits the circumstances in which an employer can require workers to take a lie detector or polygraph test, and it's not easy to meet the law's requirements.

Learn everything you need to know about conducting legal and effective investigations in *The Essential Guide to Workplace Investigations*, by Lisa Guerin (Nolo).

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Source

- Guerin, J.D., Lisa. [Avoid Workplace Investigation Mistakes](#). *Nolo.com*. April 2023.

4.3: READ- CBS to Pay Millions to Settle Sexual Harassment Investigation

CBS to Pay Millions to Settle Sexual Harassment Investigation

CBS has agreed to pay a \$30.5 million settlement after a state investigation found that the media company knew about and covered up multiple allegations of sexual assault made against former CBS President and CEO Les Moonves.

Company leaders hid the accusations from regulators, shareholders and the public. A senior executive at CBS who knew about the allegations sold millions of dollars of CBS stock in the weeks before the allegations became public, violating New York's laws on insider trading.

The broadcast giant will pay \$22 million to shareholders and \$6 million to sexual harassment and assault programs. Moonves is required to pay \$2.5 million to stockholders whom New York Attorney General Letitia James said initially did not know about the allegations.

"CBS and Leslie Moonves' attempts to silence victims, lie to the public and mislead investors can only be described as reprehensible," James said in a statement. "After trying to bury the truth to protect their fortunes, today CBS and Leslie Moonves are paying millions of dollars for their wrongdoing. Today's action should send a strong message to companies across New York that profiting off injustice will not be tolerated and those who violate the law will be held accountable."

In 2017, a woman filed a report with the Los Angeles Police Department (LAPD) describing an assault by Moonves, according to documents filed in the investigation. An LAPD captain then privately alerted CBS as well as Moonves. Each party tried to prevent the public from learning about the police report, the investigation stated.

In July 2018, The New Yorker published an article about the allegations, causing public uproar. Moonves resigned later that year after facing sexual harassment and physical and sexual assault allegations from at least 12 women.

CBS neither admitted nor denied wrongdoing in the settlement. Moonves had previously called the allegations untrue.

"Candidly, I've seen a lot in my 20-plus years of practicing employment law," said Sandra Jezierski, an attorney with law firm Nilan Johnson Lewis in Minneapolis. "But I was shocked by the level of cover-up that occurred and the fact that an LAPD captain not only shared an unredacted, confidential police report of a sexual assault with Moonves—the perpetrator— and CBS, but also actively assisted in the cover-up."

The #MeToo Movement: Why More Work Must Be Done

The allegations against Moonves arose when the #MeToo movement was gaining popularity. Several high-profile executives, from former New York Gov. Andrew Cuomo to Hollywood producer Harvey Weinstein, were accused of sexual wrongdoing.

By October 2018, more than 200 powerful men had been ousted after public allegations of sexual harassment or assault, according to The New York Times. At least 920 people said one of those men had subjected them to sexual misconduct, and nearly half of the men who were replaced were succeeded by women.

Mark Kluger, founder of law firm Kluger Healey LLC in Fairfield, N.J., said the #MeToo movement has increased awareness of sexual misconduct among employers.

"Since the outset of the #MeToo movement, though, changes in the law, improved training, awareness, and ongoing internal and external pressure from employees and consumers has resulted in much improved mechanisms for addressing issues of workplace sexual harassment and assault," he said.

However, five years after the rise of the #MeToo movement, sexual harassment still runs rampant within workplaces, with a recent survey showing that more than 50 percent of female employees experienced this form of harassment in the past year.

Jezierski said workplaces must take immediate action upon learning of sexual assault and harassment allegations, regardless of whether the alleged perpetrator sits in the C-suite. The CBS investigation shows what can happen when companies do not act on accusations.

"Culture starts from the top," she said. "The message [CBS] executives sent to their employees is that when you sit in the C-suite, you won't be held accountable for your actions—in this case, sexual assault."

Source: SHRM.org

4.4: READ- How to Conduct a Workplace Investigation

How to Conduct a Workplace Investigation

How-to Guide

When an employee makes an informal or formal complaint, the employer should take immediate steps to stop the alleged conflict, protect involved parties and begin investigations. Under many laws (e.g., Title VII, the Americans with Disabilities Act (ADA), the Age Discrimination in Employment Act (ADEA), the Occupational Safety and Health Act (OSHA), the Sarbanes-Oxley Act, state and local nondiscrimination laws), employers are legally obligated to investigate complaints (harassment, discrimination, retaliation, safety and ethical) in a timely manner. In addition, any appropriate corrective action is required to be taken by the employer to ensure illegal actions and behaviors cease immediately.

Responsiveness to a complaint and an investigation will not only yield the best information and evidence, but it will also enhance both the investigator's and the employer's credibility. Investigations can help the organization identify and resolve internal problems before they become widespread. Given that every complaint has the potential to become a lawsuit, employers should investigate every case in a manner in which it can be presented to a court of law, if necessary. As potentially disruptive as investigations can be, they must be prompt, thorough and effective to ensure everyone's protection. The following steps should be taken as soon as the employer receives a verbal or written complaint.

Step 1: Ensure Confidentiality

The employer must protect the confidentiality of employee claims to the best of its ability, being aware that overly broad confidentiality rules can be deemed to unlawfully restrict employees' rights to discuss terms and conditions of employment. At the same time, the employer must conduct a prompt and an effective investigation. Therefore, it may not be possible to keep all information gathered in the initial complaint, such as interviews and records, completely confidential. The employer should explain to the complaining party and all individuals involved in the investigation that all information gathered will remain confidential to the extent possible for a thorough investigation. It should also be explained that to conduct an effective investigation, some information will be revealed to the accused and potential witnesses, but that information will be shared only on a "need to know" basis. An employer should never promise absolute confidentiality to any party involved in the investigation.

Step 2: Provide Interim Protection

One of the first considerations may be the need to take immediate measures for the protection of the accuser or the alleged victim. Separating the alleged victim from the accused may be necessary to guard against continued harassment or retaliation. Actions such as a schedule change, transfer or leave of absence may be necessary; however, complainants should not be involuntarily transferred or burdened. These types of actions could appear to be retaliatory and result in a retaliation claim. The employer and the accuser must work together to arrive at an amenable solution. Employers may wish to seek legal advice prior to making any decisions.

Step 3: Select the investigator

The appropriate investigator should possess all the following:

- An ability to investigate objectively without bias.
- No stake in the outcome. The investigator should not have a personal relationship with the involved parties. The outcome should not directly affect the investigator's position within the organization.
- Skills that include prior investigative knowledge and working knowledge of employment laws.
- Strong interpersonal skills to build a rapport with the parties involved and to be perceived as neutral and fair.
- Attention to detail.
- The right temperament to conduct interviews.

In addition, the investigator should be able to maintain confidentiality, be respected within the organization (because his or her

conclusions will be used to make a determination), have the ability to act as a credible witness and, if internal, have the likelihood of continued employment with the company.

Employers generally use the resources of experienced HR professionals, internal security, legal counsel (inside or outside) or a third-party investigator. There are distinct advantages and disadvantages to each type of investigator that can be selected:

HR staff:

HR is the most common choice. Employers often assign the responsibility for investigations to HR professionals because of their specialized job training as well as prior experience in conducting workplace investigations. HR representatives hold a particular advantage because of their superior interpersonal skills; employees typically feel comfortable with them and are willing to confide in them. HR also has the ability to remain impartial, is familiar with the employees, and has knowledge of the organization and of employment laws. The disadvantage is that employees may associate HR representatives too closely with the organizational management and therefore not perceive them as neutral in the investigation. Additionally, management may object if the HR professional has a close personal connection with the involved employee(s).

Internal security:

These professionals typically have training in investigation methods that allow them to obtain information from sources that a lesser-trained investigator may overlook. Conversely, because of their training and assertive style, internal security representatives may be viewed as intimidating by employees and therefore may become less productive. Employers should consider the specific security personnel's interpersonal skills, personal relationships with those involved and personality or approach to conflict. Security personnel may also have less of an employment law background, thus limiting their ability to conclude whether sources are reliable and potentially admissible in court.

Outside or non-lawyer, third-party investigators:

They are more commonly used when an employer does not have an internal person who possesses the necessary qualifications or the time to conduct the investigation, or if the person accused is among the senior leaders in the organization. They can provide objectivity that an internal investigator may lack. An employer may use former senior-level employees to conduct investigations because of their knowledge of the organization and employees, or a human resource consultant or other independent investigator because of his or her knowledge specific to investigatory methods and techniques.

Legal counsel investigators, both in-house and outside:

These investigators have ethical and privileged considerations. They must disclose to the parties involved in the investigation the purpose of the investigation and the attorney-employer relationship. Legal counsel investigators should clearly disclose that the organization, not the accused employee, is the client. Outside counsel brings objectivity to the investigation but lacks knowledge of the employer's culture and the employees. In-house counsel does have knowledge of company culture and its employees. However, both in-house and outside counsel can be perceived as intimidating, which could restrict the employees' willingness to be open and provide information.

Team approach:

An employer might also consider a team approach. Teams provide a multitude of experience, resources and ideas. A team may make up for areas a single investigator may lack, such as experience, expertise in employment law, the ability to obtain witness information or knowledge of internal issues and culture. Generally, a good team, which is often an outside attorney working with HR, covers all internal and external gaps that would be associated with a single investigator. The team approach provides the ability to collaborate if the accuser, the accused or a witness alters his or her earlier statements.

Step 4: Create a Plan for the Investigation

An investigation must be planned to be effective and properly executed. A complete plan should include an outline of the issue, the development of a witness list, sources for information and evidence, interview questions targeted to elicit crucial information and details, and a process for retention of documentation (e.g., interview notes and e-mails that could be treated as evidence).

The use of all available resources will assist the investigator in developing a proper plan. The Equal Employment Opportunity Commission (EEOC) provides guidelines and definitions to employers on specific topics such as sexual harassment and discrimination. Additionally, numerous online and print sources are available to assist and even provide a step-by-step guide.

Interview Plan Example:

The number of days and amount of time it takes to complete a thorough investigation will vary depending on the circumstances. The following is an example of how an HR professional may organize and complete an investigation:

Day One

(HR should have already reserved a secluded conference room for the entire day.)

The investigator should allow time between interviews to type up notes and adjust to new information, evidence or witnesses. Keeping the investigation flowing as efficiently as possible, the interviewer may conduct interviews earlier or later as needed to allow enough time to gather all the required information. Additional time may be necessary depending on the number of witnesses and amount of information provided.

- 8 a.m. Interview accuser (to clarify details and gather evidence and witnesses).
- 9 a.m. Read over interview notes, and fill in details while still fresh.
- Determine who should be interviewed next: the accused or some of the witnesses.
- 10 a.m. Next interview will potentially be the accused to hear his or her side of the story and to gather evidence and witnesses.
- 11 a.m. Complete notes and prepare for next interview.
- 1 p.m. Interview potential first witness, and take time to complete interview notes.
- 2 p.m. Interview second witness, and take time to complete interview notes.
- 3 p.m. Interview third witness, and take time to complete interview notes.
- 4 p.m. Review notes for entire day, and make plan for second day.

Day Two

(HR should have already reserved a secluded conference room for the entire day.)

- 8 a.m. to 3 p.m. Finish any additional witness interviews.
- Handle any follow-up interviews with accused, accuser or witnesses as needed to clarify information previously discussed or to ask new questions about evidence or information disclosed after the initial interview.
- 3 p.m. to 5 p.m. Review interview notes, evidence and credibility assessment. Establish proposed recommendation for action to present to upper management.

Day Three

- Morning: Discuss proposed resolution with upper management, and decide on final resolution.
- Afternoon: Create any relevant disciplinary actions, warnings or memos.

Day Four

- Morning: Hold closure meeting with accused and accuser separately.
- Afternoon: Write investigation report/summary.

Step 5: Develop Interview Questions

Questions should be developed ahead of time in the planning stage, although additional questions will be added throughout the investigation as more evidence and information are shared. Good questions are relevant and designed to draw out facts without leading the interviewee; they should be open-ended to elicit as much information as possible. The EEOC has sample investigation interview questions (in Section V), and SHRM has sample questions for the accuser and questions for the witnesses.

Step 6: Conduct Interviews

Once the appropriate investigator has been selected, an investigation plan has been developed and interview questions have

been created, interviews can be conducted. The investigator should inform all parties involved of the need for an investigation and explain the investigation process. Caution should be used when stressing confidentiality of the investigation process as this can be seen as interference with employee rights to engage in concerted activity under the National Labor Relations Act (NLRA).

The investigator should focus on being impartial and objective to gather and consider relevant facts. Prevention from pushing the investigation in any particular direction is imperative. The investigator should never offer any opinion or say anything to interviewees that will discredit his or her impartiality. Objectivity must be maintained with every interview.

Taking notes, looking for inconsistencies, and seeking opportunities for more evidence and names of other potential witnesses should be a consideration as well. Asking the employee to write down what happened may help find inconsistencies. There may be a disparity between what the employee is willing to write and what he or she told you in the interview.

Investigators must determine employees' credibility. Interviews provide differing accounts and even conflicting versions of the events. Be aware that the issue is very personal to employees involved. Because of the personal and emotional nature of the issue, their individual perceptions of what happened may be clouded by personal interests, or if their jobs are on the line, they may even lie. Investigators must consider the credibility of the individuals being questioned during an investigation and use techniques (e.g., inherent plausibility, ability, demeanor, motive, motive to falsify, corroboration, past behavior and past accusations) in assessing credibility.

Investigators should be cautious when conducting interviews to avoid any harsh interrogation tactics that could result in charges such as coerced false confessions and false imprisonment.

Step 7: Make a Decision

Through the investigation, the investigator must be careful not to jump to any conclusions before all the facts are available. Once the interviews are conducted, other necessary procedures, such as evidence collection, should be completed. Once any credibility issues have been resolved, the investigator will evaluate all the information for a formal recommendation. The investigator or member of management, as well as legal counsel, should make the final determination of any employment actions that are warranted based on the investigative report. The employer must consider all the parties involved as well as organizational processes, not just whether the accused is guilty, in the final determination.

Step 8: Closure of Investigation

Once a decision is made, the employer should notify both the complaining employee and the accused of the outcome. It is important to let the complainant know that the organization took the complaint seriously and took appropriate action. The organization must ensure the complainant agrees that he or she has been properly heard and understood, even if he or she is not in agreement with the results. The investigator should set a time frame to follow up with the complainant to ensure there are no other issues and that he or she is settling back into the work environment. The employer should encourage communication and follow-up until the complainant is comfortable again. Finally, the investigator should remind all parties to preserve confidentiality as appropriate.

When necessary, employers must take corrective action that is appropriate to the situation, such as discipline or even termination. The employer should:

- Look at any damages incurred by the victim and discuss with legal counsel how to remedy those damages.
- Determine if education, such as sexual harassment training or anger management training, would be beneficial to the individual or all employees.
- Consider if the need exists to review, modify or redistribute workplace policies.
- Determine whether a review of the investigation and complaint resolution processes is necessary.

Step 9: Develop Written Summary Investigation Results

If operating on the premise that every investigation of a serious nature could potentially be heard and reviewed by a court, the employer should consider preparing a final investigative report. The organization should keep a clear paper trail of the evidence, such as examining documentation of previous employee behavior and incidents. The investigator should have a clear record of everything done and any findings as well as other steps taken during the investigation. Employers should also document interviews with the accused, the accuser and witnesses. Investigators should ensure their notes from interviews are as factual as

possible, contain as much relevant information as possible, are dated and indicate the duration and time of the interviews.

The final report should summarize the following:

- The incident or issues investigated, including dates.
- Parties involved.
- Key factual and credibility findings, including sources referenced.
- Employer policies or guidelines and their applicability to the investigation.
- Specific conclusions.
- Party (or parties) responsible for making the final determination.
- Issues that could not be resolved and reasons for lack of resolution.
- Employer actions taken.

The goal of the document is to ensure that if a court, jury or government agency were to review it, the reviewers would conclude that the employer took the situation seriously, responded immediately and appropriately, and had a documented good-faith basis for any actions taken during or as a result of the investigation.

Source

- Lusk, Lacy. "How to Conduct a Workplace Investigation." SHRM.org. October 2024.

4.5: READ- Rise to the Challenge of Remote Investigations

Rise to the Challenge of Remote Investigations

shrm.org/topics-tools/employment-law-compliance/rise-to-challenge-remote-investigations

Investigating workplace issues is rarely easy and doing so remotely can be even harder. Some employers insist on in-person investigatory interviews, even as telecommuting has increased during the coronavirus pandemic. But many now rely on remote investigations, which bring unique challenges: stilted conversations, difficulty making credibility assessments from afar and at-home distractions.

"It is harder to establish rapport with anyone when you are not meeting face to face," said Janene Marasciullo, an attorney with Epstein Becker Green in New York City. "Likewise, it may be difficult to ensure confidentiality of any communications because you and the person you are interviewing are not together, and the person you are interviewing may not have sufficient privacy to speak candidly."

It's also harder to assess credibility without being able to see someone's body language, she added.

Break the Ice

"Every good investigator engages in conversations as opposed to interrogating others," said Jonathan A. Segal, an attorney with Duane Morris in Philadelphia. The goal is to determine what happened relative to the issues subject to investigation, he noted. This is true regardless of how interviews are conducted.

Hon. Rebecca Warren, a retired prosecutor and now an attorney with Norris McLaughlin in Allentown, Pa., had this advice for investigators: "Start with easier questions to develop the interviewee's level of comfort, ask open-ended questions, listen and keep an open mind."

Many believe talking face to face makes for a better interview. "Meeting with someone in person generally helps enhance the potential for a genuine conversation," Segal said.

That's why David Barron, an attorney with Cozen O'Connor in Houston, encourages investigators to consider creative alternatives to onsite interviews while employees are working from home. "It is important to not concede that an investigation has to be done remotely," he said. "There may be middle ground, like meeting at a coffee shop even if offices are closed or the employee is working remotely."

The interview time may have to be compensated, Segal noted.

Warren said one disadvantage of using videoconferencing tools for investigations versus interviews at the office is the inability to make unannounced visits, which she described as "a powerful tactic for an investigator."

"The rationale for such an approach is that a person engaged in misconduct will not have time to think of excuses or fabricate alibis," she explained. "No such surprise can be accomplished via remote interviews, which require advance scheduling."

"Gone are the days when the interviewer chose and controlled the physical location and appearance of the interview venue" in investigations, she added. "Remote interviews truly require an investigator to rethink the mechanics of an interview. What is the best method to observe an interviewee, establish rapport and obtain information?"

Assess Credibility

If interviewing in person isn't feasible, videoconferencing, rather than conducting the investigation by phone, can help with credibility assessments because it allows the investigator to see the interviewee's facial expressions, Marasciullo noted. That will help the investigator know if an interviewee is uncomfortable with a particular subject.

However, it's important to remember that what may appear as discomfort might be attributable to something else. "Some

witnesses prefer not to look directly into the camera or video, which can be mistaken as being not truthful when, in fact, it is simply a function of that person's culture or personal style," cautioned Michelle Phillips, an attorney with Jackson Lewis in White Plains, N.Y.

"Videoconferencing also helps the investigator to distinguish between situations where the witness has finished his or her answer from situations where the witness has paused to collect his or her thoughts or [to] regain his or her composure," Marasciullo said. "It is particularly important to make sure that the witness has finished his or her answer before asking another question." This can be hard during telephone conversations but interrupting witnesses tends to chill communications, she cautioned.

Taking extra care to engage in active listening is one way to establish trust even during remote interviews, noted Molly Batsch, an attorney with Greensfelder in St. Louis.

Minimize Distractions

Distractions may nonetheless interfere with a remote interview. A toddler may be walking around in the background, for example, or there might be a concern with real-time coaching or prompting by a third party off-screen, Warren said.

Marasciullo recommended that, when scheduling a time to talk, employers ask interviewees when they can speak confidentially and without distractions.

If the employee is too distracted during an interview or has a personal issue that has to be addressed, such as with his or her children, reschedule the call, Barron said.

"It is harder to take a break when an interview is being conducted by telephone or video-conference as opposed to an in-person interview," according to Marasciullo.

The investigator should indicate upfront that he or she will take notes to ensure an accurate record of the conversation. "If the investigator needs to pause to finish notes, the investigator should tell the interviewee so he or she does not become uncomfortable during a prolonged silence," she said.

Investigators who fail to take comprehensive notes and prepare thorough reports waste the company's time, said Andre' Caldwell, an attorney with Ogletree Deakins in Oklahoma City.

The same kinds of questions should be asked during a remote interview as in person. Segal said he has noticed a tendency to ask fewer questions in remote interviews. "Be aware of that tendency and avoid it," he cautioned.

When sharing sensitive documents, use a video-conference service that allows the investigator to share his or her screen with the interviewee to avoid delivering copies of the confidential documents by e-mail, Marasciullo recommended.

Uphold the Attorney-Client Privilege

Be careful not to inadvertently waive the attorney-client privilege, Marasciullo cautioned.

If the investigator will be working with an attorney, for example, the two should not use any chat function associated with the video-conference tool, she said, to avoid any possibility that the interviewee might see the communications. Such communications might affect the interviewee's answers, offend the interviewee or result in a waiver of the attorney-client privilege.

Investigators also should avoid using the recording function when using video-conference services because that, too, may lead to a waiver of the attorney-client privilege, she added. In many states, it is illegal to record conversations without the consent of all participants. Moreover, interviewees may be less candid if they know they are being recorded.

Source: SHRM.org

4.6: READ- Take Time to Plan Out Your Workplace Investigation Interviews

Take Time to Plan Out Your Workplace Investigation Interviews

shrm.org/topics-tools/employment-law-compliance/take-time-to-plan-workplace-investigation-interviews

Before you launch a workplace investigation, take the time to plan out how you will conduct your interviews. They will lay the groundwork for everything that will follow.

This article highlights key aspects of an investigation's interview process, from questions to ask to the timing of the investigation. A subsequent article will focus on confidentiality issues arising during investigations.

The planning process for these interviews "does not have to be protracted, but it does need to be thorough," said Martha Boyd, an attorney with Baker Donelson in Nashville, Tenn. "Having a basic outline of your investigatory process, an initial list of witnesses, and an initial review of documents and videos on the front end can save you a lot of time on the back end."

Gather Witnesses and Information

Typically, an investigator starts with a core group of witnesses and then may identify others who they believe have relevant information. "As you start to interview those people, you may realize that they do not have relevant information; their information is cumulative from what you've heard from other people; or they have information that, while interesting, is unrelated to the subject of your investigation," Boyd said.

There's often a temptation to veer off into other topics, particularly if the investigator recognizes the potential for legal liability to the employer, but the investigator needs to resist that inclination and stay focused. "That said, definitely note what you learn about any other potential areas of concern and provide that information to the employer so those new matters can be separately investigated," she said.

Questions to Ask

Here are some possible key questions for the complainant, according to Anne Knox Averitt, an attorney with Bradley in Birmingham, Ala.:

- What happened?
- Who was involved?
- If the complaint is something heard through the grapevine, where did this information come from?
- Who witnessed it?
- What concerns you about it?
- Is there any background information that you think is relevant?

For witnesses:

- What did you observe?
- For any information provided, if not based on firsthand observations, where did that information come from?
- Who did witness it?

For the accused:

- Did this event happen?
- What is your perspective?
- Is there any background information that you think is relevant?
- Do you understand the complainant's perspective?

Investigation Do's and Don'ts

Ideally, the investigator builds a rapport where the accused wants to talk with the investigator again and keeps feeding the investigator information after the interview "because they understand it's a competition for truth-telling," noted Harry Jones, an attorney with Polsinelli in Dallas.

"A solid investigation involves the investigator interviewing the complainant, the accused and witnesses; taking notes; asking open-ended questions; asking follow-up questions; and really drilling down if an answer does not make sense," Boyd said.

"Investigators should not terminate the interview until they have completely exhausted the subject and asked about any inconsistencies in the witnesses' statements," she added. "It is fine to script a few questions in advance, but recognize that you need to allow the flexibility to vary from those questions if the interview elicits more questions."

Whenever possible during an interview, have a third person in the room who can serve as a witness and who can take complete, thorough notes, recommended Tamsin Kaplan, an attorney with Davis Malm in Boston. "Alternatively, only if the [person being interviewed] willingly agrees, interviews can be recorded," she said.

An investigator may also ask, "Is there anything else that you think may be relevant to the current situation that you think would be helpful for me to know?" recommended Renee Inomata, an attorney with Casner & Edwards in Boston.

"Don't assume you know what happened or why, even if this is the fifth person you've interviewed," cautioned Mary Kuntz, an attorney with Kalijarvi, Chuzi, Newman & Fitch in Washington, D.C.

Timing of Interviews

The sooner the investigation can begin, the better, Inomata noted.

"The timing can be critical, not only to ensure the clearest of witness recollections and preservation of evidence, but to convey that an employer is taking the matter seriously and is prioritizing the safety and welfare of its workforce at the same level as other business priorities," she said.

However, the timing of an investigation often depends on the subject matter of the investigation and the availability of witnesses, she added. For example, when the allegations involve potential physical harm to an employee, investigations are usually best begun as close to the incident as possible, she said.

But an allegation of one or two unlawful comments may take more time to investigate, said Catherine Scott, an attorney with Morgan, Brown & Joy in Boston. Investigations can range from days to weeks or months, she noted.

"In some situations, where the alleged victim has taken a medical leave of absence, the investigation may be commenced soon after the allegations have been reported but may not be able to be concluded until after the employee returns from the leave and is able to be interviewed," Inomata said. In other situations, witnesses may scatter, such as after a global sales meeting or conference. Expediency will be important to ensure that all possible witness statements are collected before losing contact with a witness, she noted.

Boyd cautioned, however, that "investigators should never just hand the witness a piece of paper and tell them to write a statement." She added, "People who do not write professionally for a living may struggle to write a coherent statement, and you often end up with something that lacks details, isn't well-constructed and may be internally inconsistent."

Jones emphasized that the investigator may expand or contract the investigation. "Often, I've been told at entry the investigation will be complex," he said. "But when I get into it, I find the entire thing revolves around one or two days and one or two people and one or two documents, upon which all the rest depends."

Source: SHRM.org

This page titled [4.6: READ- Take Time to Plan Out Your Workplace Investigation Interviews](#) is shared under a license and was authored, remixed, and/or curated by Mabel Gehrett.

4.7: WATCH- Workplace Investigations

Workplace Investigations

Jeanette Bicknell describes common issues of workplace investigations.

YouTube Video

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[View this YouTube Video online](#)



Source: [What no one tells you about workplace investigations](#), Bicknell Mediation

4.8: WATCH- Workplace Investigations (HR Basics)

Workplace Investigations (HR Basics)

In this HR Basics, we explore Workplace Investigations, outlining a simple process to ensure consistent and effective fact finding in your organization.

YouTube Video

This interactive element is not available in this format. Visit the link or scan the QR code to access it online.

[View this YouTube Video online](#)



Source: [HR Basics: Workplace Investigations](#), GreggU

5.1: WATCH- Ditch the Drama

Reframe the Situation

How often, when we encounter a problem, have we caught our 'ego' coming in hard and fast driving our reactions and actions? It becomes exhausting, because we continually place ourselves as the center of the action creating 'drama' as victims of micromanaging boss, demanding colleagues, and more. In this thought provoking and pragmatic talk, Cy Wakeman, challenges us all to 'ditch the drama', take our 'ego' out of the picture and reframe what is 'actually' happening. When we do that, we refocus our energy and talent. Not only do we find more creative solutions to our world and the challenges we face, but in doing so live happier and more productive lives.

YouTube Video

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Source: [Ditch the Drama – How to Live Happy in a Messy World](#) | Cy Wakeman | TEDxOmaha

5.2: Conflict- Chapter Introduction



Figure 5.2.1. **Strike** (Credit: Charles Edward Miller/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

Learning Outcomes

After reading this chapter, you should be able to answer these questions:

1. How does conflict arise in organizations?
2. How do you recognize and respond to cultural differences in negotiation and bargaining strategies?

Exploring managerial careers

Conflict at Google

Over the past two years at Google, 48 people have been terminated for sexual harassment. There is a firm policy at Google pertaining to this type of misconduct, but when the effects of these types of events cause an uproar based on reports that a former top executive was paid millions of dollars after leaving Google despite misconduct and harassment allegations, it's important to get to the point of conflict and face it head on.

That's exactly why Chief Executive Officer Sundar Pichai did just that. In an attempt to get ahead of the storm, Pichai wrote an email to explaining that none of the individuals that were asked to leave were given severance packages. Despite this, employees are still feeling upset over such claims.

"The culture of stigmatization and silence *enables* the abuse by making it harder to speak up and harder to be believed," Liz Fong-Jones, who is quoted in the *Times's* story, wrote on Twitter. "It's the abuse of power relationships in situations where there was no consent, or consent was impossible."

After the article came out in the *New York Times* reporting that Google gave Andy Rubin, former Android chief, a \$90 million exit package, it was not just employees that were upset; there was external conflict between the company and Rubin. The media was heavily involved, including Bloomberg, and Rubin used social channels as well, making it even more complicated to counteract the negative comments or come to a resolution. Since the reports of Rubin's actions as well as additional reports regarding Google's permissive culture became public, Google has taken actions to update its policy on relationship disclosure.

This stance from the Google executive team is just one step in the right direction to address a culture that suggests a high level of conflict due to the protection of executives over the safety and well-being of the employees, who may be less likely to report incidents of abuse of power.

Sources

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In all organizations, including Google, some conflict is inevitable. Simply making a decision to do A instead of B often alienates the supporters of B, despite the soundness of the reasons behind the decision. Moreover, the consequences of conflict (and failed negotiations) can be costly to an organization, whether the conflict is between labor and management, groups, individuals, or nations. In an era of increasing business competition both from abroad and at home, reducing conflict is important. For these reasons, contemporary managers need a firm grasp of the dynamics of intergroup and interorganizational conflict and of negotiation processes.

We begin with a discussion of the conflict process, followed by a look at negotiations both within and between organizations.

5.2.1: Conflict in Organizations- Basic Considerations

1. How do you recognize and resolve short- and long-term conflicts among group members and among groups?

By any standard of comparison, conflict in organizations represents an important topic for managers. Just how important it is can be seen in the results of a study of how managers spend their time. It was found that approximately 20 percent of top and middle managers' time was spent dealing with some form of conflict. In another study, it was found that managerial skill in handling conflict was a major predictor of managerial success and effectiveness.

A good example of the magnitude of the problems that conflict can cause in an organization is the case of General Concrete, Inc., of Coventry, Rhode Island. Operations at this concrete plant came to a halt for more than three weeks because the plant's one truck driver and sole member of the Teamsters Union began picketing after he was laid off by the company. The company intended to use other drivers from another of their plants. In response to the picketing, not a single employee of General Concrete crossed the picket line, thereby closing the plant and costing the company a considerable amount in lost production and profit. Could this problem have been handled better? We shall see.

In the sections that follow, several aspects of conflict in organizations are considered. First, conflict is defined, and variations of conflict are considered by type and by level. Next, constructive and destructive aspects of conflict are discussed. A basic model of the conflict process is then examined, followed by a look at several of the more prominent antecedents of conflict. Finally, effective and ineffective strategies for conflict resolution are contrasted. Throughout, emphasis is placed on problem identification and problem resolution.

There are many ways to determine conflict as it relates to the workplace. For our purposes here, we will define **conflict** as the process by which individuals or groups react to other entities that have frustrated, or are about to frustrate, their plans, goals, beliefs, or activities. In other words, conflict involves situations in which the expectations or actual goal-directed behaviors of one person or group are blocked—or about to be blocked—by another person or group. Hence, if a sales representative cannot secure enough funds to mount what she considers to be an effective sales campaign, conflict can ensue. Similarly, if A gets promoted and B doesn't, conflict can emerge. Finally, if a company finds it necessary to lay off valued employees because of difficult financial conditions, conflict can occur. Many such examples can be identified; in each, a situation emerges in which someone or some group cannot do what it wants to do (for whatever reason) and responds by experiencing an inner frustration.

Types of Conflict

If we are to try to understand the roots of conflict, we need to know what type of conflict is present. At least four *types of conflict* can be identified:

1. *Goal conflict.* **Goal conflict** can occur when one person or group desires a different outcome than others do. This is simply a clash over whose goals are going to be pursued.
2. *Cognitive conflict.* **Cognitive conflict** can result when one person or group holds ideas or opinions that are inconsistent with those of others. This type of conflict is evident in political debates.
3. *Affective conflict.* This type of conflict emerges when one person's or group's feelings or emotions (attitudes) are incompatible with those of others. **Affective conflict** is seen in situations where two individuals simply don't get along with each other.
4. *Behavioral conflict.* **Behavioral conflict** exists when one person or group does something (i.e., behaves in a certain way) that is unacceptable to others. Dressing for work in a way that "offends" others and using profane language are examples of behavioral conflict.

Each of these types of conflict is usually triggered by different factors, and each can lead to very different responses by the individual or group.

Levels of Conflict

In addition to different types of conflict, there exist several different *levels* of conflict. *Level* refers to the number of individuals involved in the conflict. That is, is the conflict within just one person, between two people, between two or more groups, or between

two or more organizations? Both the causes of a conflict and the most effective means to resolve it can be affected by level. Four such levels can be identified:

1. *Intrapersonal conflict.* **Intrapersonal conflict** is conflict within one person. We often hear about someone who has an approach-avoidance conflict; that is, she is both attracted to and repelled by the same object. Similarly, a person can be attracted to two equally appealing alternatives, such as two good job offers (approach-approach conflict) or repelled by two equally unpleasant alternatives, such as the threat of being fired if one fails to identify a coworker guilty of breaking plant rules (avoidance-avoidance conflict). In any case, the conflict is within the individual.
2. *Interpersonal conflict.* Conflict can also take form in an **interpersonal conflict**, where two individuals disagree on some matter. For example, you can have an argument with a coworker over an issue of mutual concern. Such conflicts often tend to get highly personal because only two parties are involved and each person embodies the opposing position in the conflict. Hence, it is sometimes difficult to distinguish between the opponent's position and her person.
3. *Intergroup conflict.* Third, conflict can be found between groups. **Intergroup conflict** usually involves disagreements between two opposing forces over goals or the sharing of resources. For example, we often see conflict between the marketing and production units within a corporation as each vies for more resources to accomplish its subgoals. Intergroup conflict is typically the most complicated form of conflict because of the number of individuals involved. Coalitions form within and between groups, and an "us-against-them" mentality develops. Here, too, is an opportunity for groupthink to develop and thrive.
4. *Interorganizational conflict.* Finally, we can see **interorganizational conflict** in disputes between two companies in the same industry (for example, a disagreement between computer manufacturers over computer standards), between two companies in different industries or economic sectors (for example, a conflict between real estate interests and environmentalists over land use planning), and even between two or more countries (for example, a trade dispute between the United States and Japan or France). In each case, both parties inevitably feel the pursuit of their goals is being frustrated by the other party.

The Positive and Negative Sides of Conflict

People often assume that all conflict is necessarily bad and should be eliminated. On the contrary, there are some circumstances in which a moderate amount of conflict can be helpful. For instance, conflict can lead to the search for new ideas and new mechanisms as solutions to organizational problems. Conflict can stimulate innovation and change. It can also facilitate employee motivation in cases where employees feel a need to excel and, as a result, push themselves in order to meet performance objectives.

Conflict can at times help individuals and group members grow and develop self-identities. As noted by Coser:

Conflict, which aims at a resolution of tension between antagonists, is likely to have stabilizing and integrative functions for the relationship. By permitting immediate and direct expression of rival claims, such social systems are able to readjust their structures by eliminating their sources of dissatisfaction. The multiple conflicts which they experience may serve to eliminate the causes for dissociation and to reestablish unity. These systems avail themselves, through the toleration and institutionalization of conflict, of an important stabilizing mechanism.

Conflict can, on the other hand, have negative consequences for both individuals and organizations when people divert energies away from performance and goal attainment and direct them toward resolving the conflict. Continued conflict can take a heavy toll in terms of psychological well-being. As we will see in the next chapter, conflict has a major influence on stress and the psychophysical consequences of stress. Finally, continued conflict can also affect the social climate of the group and inhibit group cohesiveness.

Thus, conflict can be either functional or dysfunctional in work situations depending upon the nature of the conflict, its intensity, and its duration. Indeed, both too much and too little conflict can lead to a variety of negative outcomes, as discussed above. This is shown in Figure 5.2.1.1. In such circumstances, a moderate amount of conflict may be the best course of action. The issue for management, therefore, is not how to eliminate conflict but rather how to manage and resolve it when it occurs.

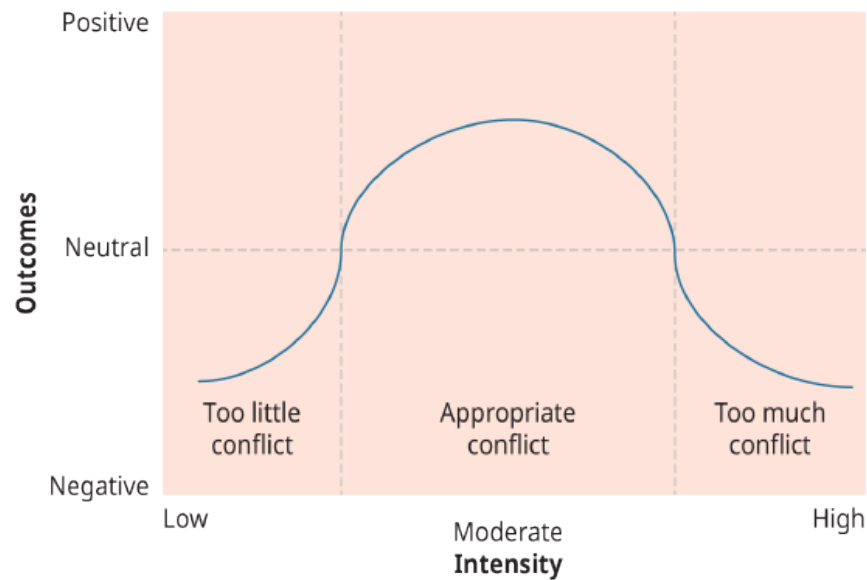


Figure 5.2.1.1 **The Relationship Between Conflict Intensity and Outcomes** Source: Adapted from L. David Brown, *Managing Conflict at Organizational Interfaces*, 1986 by Addison-Wesley Publishing Co., Inc., Reading, Massachusetts, Figure 1.1, p.8. (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

managerial leadership

Executive Conflict Resolution Strategies

A good way to see how conflict can be functional or dysfunctional is to observe the behaviors of many of America's CEOs. Classic examples include the cases of Jack Welch, former chairman of General Electric, and Fred Ackman, former chairman of Superior Oil. Welch enjoyed a good fight and took pleasure in the give-and-take of discussions and negotiations. On one occasion, he engaged a senior vice president in a prolonged and emotional shouting match over the merits of a certain proposal. Several managers who were present were embarrassed by the confrontation. Yet after the argument, Welch thanked the vice president for standing up to him and defending his views. This is what Welch calls "constructive conflict," also termed **constructive confrontation**.

On the other hand, according to one account, Fred Ackman approached conflict quite differently. Ackman has been accused of being autocratic—he often refused even to discuss suggestions or modifications to proposals he presented. Disagreement was seen as disloyalty and was often met with an abusive temper. As one former subordinate said, "He couldn't stand it when someone disagreed with him, even in private. He'd eat you up alive, calling you a dumb S.O.B. . . . It happened all the time."

Many today will suggest that Jack Welch's management approach and the conglomerate approach of GE has led to the company's fiscal problems, while others fault the direction that Jack Welch's successor Jeff Immelt. Others say that leaders at other companies, such as Apple's Tim Cook, are making the same leadership errors as Jack Welch.

Questions:

1. How do you feel you respond to such conflict?
2. Would your friends agree with your assessment?

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concept check

1. How can the use of power help and harm organizations?

5.2.2: Causes of Conflict in Organizations

2. How does conflict arise in organizations?

Here we will examine two aspects of the conflict process. First, several factors that have been found to contribute to conflict will be identified. After this, a model of conflict processes in organizations will be reviewed.

Why Organizations Have So Much Conflict

A number of factors are known to facilitate organizational conflict under certain circumstances. In summarizing the literature, Robert Miles points to several specific examples. These are as follows:

Task Interdependencies. The first antecedent can be found in the nature of **task interdependencies**. In essence, the greater the extent of task interdependence among individuals or groups (that is, the more they have to work together or collaborate to accomplish a goal), the greater the likelihood of conflict if different expectations or goals exist among entities, in part because the interdependence makes avoiding the conflict more difficult. This occurs in part because high task interdependency heightens the intensity of relationships. Hence, a small disagreement can very quickly get blown up into a major issue.

Status Inconsistencies. A second factor is **status inconsistencies** among the parties involved. For example, managers in many organizations have the prerogative to take personal time off during workdays to run errands, and so forth, whereas nonmanagerial personnel do not. Consider the effects this can have on the nonmanagers' view of organizational policies and fairness.

Jurisdictional Ambiguities. Conflict can also emerge from **jurisdictional ambiguities**—situations where it is unclear exactly where responsibility for something lies. For example, many organizations use an employee selection procedure in which applicants are evaluated both by the personnel department and by the department in which the applicant would actually work. Because both departments are involved in the hiring process, what happens when one department wants to hire an individual, but the other department does not?

Communication Problems. Suffice it to say that the various *communication problems* or ambiguities in the communication process can facilitate conflict. When one person misunderstands a message or when information is withheld, the person often responds with frustration and anger.

Dependence on Common Resource Pool. Another previously discussed factor that contributes to conflict is *dependence on common resource pools*. Whenever several departments must compete for scarce resources, conflict is almost inevitable. When resources are limited, a zero-sum game exists in which someone wins and, invariably, someone loses.

Lack of Common Performance Standards. Differences in performance criteria and reward systems provide more potential for organizational conflict. This often occurs because of a *lack of common performance standards* among differing groups within the same organization. For example, production personnel are often rewarded for their efficiency, and this efficiency is facilitated by the long-term production of a few products. Sales departments, on the other hand, are rewarded for their short-term response to market changes—often at the expense of long-term production efficiency. In such situations, conflict arises as each unit attempts to meet its own performance criteria.

Individual Differences. Finally, a variety of *individual differences*, such as personal abilities, traits, and skills, can influence in no small way the nature of interpersonal relations. Individual dominance, aggressiveness, authoritarianism, and tolerance for ambiguity all seem to influence how an individual deals with potential conflict. Indeed, such characteristics may determine whether or not conflict is created at all.

A Model of the Conflict Process

Having examined specific factors that are known to facilitate conflict, we can ask how conflict comes about in organizations. The most commonly accepted model of the conflict process was developed by Kenneth Thomas. This model, shown in Figure 5.2.2.1, consists of four stages: (1) frustration, (2) conceptualization, (3) behavior, and (4) outcome.

Stage 1: Frustration. As we have seen, conflict situations originate when an individual or group feels **frustration** in the pursuit

of important goals. This frustration may be caused by a wide variety of factors, including disagreement over performance goals, failure to get a promotion or pay raise, a fight over scarce economic resources, new rules or policies, and so forth. In fact, conflict can be traced to frustration over almost anything a group or individual cares about.

Stage 2: Conceptualization. In stage 2, the conceptualization stage of the model, parties to the conflict attempt to understand the nature of the problem, what they themselves want as a resolution, what they think their opponents want as a resolution, and various strategies they feel each side may employ in resolving the conflict. This stage is really the problem-solving and strategy phase. For instance, when management and union negotiate a labor contract, both sides attempt to decide what is most important and what can be bargained away in exchange for these priority needs.

Stage 3: Behavior. The third stage in Thomas's model is actual *behavior*. As a result of the conceptualization process, parties to a conflict attempt to implement their resolution mode by competing or accommodating in the hope of resolving problems. A major task here is determining how best to proceed strategically. That is, what tactics will the party use to attempt to resolve the conflict? Thomas has identified five modes for conflict resolution, as shown in Figure 5.2.2.1. These are (1) competing, (2) collaborating, (3) compromising, (4) avoiding, and (5) accommodating. Also shown in the exhibit are situations that seem most appropriate for each strategy.

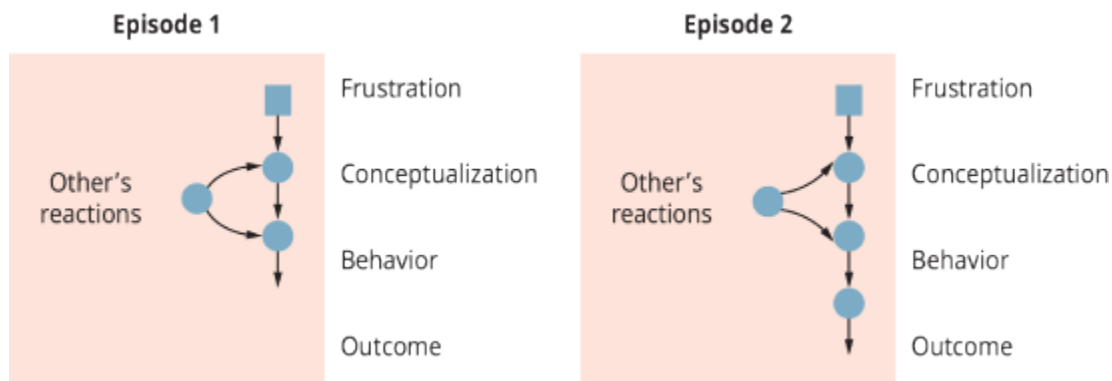


Figure 5.2.2.1. **A Model of the Conflict Process** Source: Adapted from Kenneth Thomas, "Conflict and Conflict Management," in M. D. Dunnette (ed.), *Handbook of Industrial and Organizational Behavior* (New York: Wiley, 1976), p. 895. (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

The choice of an appropriate conflict resolution mode depends to a great extent on the situation and the goals of the party. This is shown graphically in Figure 5.2.2.2. According to this model, each party must decide the extent to which it is interested in satisfying its own concerns—called **assertiveness**—and the extent to which it is interested in helping satisfy the opponent's concerns—called **cooperativeness**. Assertiveness can range from assertive to unassertive on one continuum, and cooperativeness can range from uncooperative to cooperative on the other continuum.

Once the parties have determined their desired balance between the two competing concerns—either consciously or unconsciously—the resolution strategy emerges. For example, if a union negotiator feels confident she can win on an issue that is of primary concern to union members (e.g., wages), a direct competition mode may be chosen (see upper left-hand corner of Figure 5.2.2.2). On the other hand, when the union is indifferent to an issue or when it actually supports management's concerns (e.g., plant safety), we would expect an accommodating or collaborating mode (on the right-hand side of the exhibit).

Five Modes of Resolving Conflict	
Conflict-Handling Modes	Appropriate Situations
Competing	1. When quick, decisive action is vital—e.g., emergencies 2. On important issues where unpopular actions need implementing—e.g., cost cutting, enforcing unpopular rules, discipline 3. On issues vital to company welfare when you know you're right 4. Against people who take advantage of noncompetitive behavior
Collaborating	1. When trying to find an integrative solution when both sets of concerns are too important to be compromised 2. When your objective is to learn 3. When merging insights from people with different perspectives 4. When gaining commitment by incorporating concerns into a consensus 5. When working through feelings that have interfered with a relationship
Compromising	1. When goals are important but not worth the effort or potential disruption of more assertive modes 2. When opponents with equal power are committed to mutually exclusive goals 3. When attempting to achieve temporary settlements to complex issues 4. When arriving at expedient solutions under time pressure 5. As a backup when collaboration or competition is unsuccessful
Avoiding	1. When an issue is trivial, or when more important issues are pressing 2. When you perceive no chance of satisfying your concerns 3. When potential disruption outweighs the benefits of resolution 4. When letting people cool down and regain perspective 5. When gathering information supersedes immediate decision 6. When others can resolve the conflict more effectively 7. When issues seem tangential or symptomatic of other issues
Accommodating	1. When you find you are wrong—to allow a better position to be heard, to learn, and to show your reasonableness 2. When issues are more important to others than yourself—to satisfy others and maintain cooperation 3. When building social credits for later issues 4. When minimizing loss when you are outmatched and losing 5. When harmony and stability are especially important. 6. When allowing subordinates to develop by learning from mistakes.
Source: Adapted from K. W. Thomas, "Toward Multidimensional Values in Teaching: The Example of Conflict Behaviors," <i>Academy of Management Review</i> 2 (1977), Table 1, p. 487.	

Table 5.2.2.1 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

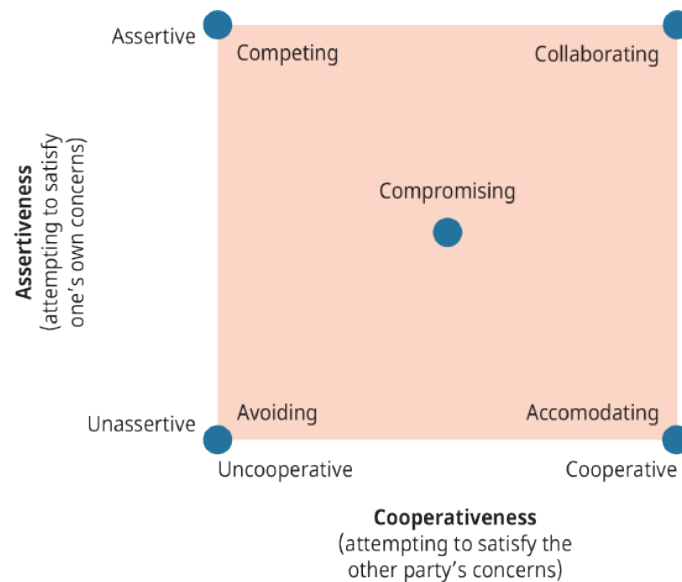


Figure 5.2.2.2 **Approaches to Conflict Resolution** Source: Adapted from Kenneth Thomas, "Conflict and Conflict Management," in M. D. Dunnette (ed.), *Handbook of Industrial and Organizational Behavior* (New York: Wiley, 1976), p. 900. (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

What is interesting in this process is the assumptions people make about their own modes compared to their opponents'. For example, in one study of executives, it was found that the executives typically described themselves as using collaboration or compromise to resolve conflict, whereas these same executives typically described their opponents as using a competitive mode almost exclusively. In other words, the executives underestimated their opponents' concern as uncompromising. Simultaneously, the executives had flattering portraits of their own willingness to satisfy both sides in a dispute.

Stage 4: Outcome. Finally, as a result of efforts to resolve the conflict, both sides determine the extent to which a satisfactory resolution or outcome has been achieved. Where one party to the conflict does not feel satisfied or feels only partially satisfied, the seeds of discontent are sown for a later conflict, as shown in the preceding Figure 14.1.1. One unresolved conflict episode can easily set the stage for a second episode. Managerial action aimed at achieving quick and satisfactory resolution is vital; failure to initiate such action leaves the possibility (more accurately, the probability) that new conflicts will soon emerge.

concept check

1. Describe the process of the conflict model.

5.2.3: Resolving Conflict in Organizations

3. When and how do you negotiate, and how do you achieve a mutually advantageous agreement?

We have discovered that conflict is pervasive throughout organizations and that some conflict can be good for organizations. People often grow and learn from conflict, as long as the conflict is not dysfunctional. The challenge for managers is to select a resolution strategy appropriate to the situation and individuals involved. A review of past management practice in this regard reveals that managers often make poor strategy choices. As often as not, managers select repressive or ineffective conflict resolution strategies.

Common Strategies that Seldom Work

At least five conflict resolution techniques commonly found in organizations prove to be ineffective fairly consistently. In fact, not only do such techniques seldom work—in many cases, they actually serve to increase the problem. Nonetheless, they are found with alarming frequency in a wide array of business and public organizations. These five ineffective strategies are often associated with an avoidance approach and are described below.

Nonaction. Perhaps the most common managerial response when conflict emerges is *nonaction*—doing nothing and ignoring the problem. It may be felt that if the problem is ignored, it will go away. Unfortunately, that is not often the case. In fact, ignoring the problem may serve only to increase the frustration and anger of the parties involved.

Administrative Orbiting. In some cases, managers will acknowledge that a problem exists but then take little serious action. Instead, they continually report that a problem is “under study” or that “more information is needed.” Telling a person who is experiencing a serious conflict that “these things take time” hardly relieves anyone’s anxiety or solves any problems. This ineffective strategy for resolving conflict is aptly named **administrative orbiting**.

Due Process Nonaction. A third ineffective approach to resolving conflict is to set up a recognized procedure for redressing grievances but at the same time to ensure that the procedure is long, complicated, costly, and perhaps even risky. The **due process nonaction** strategy is to wear down the dissatisfied employee while at the same time claiming that resolution procedures are open and available. This technique has been used repeatedly in conflicts involving race and sex discrimination.

Secrecy. Oftentimes, managers will attempt to reduce conflict through *secrecy*. Some feel that by taking secretive actions, controversial decisions can be carried out with a minimum of resistance. One argument for pay secrecy (keeping employee salaries secret) is that such a policy makes it more difficult for employees to feel inequitably treated. Essentially, this is a “what they don’t know won’t hurt them” strategy. A major problem of this approach is that it leads to distrust of management. When managerial credibility is needed for other issues, it may be found lacking.

Character Assassination. The final ineffective resolution technique to be discussed here is **character assassination**. The person with a conflict, perhaps a woman claiming sex discrimination, is labeled a “troublemaker.” Attempts are made to discredit her and distance her from the others in the group. The implicit strategy here is that if the person can be isolated and stigmatized, she will either be silenced by negative group pressures or she will leave. In either case, the problem is “solved.”

Strategies for Preventing Conflict

On the more positive side, there are many things managers can do to reduce or actually solve dysfunctional conflict when it occurs. These fall into two categories: actions directed at conflict *prevention* and actions directed at conflict *reduction*. We shall start by examining conflict prevention techniques, because preventing conflict is often easier than reducing it once it begins. These include:

1. *Emphasizing organization-wide goals and effectiveness.* Focusing on organization-wide goals and objectives should prevent goal conflict. If larger goals are emphasized, employees are more likely to see the big picture and work together to achieve corporate goals.
2. *Providing stable, well-structured tasks.* When work activities are clearly defined, understood, and accepted by employees, conflict should be less likely to occur. Conflict is most likely to occur when task uncertainty is high; specifying or structuring jobs minimizes ambiguity.

3. *Facilitating intergroup communication.* Misperception of the abilities, goals, and motivations of others often leads to conflict, so efforts to increase the dialogue among groups and to share information should help eliminate conflict. As groups come to know more about one another, suspicions often diminish, and greater intergroup teamwork becomes possible.
4. *Avoiding win-lose situations.* If win-lose situations are avoided, less potential for conflict exists. When resources are scarce, management can seek some form of resource sharing to achieve organizational effectiveness. Moreover, rewards can be given for contributions to overall corporate objectives; this will foster a climate in which groups seek solutions acceptable to all.

These points bear a close resemblance to descriptions of the so-called Japanese management style. In Japanese firms, considerable effort is invested in preventing conflict. In this way, more energy is available for constructive efforts toward task accomplishment and competition in the marketplace. Another place where considerable destructive conflict is prevented is Intel.

Managerial leadership

Sustainability and Responsible Management: Constructive Conflict that Leads to Championships

Dealing with conflict lies at the heart of managing any business. Confrontation—facing issues about which there is disagreement—is avoided only at a manager’s peril. Many issues can be postponed, allowed to fester, or smoothed over; eventually, they must be solved. They are not going to disappear. This philosophy not only applies to business but to sports dynamics as well.

Take two NBA all-stars, Kobe Bryant and Shaquille O’Neal. Although they are world-renowned athletes now, when they first started in the NBA, there was plenty of conflict that could have caused their careers to take a much different path.

In 1992, O’Neal was the first player taken in by the NBA draft, he dominated the court with his size and leadership from day one. Four years later, Kobe Bryant, the youngest player to start in the NBA was brought onto the same team: the Los Angeles Lakers. The two were not fast friends, and the trash talk started as Bryant publicly criticized his teammate—and continued for years.

Ultimately in 1999, Phil Jackson was brought in to coach the LA Lakers, and his creative approach to their conflict changed everything. Instead of seeing this tension and ignoring it, or chastising the players for their feud, he used their skills to develop a new way of playing the game. O’Neal brought power and strength to the court, while Bryant was fast and a great shooter. Jackson developed a way of playing that highlighted both of these talents, and he built a supporting cast around them that brought out the best in everyone. The outcome: three NBA championships in a row.

While many may have just ignored or tried to separate the two superstars, Jackson was innovative in his approach, saw the opportunity in using the conflict to create a new energy, and was able to build a very successful program.

Questions:

1. What was the key to the success for Phil Jackson and his team?
2. How would you have approached the two players (or employees) that were in conflict and causing tension on your team?
3. What strategies would have been important to employ with these two individuals to resolve the conflict?

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Strategies for Reducing Conflict

Where dysfunctional conflict already exists, something must be done, and managers may pursue one of at least two general approaches: they can try to change employee *attitudes*, or they can try to change employee *behaviors*. If they change behavior, open conflict is often reduced, but groups may still dislike one another; the conflict simply becomes less visible as the groups are separated from one another. Changing attitudes, on the other hand, often leads to fundamental changes in the ways that groups get along. However, it also takes considerably longer to accomplish than behavior change because it requires a fundamental change in social perceptions.

Nine conflict reduction strategies are shown in Figure 14.5. The techniques should be viewed as a continuum, ranging from strategies that focus on changing behaviors near the top of the scale to strategies that focus on changing attitudes near the bottom of the scale.

1. Physical separation. The quickest and easiest solution to conflict is physical separation. Separation is useful when conflicting groups are not working on a joint task or do not need a high degree of interaction. Though this approach does not encourage members to change their attitudes, it does provide time to seek a better accommodation.
2. Use of rules and regulations. Conflict can also be reduced through the increasing specification of rules, regulations, and procedures. This approach, also known as the bureaucratic method, imposes solutions on groups from above. Again, however, basic attitudes are not modified.
3. Limiting intergroup interaction. Another approach to reducing conflict is to limit intergroup interaction to issues involving common goals. Where groups agree on a goal, cooperation becomes easier. An example of this can be seen in recent efforts by firms in the United States and Canada to work together to “meet the Japanese challenge.”
4. Use of integrators. Integrators are individuals who are assigned a boundary-spanning role between two groups or departments. To be trusted, integrators must be perceived by both groups as legitimate and knowledgeable. The integrator often takes the “shuttle diplomacy” approach, moving from one group to another, identifying areas of agreement, and attempting to find areas of future cooperation.
5. Confrontation and negotiation. In this approach, competing parties are brought together face-to-face to discuss their basic areas of disagreement. The hope is that through open discussion and negotiation, means can be found to work out problems. Contract negotiations between union and management represent one such example. If a “win-win” solution can be identified through these negotiations, the chances of an acceptable resolution of the conflict increase. (More will be said about this in the next section of this chapter.)
6. Third-party consultation. In some cases, it is helpful to bring in outside consultants for third-party consultation who understand human behavior and can facilitate a resolution. A third-party consultant not only serves as a go-between but can speak more directly to the issues, because she is not a member of either group.
7. Rotation of members. By rotating from one group to another, individuals come to understand the frames of reference, values, and attitudes of other members; communication is thus increased. When those rotated are accepted by the receiving groups, change in attitudes as well as behavior becomes possible. This is clearly a long-term technique, as it takes time to develop good interpersonal relations and understanding among group members.
8. Identification of interdependent tasks and superordinate goals. A further strategy for management is to establish goals that require groups to work together to achieve overall success—for example, when company survival is threatened. The threat of a shutdown often causes long-standing opponents to come together to achieve the common objective of keeping the company going.
9. Use of intergroup training. The final technique on the continuum is intergroup training. Outside training experts are retained on a long-term basis to help groups develop relatively permanent mechanisms for working together. Structured workshops and training programs can help forge more favorable intergroup attitudes and, as a result, more constructive intergroup behavior.

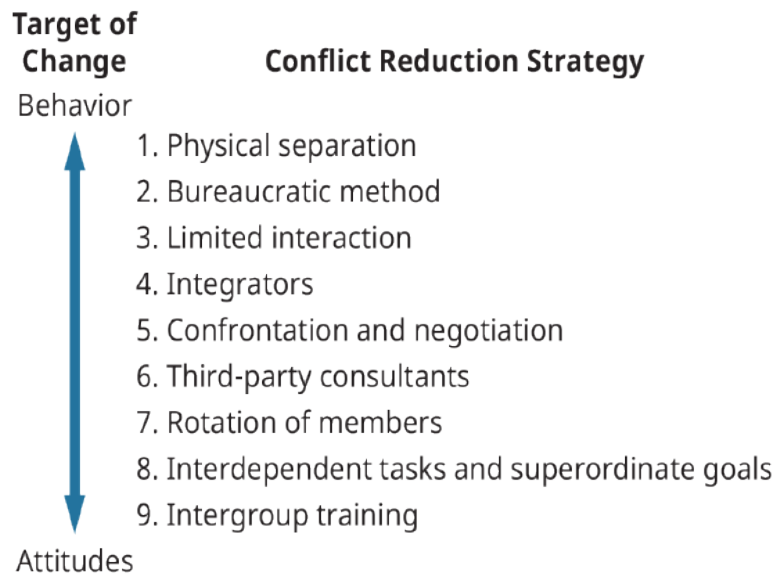


Figure [Extra close brace or missing open brace](#). **Conflict Reduction Strategies** Source: Adapted from concepts in E. H. Neilsen, "Understanding and Managing Conflict," in J. Lorsch and P. Lawrence, eds., *Managing Group and Intergroup Relations* (Homewood, III.: Irwin, 1972). (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

concept check

1. What are the strategies that managers can use that can reduce conflict?

5.2.4: Negotiation Behavior

4. How do you recognize and respond to cultural differences in negotiation and bargaining strategies?

We have seen the central role conflict plays in organizational processes. Clearly, there are some areas where managers would prefer to solve a problem between two parties before it results in high levels of conflict. This is usually accomplished through negotiation. **Negotiation** is the process by which individuals or groups attempt to realize their goals by bargaining with another party who has at least some control over goal attainment. Throughout the negotiation process, considerable skill in communication, decision-making, and the use of power and politics is required in order to succeed.

We will consider several aspects of negotiation, including stages of negotiation, types of negotiation behavior, and the negotiation process itself. We begin with the reasons why people engage in negotiation and bargaining in the first place.

Stages of Negotiation

In general, negotiation and bargaining are likely to have four stages. Although the length or importance of each stage can vary from situation to situation or from one culture to another, the presence and sequence of these stages are quite common across situations and cultures.

1. *Non-task time.* During the first stage, the participants focus on getting to know and become comfortable with each other and do not focus directly on the task or issue of the negotiation. In cultures such as ours, this stage is often filled with small talk. However, it is usually not very long and is not seen as important as other stages. North Americans use phrases such as “Let’s get down to business,” “I know you’re busy, so let’s get right to it,” and “Let’s not beat around the bush.” However, in other cultures such as Mexico or South Korea, the non-task stage is often longer and of more importance because it is during this stage the relationship is established. In these cultures, it is the relationship more than the contract that determines the extent to which each party can trust the other to fulfill its obligations.
2. *Information exchange.* The second stage of negotiations involves the exchange of background and general information. During this stage, participants may, for example, provide overviews of their company and its history. In Japan, this is an important stage because specific proposals or agreements must be considered and decided in the larger context. The information exchanged during the second stage provides this larger context.
3. *Influence and persuasion.* The third stage involves efforts to influence and persuade the other side. Generally, these efforts are designed to get the other party to reduce its demands or desires and to increase its acceptance of your demands or desires. There are a wide variety of influence tactics, including promises, threats, questions, and so on. The use of these tactics as well as their effectiveness is a function of several factors. First, the perceived or real power of one party relative to another is an important factor. For example, if one party is the only available supplier of a critical component, then threatening to go to a new supplier of that component unless the price is reduced is unlikely to be an effective influence tactic. Second, the effectiveness of a particular influence tactic is also a function of accepted industry and cultural norms. For example, if threats are an unacceptable form of influence, then their use could lead to consequences opposite from what is desired by the initiator of such tactics.
4. *Closing.* The final stage of any negotiation is the closing. The closing may result in an acceptable agreement between the parties involved or it may result in failure to reach an agreement. The symbols that represent the close of a negotiation vary across cultures. For example, in the United States, a signed contract is the symbol of a closed negotiation. At that point, “a deal is a deal” and failure to abide by the contents of the document is considered a breach of contract. In China, however, there is not the strong legal history or perspective that exists in the United States, and a signed document is not necessarily a symbol of the close of the negotiations. In fact, to some extent it symbolizes the beginning of the final points of negotiation. The signed document identifies the key issues that still need to be negotiated despite the fact that it may contain specific obligations for the involved parties concerning these issues. Quite simply, even though the document may obligate one party to deliver a product on a certain day and obligate the other party to pay a certain price for delivery, the document itself does not symbolize that the negotiation concerning these specifics is closed.

Each of these four stages and the sequence described above are common across most situations and cultures. However, the length of time devoted to each stage, the importance of each stage, and the specific behaviors associated with each stage can vary by situation and certainly do vary by culture.

Bargaining Strategies

Within the context of these four stages, both parties must select an appropriate strategy that they believe will assist them in the attainment of their objectives. In general, two rather distinct approaches to negotiation can be identified. These are **distributive bargaining** and **integrative bargaining**. A comparison of these two approaches is shown in Table 5.2.4.1.

Distributive Bargaining. In essence, distributive bargaining is “win-lose” bargaining. That is, the goals of one party are in fundamental and direct conflict with those of the other party. Resources are fixed and limited, and each party wants to maximize her share of these resources. Finally, in most cases, this situation represents a short-term relationship between the two parties. In fact, such parties may not see each other ever again.

A good example of this can be seen in the relationship between the buyer and seller of a house. If the buyer gets the house for less money (that is, she “wins”), the seller also gets less (that is, she “loses”). This win-lose situation can also be seen in classes where the professor insists on grading on a specified curve. If your friends get an A, there are fewer As to go around, and your chances are diminished.

Two Approaches to Bargaining		
Bargaining Characteristic	Distributive Bargaining	Integrative Bargaining
Payoff structure	Fixed amount of resources to be divided	Variable amount of resources to be divided
Primary motivation	I win, you lose	Mutual benefit
Primary interests	Opposed to each other	Convergent with each other
Focus of relationships	Short term	Long term

Table 5.2.4.1. (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Under such circumstances, each side will probably adopt a course of action as follows. First, each side to a dispute will attempt to discover just how far the other side is willing to go to reach an accord. This can be done by offering outrageously low (or high) proposals simply to feel out the opponent. For example, in selling a house, the seller will typically ask a higher price than she actually hopes to get (see Figure 5.2.4.1) The buyer, in turn, typically offers far less than she is willing to pay. These two prices are put forth to discover the opponent's resistance price. The **resistance price** is the point beyond which the opponent will not go to reach a settlement. Once the resistance point has been estimated, each party tries to convince the opponent that the offer on the table is the best one the opponent is likely to receive and that the opponent should accept it. As both sides engage in similar tactics, the winner is often determined by who has the best strategic and political skills to convince the other party that this is the best she can get.

Integrative Bargaining. Integrative bargaining is often described as the “win-win” approach. That is, with this technique, both parties try to reach a settlement that benefits both parties. Such an approach is often predicated on the belief that if people mutually try to solve the problem, they can identify some creative solutions that help everyone. A good example can be seen in bilateral trade negotiations between two nations. In such negotiations, participants usually agree that a trade war would hurt both sides; therefore, both sides attempt to achieve a balance of outcomes that are preferable to a trade war for both sides. In doing so, however, the trick is to give away as little as possible to achieve the balance.

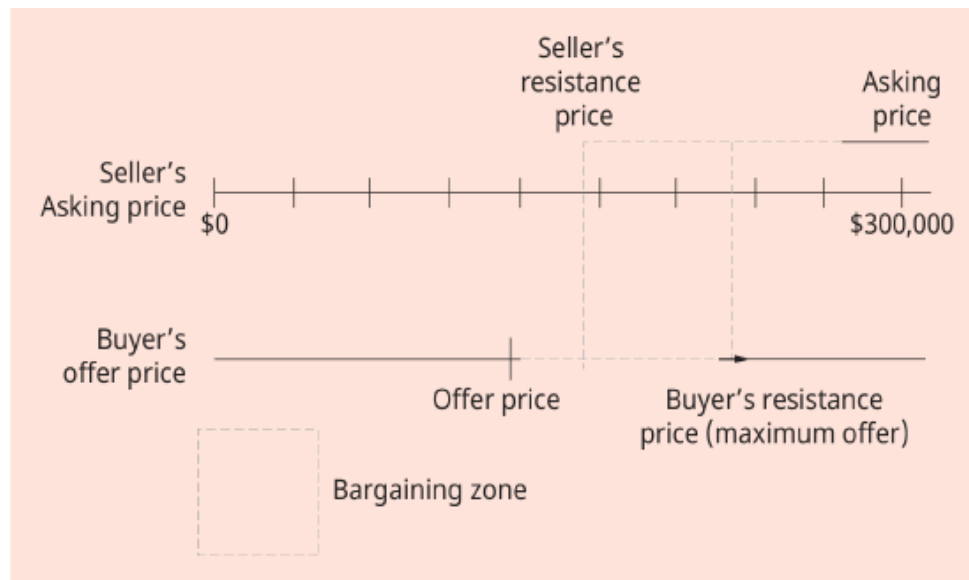


Figure 5.2.4.1. **Distributive Bargaining in Buying a Home** (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

As shown previously in Table 5.2.4.1, this approach is characterized by the existence of variable resources to be divided, efforts to maximize joint outcomes, and the desire to establish or maintain a long-term relationship. The interests of the two parties may be convergent (noncompetitive, such as preventing a trade war between two countries) or congruent (mutually supportive, as when two countries reach a mutual defense pact).

In both cases, bargaining tactics are quite different from those typically found in distributive bargaining. Here, both sides must be able and willing to understand the viewpoints of the other party. Otherwise, they will not know where possible consensus lies. Moreover, the free flow of information is required. Obviously, some degree of trust is required here too. In discussions, emphasis is placed on identifying commonalities between the two parties; the differences are played down. And, finally, the search for a solution focuses on selecting those courses of action that meet the goals and objectives of both sides. This approach requires considerably more time and energy than distributive bargaining, yet, under certain circumstances, it has the potential to lead to far more creative and long-lasting solutions.

The Negotiation Process

The negotiation process consists of identifying one's desired goals—that is, what you are trying to get out of the exchange—and then developing suitable strategies aimed at reaching those goals. A key feature of one's strategy is knowing one's relative position in the bargaining process. That is, depending upon your relative position or strength, you may want to negotiate seriously or you may want to tell your opponent to “take it or leave it.” The dynamics of bargaining power can be extrapolated directly from the discussion of power Table 5.2.4.2 and indicate several conditions affecting this choice. For example, you may wish to negotiate when you value the exchange, when you value the relationship, and when commitment to the issue is high. In the opposite situation, you may be indifferent to serious bargaining.

When to Negotiate		
Bargaining Strategies		
Characteristics of the Situation	Negotiate	“Take It or Leave It”
Value of exchange	High	Low
Commitment to a decision	High	Low
* Indicates relative power distribution between the two parties; “low” indicates that one has little power in the situation, whereas “high” indicates that one has considerable power.		

When to Negotiate		
Bargaining Strategies		
Characteristics of the Situation	Negotiate	"Take It or Leave It"
Trust Level	High	Low
Time	Ample	Pressing
Power distribution*	Low or balanced	High
Relationship between two parties	Important	Unimportant
* Indicates relative power distribution between the two parties; "low" indicates that one has little power in the situation, whereas "high" indicates that one has considerable power.		

Table 5.2.4.2. (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Once goals and objectives have been clearly established and the bargaining strategy is set, time is required to develop a suitable plan of action. Planning for negotiation requires a clear assessment of your own strengths and weaknesses as well as those of your opponents. Roy Lewicki and Joseph Litterer have suggested a format for preparation for negotiation. According to this format, planning for negotiation should proceed through the following phases:

1. Understand the basic nature of the conflict. What are the primary areas of agreement and disagreement?
2. What exactly do you want out of this negotiation? What are your goals?
3. How will you manage the negotiation process? Here, several issues should be recognized:
 - a. Identify the primary issues to negotiate.
 - b. Prioritize these issues.
 - c. Develop a desirable package including these important issues.
 - d. Establish an agenda.
4. Do you understand your opponent?
 - a. What are your opponent's current resources and needs?
 - b. What is the history of your opponent's bargaining behavior? What patterns can you see that can help you predict her moves?



Figure 5.2.4.2. **Negotiating with the Referee** Minnesota Gophers coach, Lindsay Whalen talks to a referee during a University of Minnesota Gophers game against Cornell University. Is this negotiation or persuasion? (Attribution: Laurie Schaul/ flickr/ Attribution 2.0 Generic (CC BY 2.0))

Research indicates that following such procedures does, in fact, lead to more successful bargaining. In Table 5.2.4.3, for example,

we can see differences in both the planning approaches and the actual behaviors of successful and average negotiators. Preparation clearly makes a difference, as does interpersonal style during the actual negotiation.

Differences Between Successful and Average Negotiations		
Negotiation Behavior	Skilled Negotiators	Average Negotiators
<i>Before the Negotiation</i>		
Number of options considered per issue	5.1	2.6
Portion of time spent focusing on anticipated areas of agreement instead of conflict	39%	11%
<i>During Negotiation</i>		
Portion of time spent asking questions of opponent	21%	10%
Portion of time spent in active listening	10%	4%
Portion of time spent attacking opponent	1%	6%
Source: Based on data reported in N. J. Adler and A. Gunderson, <i>International Dimensions of Organizational Behavior</i> 5 th edition (Mason, OH: Cengage Learning, 2008), pp. 165–181.		

Table 5.2.4.3 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Cultural Differences in International Negotiations

In view of the increased emphasis on international industrial competitiveness, it is important to understand what happens when the two parties to a negotiation come from different cultures or countries. A knowledge of cultural differences can assist the manager both in understanding the other party's position and in striking the best possible deal given the circumstances.

A good way to start this analysis is by recognizing how different cultures approach the art of persuasion; that is, how do people in different countries try to win you over to their side in a dispute? Although we cannot possibly examine all cultures, consider the results of a study of differences in *persuasion techniques* for North America, the Middle East, and the former Soviet Union. As can be seen in Table 5.2.4.4, Americans, Arabs, and Russians have significantly different approaches to persuasion. Americans tend to enter into a discussion emphasizing facts and figures, whereas Arabs may focus on emotions. The Russians may talk about ideals.

Moreover, in a negotiation situation, the American is ever-conscious of deadlines, whereas the Arab takes a more casual approach, and the Russian is often unconcerned about time. Americans make small concessions early in the bargaining process to establish a relationship. Arabs, on the other hand, make concessions throughout the bargaining process, and the Russians try not to make any concessions at all. Clearly, this study has only highlighted trends, and exceptions can be easily found. Even so, a knowledge of such differences, however general, can greatly facilitate improved interpersonal relations and bargaining success for both parties.

National Styles of Persuasion			
	North Americans	Arabs	Russians
<i>Primary negotiating style and process</i>	Factual: appeals made to logic	Affective: appeals made to emotions	Axiomatic: appeals made to Ideals
<i>Conflict: opponent's arguments countered with</i>	Objective facts	Subjective feelings	Asserted ideals
Source: Adapted from J. S. Martin, <i>Intercultural Business Communication</i> , (Englewood Cliffs, N.J.: Pearson, 2005).			

National Styles of Persuasion			
	North Americans	Arabs	Russians
<i>Making concessions</i>	Small concessions made early to establish a relationship	Concessions made throughout as a part of the bargaining process	Few, if any, small concessions made
<i>Response to opponent's concessions</i>	Usually reciprocate opponent's concessions	Almost always reciprocate opponent's concessions	Opponent's concessions viewed as weakness and almost never reciprocated
<i>Relationship</i>	Short-term	Long-term	No continuing relationship
<i>Authority</i>	Broad	Broad	Limited
<i>Initial position</i>	Moderate	Extreme	Extreme
<i>Deadline</i>	Very important	Casual	Ignored
Source: Adapted from J. S. Martin, <i>Intercultural Business Communication</i> , (Englewood Cliffs, N.J.: Pearson, 2005).			

Table 5.2.4.4. (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

We can also examine the personal characteristics of negotiators from different countries. A study by John Graham focused on the key characteristics of negotiators from different countries, in this case the United States, Japan, Taiwan, and Brazil. Results of the study are shown in Table 5.2.4.5, which shows the rank order of the defining characteristics. Again, we can see major differences in negotiators from around the world. Each has certain strengths, yet these strengths vary considerably from country to country. Americans are seen as prepared and organized, thinking well under pressure, whereas Japanese are seen as more dedicated and shrewd. Taiwanese negotiators were found in the study to be highly persistent and determined, working hard to win the opponent's respect, and the Brazilians were amazingly similar to the Americans.

Key Individual Characteristics of Negotiators (Rank Order)			
American Managers	Japanese Managers	Chinese Managers (Taiwan)	Brazilian Managers
Preparation and planning skill	Dedication to job	Persistence and determination	Preparation and planning skill
Thinking under pressure	Perceive and exploit power	Win respect and confidence	Thinking under pressure
Judgment and intelligence	Win respect and confidence	Preparation and planning skill	Judgment and intelligence
Verbal expressiveness	Integrity	Product knowledge	Verbal expressiveness
Product knowledge	Listening skill	Interesting	Product knowledge
Perceive and exploit power	Broad perspective	Judgment and intelligence	Perceive and exploit power
Integrity	Verbal expressiveness		Competition
Source: "Key Individual Characteristics of Negotiators" by John Graham, Graduate School of Management, University of California, Irvine.			

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Finally, we should note that negotiators from different countries differ markedly in their verbal and nonverbal *communication patterns*. In one study (again among Americans, representing North America; Japanese, representing East Asia; and Brazilians, representing South America), observers counted the number of times each negotiator did certain things within a given time limit. The results are shown in Table 5.2.4.6. As can be seen, these negotiators use both verbal and nonverbal communication in very different ways. Note, for example, that Brazilians on average said "no" 83 times within a 30-minute segment, compared to 5 times for Japanese and 9 times for Americans. On the other hand, Japanese appealed to ideals and societal norms and simply sat in silence more than the others. Such differences affect not only the negotiation process but also, in many cases, the outcomes. That is, if a negotiator from one culture has annoyed or insulted the opponent (intentionally or unintentionally), the opponent may resist doing business with that person or may fail to offer attractive terms. Hence, again we see the value of better understanding cultural variations in negotiations, as in other matters.

Communication Patterns during Negotiations for Three Cultures			
Tactic	Japan	United States	Brazil
<i>Verbal Communication</i>			
Making promises	7	8	3
Making threats	4	4	2
Making recommendations	7	4	5
Appealing to ideals and norms	4	2	1
Giving a command	8	6	14
Saying “no”	5	9	83
Making initial concessions	6	7	9
<i>Nonverbal Communication</i>			
Periods of silence	6	3	0
Interrupting opponent	12	10	29
Looking directly into opponent's eyes	1	3	5
Touching opponent	0	0	5
Source: Based on data reported in J. Graham, “The Influence of Culture on Business Negotiations,” Journal of International Business Studies, Spring 1985, pp. 81–96.			

Table 5.2.4.6 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

Concluding Thoughts about Conflict and Negotiations

One of the classic negotiations approaches that you might encounter is the book, *Getting to Yes*. This book expound the authors favored method of conflict resolution, which they term *principled negotiation*. This method attempts to find an objective standard, typically based on existing precedents, for reaching an agreement that will be acceptable to both interested parties. Principled negotiation emphasizes the parties’ enduring interests, objectively existing resources, and available alternatives, rather than transient positions that the parties may choose to take during the negotiation. The outcome of a principled negotiation ultimately depends on the relative attractiveness of each party’s so-called **BATNA**: the “Best Alternative To a Negotiated Agreement”, which can be taken as a measure of the objective strength of a party’s bargaining stance. In general, the party with the more attractive BATNA gets the better of the deal. If both parties have attractive BATNAs, the best course of action may be not to reach an agreement at all.

Conflict is most likely to occur when the goals, expectations, and/or behaviors of at least two parties differ and when those differences are difficult to avoid (such as when interdependence among the parties involved is high). Conflict itself is neither good nor bad, productive nor destructive. The key to the outcome of conflict is the manner in which it is managed. Negotiation, as a key means of managing conflict, has four distinct stages. However, the length, importance, and norms for each stage can vary by situation and especially by culture.

Expanding around the globe

Negotiating Styles in Malaysia and America

One of the emerging countries in Southeast Asia is Malaysia, whose natural resources and stable economic growth are allowing it to develop as an important manufacturing center in the region along with Singapore, Indonesia, and Thailand. What happens when American businesspeople visit Malaysia to do business? In the following example, cross-cultural researcher George Renwick describes major differences between the two cultures as they approach a negotiation.

Americans' patterns of negotiation, like all of their patterns, differ somewhat depending upon their context. The negotiating patterns of government officials working out a treaty, for example, are somewhat different from those of a business executive "hammering out" a contract. The pattern portrayed here will be that of the business executive.

The American businessperson usually begins a series of negotiating sessions in a cordial manner, but he is intent on getting things under way. He is very clear as to what he and his company want, when it is wanted, and how he will go about getting it; he has planned his strategy carefully. And he has done what he could to "psyche out" his counterpart, with whom he will be negotiating. From the outset, the American negotiator urges everyone to "dispense with the formalities" and get on with the business at hand. As soon as possible, he expresses his determination, saying something like, "Okay, let's get down to brass tacks."

The American usually states his position (at least his first position) early and definitely. He plans before long to "really get down to the nitty gritty." He wants to "zero in" on the knotty problems and get to the point where "the rubber meets the road" (the point, that is, where "the action" begins). Once the negotiations are "really rolling," the American usually deals directly with obstacles as they come up, tries to clear them away in quick order, and becomes impatient and frustrated if he cannot.

Most of what the American wants to convey, of course, he puts into words—often many of them. His approach is highly verbal and quite visible—and thoroughly planned. He has outlined his alternative ahead of time and prepared his counterproposals, contingencies, backup positions, bluffs, guarantees, and tests of compliance, all carefully calculated, and including, of course, lots of numbers. Toward the end, he sees that some bailout provisions are included, but he usually doesn't worry too much about them; making and meeting business commitments "on schedule" is what his life is all about—he is not too concerned about getting out. If he has to get out, then he has to, and he will find a way when the time comes.

The American experiences real satisfaction when all the problems have been "worked out," especially if he has been able to get provisions very favorable to his company—and to his own reputation as a "tough negotiator." He rests securely when everything is "down in black and white" and the contract is initialed or signed.

Afterward, the American enjoys himself; he relaxes "over some drinks" and carries on some "small talk" and "jokes around" with his team and their counterparts.

Malay patterns of negotiation, as might be expected, differ considerably. When they are buying something, Malays bargain with the merchant, and when they are working, they socialize with their boss and coworkers. Their purpose is to develop some sense of relationship with the other person. The relationship then provides the basis, or context, for the exchange. Malays take the same patterns and preferences into their negotiating sessions. When all is said and done, it is not the piece of paper they trust, it is the person—and their relationship with the person.

A Malay negotiator begins to develop the context for negotiations through the interaction routines appropriate to this and similar occasions. These routines are as complicated and subtle as customary American routines; they are cordial but quite formal. Like Americans and their own routines, Malays understand the Malay routines but are seldom consciously aware of them. Neither Malays nor Americans understand very clearly the routines of the other.

As the preliminary context is formed, it is important to the Malay that the proper forms of address be known beforehand and used and that a variety of topics be talked about that are unrelated to the business to be transacted. This may continue for quite a while. A Malay negotiator wants his counterpart to participate comfortably, patiently, and with interest. As in other interaction, it is not the particular words spoken which are of most importance to the Malay; rather he listens primarily to the attitudes which the words convey—attitudes toward the Malay himself and toward the matter being negotiated. Attitudes are important to the relationship. At this point and throughout the negotiations, the Malay is as much concerned about the quality of the relationship as the quantity of the work accomplished. Motivation is more important to the Malay than momentum.

The Malay negotiator, as in other situations, is also aware of feelings—his own and those of his counterpart, and the effects of the exchanges upon both. He is also aware of, and concerned about, how he looks in the eyes of his team, how his counterpart looks in the eyes of the other team, and how both he and his counterpart will look after the negotiations in the eyes of their respective superiors.

The Malay is alert to style, both his own and that of his counterpart. Displaying manners is more important than scoring points. The way one negotiates is as important as what one negotiates. Grace and finesse show respect for the other and for the matter under consideration. Negotiating, like other interaction, is something of an art form. Balance and restraint are therefore essential.

The agenda that the Malay works through in the course of the negotiation is usually quite flexible. His strategy is usually rather simple. His positions are expressed in more general terms than the American's, but no less strongly held. His proposals are more offered than argued: they are offered to the other party rather than argued with him. Malays do not enjoy sparring. They deeply dislike combat.

In response to a strong assertion, the Malay negotiator usually expresses his respect directly by replying indirectly. The stronger the assertion and the more direct the demands, the more indirect the reply—at least the verbal reply.

The Malay and his team usually formulate their positions gradually and carefully. By the time they present their position, they usually have quite a lot of themselves invested in it. Direct rejection of the position, therefore, is sometimes felt to be a rejection of the person. Negotiating for the Malay is not quite the game that it is for some Americans.

If the Malay and his team have arrived at a position from which they and those whom they represent cannot move, they will not move. If this requires a concession from the counterpart, the Malays will not try to force the concession. If the counterpart sees that a concession from him is necessary, and makes it, the Malays, as gentlemen, recognize the move and respect the man who made it. A concession, therefore, is not usually considered by the Malay team to be a sign that they can press harder and extract further concessions. Instead, a concession by either side is considered as evidence of strength and a basis for subsequent reconciliation and cooperation.

What about getting out a contract? Making and meeting business commitments is not what a Malay's life is all about. He has other, often prior, commitments. He therefore enters into contracts cautiously and prefers to have an exit provided.

In addition, Malays are certain of their control over the future (even their control of their own country) than are Americans. Therefore, promising specific kinds of performance in the future by specific dates in a contract, especially in a long-term contract where the stakes are high, is often difficult for Malays. It is even more difficult, of course, if they are not certain whether they can trust the persons to whom they are making the commitment and from whom they are accepting commitments. Malays therefore give a great deal of thought to a contract and to the contracting party before signing it. And they are uneasy if provisions have not been made for a respectable withdrawal should future circumstances make their compliance impossible.

Questions:

1. How are the different approaches important to understanding negotiations and cultural differences?

Sources:

G. Renwick, *Malays and Americans: Definite Differences, Unique Opportunities* (Yarmouth, Maine: Intercultural Press, 1985), pp. 51–54.

Concept check

1. Understand the strategies in bargaining.
2. Understand the role that cultural differences have in the negotiation process.

5.3: WATCH- The 5 Conflict Styles

Dealing with Conflict

In this video, we discuss the 5 conflict styles people use when it comes to dealing with conflict in interpersonal relationships. Conflict is a natural part of human interaction, and understanding the different types of conflict resolution or conflict management styles can help you navigate challenging situations.

YouTube Video

This interactive element is not available in this format. Visit the link or scan the QR code to access it online.

[View this YouTube Video online](#)



Source: [The 5 Conflict Styles - Which Is Yours?](#), Brainy Dose

5.4: WATCH- Why There's So Much Conflict at Work

Conflict in the Workplace

We usually think of conflict as something that happens between people, so when there's conflict at work, we tend to blame the people involved, and expect them to straighten things out. But people are just the part of the story that's easiest to see, according to Liz Kislik, a management consultant and business coach.

YouTube Video

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Source: [Why There's So Much Conflict at Work and What You Can Do to Fix It](#) | Liz Kislik | TEDxBaylorSchool

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5.5: WATCH- How to Eliminate Workplace Bullying and Incivility

Workplace bullying is on the rise even though companies are focusing more on inclusive and empathic cultures. The current trend towards empathic work environments without proper education and support results in significantly more toxic behavior.

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6: CONSTRUCT EFFECTIVE TERMINATION PROCESS

6.1: READ- Right and Wrong Ways to Terminate

6.2: READ and WATCH- Viral Video Draws Attention to Layoff Process via Zoom

6.2.1: READ- Best Practices for Firing an Employee for Poor Performance

6.2.2: READ- Viral Video Draws Attention to Layoff Process via Zoom

6.2.3: WATCH- Woman Divides Internet After Recording Own Termination

6.3: READ- How Should an Employer Terminate a Remote Employee

6.4: READ- What to Include - and Not Include - In a Termination Letter

6.5: REVIEW- Letter of Termination for Cause EXAMPLE

6.6: READ- What is Job Abandonment?

6.7: WATCH-The Termination Meeting

6.8: WATCH- How to Fire With Compassion

6.1: READ- Right and Wrong Ways to Terminate

Article: Right and Wrong Ways to Terminate

When it comes to poor-performing employees—even those who've been put on notice, given an improvement plan and had plenty of time to turn around—some managers are reluctant to show them the door.

It may be because a supervisor is too lenient, is afraid of being sued or doesn't like giving up on employees, especially if someone's having a rough time at home or has been with the company for years.

But sometimes, workplace experts said, the reason is that managers just don't know how.

Good managers need to think at least six months in advance before terminating a worker, said the experts, who add that they, too, often watch supervisors make mistakes during firings, which can lead to unnecessary ill will, a tarnished reputation or expensive lawsuits.

Eric Meyer, a partner in Philadelphia-based Dilworth Paxson LLP's labor and employment group, said one of the biggest mistakes employers make is failing to properly document the reason for a disciplinary termination. HR managers and the employee's supervisor should carefully measure the individual's poor performance or noncompliance against company policies long before the termination discussion.

"Employers should review the employee's file, make sure the reason for the termination holds water and make sure the termination decision is consistent with the company's practices and policies," Meyer advised.

To avoid negative repercussions such as wrongful-termination lawsuits, companies should have written procedures for firing employees, said Rob Wilson, CEO of Employco USA, a human resource outsourcing company based in Westmont, Ill. During the termination meeting with the employee, it's important to present all documents about job performance, such as work reviews and written warnings, he stressed.

"Be sure to explain clearly, yet courteously, as to the grounds for termination, avoiding debate on the issue," Wilson said. "Handle the termination with a human element, treating them as a person and not a number, and be sure to keep the termination confidential, to maintain the former employee's privacy."

Even companies that operate in states that allow them to fire workers "at will"—that is, with or without cause or notice—should still articulate a business reason, according to April Boyer, partner in K&L Gates' labor, employment and workplace safety practice. This step can help protect an employer should a worker file a lawsuit claiming his firing was illegal.

Meyer said it's also important to have a witness present.

"Two people should do the termination," he said. "One person should take notes of what is said. If there is litigation, this will avoid a dispute about what was said."

Other mistakes, he noted, include categorizing a disciplinary termination as a mere "layoff" and deviating from disciplinary policy by creating exceptions for certain employees.

Boyer, too, has seen HR managers make plenty of mistakes when firing people. They include:

Not considering protected characteristics. "Be certain that the employee's age, marital status, race, gender, pregnancy status, request for FMLA leave, sexual orientation, disability, religion, national origin or other protected activities—such as whistle-blowing acts or complaints of discrimination or harassment—are not considered in the decision to discharge the employee," Boyer said.

Communicating the decision inaccurately. "Be honest," she said. "Be concise. Do not talk too much. Do not argue. Do not apologize. Do not soften the message. If there is litigation, this will avoid a conflict between the company's reason for terminating the employee and what was communicated to the employee. Let the employee express himself or herself at the end of your comments." Moreover, if someone is let go for performance reasons, don't send other workers an e-mail praising the employee's

dedication and hard work and reporting that the employee resigned, Boyer stressed.

Failing to consult with an attorney ahead of time. “The legal fees incurred to consult with an attorney before terminating an employee are minor compared to the cost of litigating a termination that is not handled properly,” Boyer warned.

Failing to retrieve company property.

Also important, Wilson said, is helping terminated employees move forward by offering the following:

Outplacement services: These services help people write resumes, hone their interview skills and learn to network.

Financial transition planning: Fired employees can benefit from advice on finding a new job that pays enough to cover their bills. This type of service can also assist with 401(k) and other retirement planning.

Upfront compensation: At the time of termination, provide the employee’s accrued salary to him or her in person, with a paper check. At the same time, financially compensate the person for remaining vacation days or paid-time-off days.

Source

- Wilkie, Dana. "Right and Wrong Ways to Terminate." *SHRM.org*. September 2013.

6.2: READ and WATCH- Viral Video Draws Attention to Layoff Process via Zoom

In early January 2024, tech employee Brittany Pietsch, who worked at Cloudflare, posted a nine-minute TikTok video of herself getting fired. During the firing, she seems surprised, asking the Cloudflare representatives—none of whom were her manager—why she was being let go. To Pietsch, it came out of nowhere. She said she had worked hard and hadn't heard any negative feedback prior to this. The representatives responded that she wasn't meeting 2023 performance expectations, but she said this was the first she was hearing about it, having received only positive feedback from her manager.

YouTube Video

This interactive element is not available in this format. Visit the link or scan the QR code to access it online.

[View this YouTube Video online](#)



Source: [Woman divides the internet after recording herself being fired!](#), Newsflare.

This page titled [6.2: READ and WATCH- Viral Video Draws Attention to Layoff Process via Zoom](#) is shared under a license and was authored, remixed, and/or curated by Mabel Gehrett.

6.2.1: READ- Best Practices for Firing an Employee for Poor Performance

Article: Best Practices for Firing an Employee for Poor Performance

In early January, tech employee Brittany Pietsch, who worked at Cloudflare, posted a nine-minute TikTok video of herself getting fired. During the firing, she seems surprised, asking the Cloudflare representatives—none of whom were her manager—why she was being let go. To Pietsch, it came out of nowhere. She said she had worked hard and hadn't heard any negative feedback prior to this. The representatives responded that she wasn't meeting 2023 performance expectations, but she said this was the first she was hearing about it, having received only positive feedback from her manager.

The video went viral, with many viewers expressing their sympathy for Pietsch. The chief executive of Cloudflare, Matthew Prince, spoke up: "No employee should ever actually be surprised they weren't performing," he said. "We don't always get it right."

There are practices employers should—and should not—follow when firing an employee for poor performance. Primary among best practices is to be honest with employees about how their performance is being evaluated.

"Overwhelmingly, I've seen that these [social media] posts [of workers being fired] are in response to a feeling of surprise," said Parker Gilbert, CEO and co-founder at Numeric.io, a company in San Francisco with 20 employees. "Without an understanding of why they were fired or any inclination that it was on the table for consideration, employees feel blindsided and that it was unfair."

Here are best practices for managers and HR to follow when considering firing an employee for poor performance.

Document the Poor Performance

It's crucial to formally document poor performance when it occurs. At Numeric.io, the team manages feedback in their HR system, Rippling, and they enter feedback at least every six months. If there are performance concerns, managers input feedback more often. When managers schedule one-on-one meetings with employees whose performance isn't up to par, Gilbert suggests that managers put performance on the meeting agenda, "so it's documented when and how you brought up the topic," he said.

Dan Dillon, founder at CleanItSupply.com, a Philadelphia-based company with more than 100 employees, also makes sure his team keeps records of poor performance and sets clear key performance indicators.

He said documenting performance and communicating about it is part of ensuring "fairness and providing chances for improvement while preparing for any eventualities."

Hold Regular, Frequent Performance Discussions

Some companies make the mistake of only having annual performance reviews. If they want to make employees aware of performance issues and foster dialogue and transparency, they'll need to communicate more often than that.

"Saving up feedback for the annual review will not provide ongoing dialogue about performance," said Diane Rosen, a workplace expert and a principal at Compass Consultants. "Conversations should be held throughout the year which inform the employee what the issues are, together with co-creating action plans to help the employee move in a positive direction."

Give Specific Examples

When going over a performance review, managers and HR need to make sure that they provide clear examples of the work that wasn't up to par, as well as what "good" would look like, according to Gilbert. Following this practice, managers and HR leaders who decide to fire an employee are "able to clearly frame the decision in context of performance," he said, "and the individual has been given opportunities to grow and increase their quality of work."

Ask Your Attorney for Guidance

Before firing an employee, it's crucial to consult with counsel, whether or not they're in house. This is especially important if the employee has been getting good reviews, advancing and has been compensated commensurate with better-performing workers, since they won't be anticipating termination, according to Rosen. Those employees may be more likely to sue for wrongful termination.

"Because we live in a highly litigious society, employers may have to provide warnings, etcetera, all of which would be documented, before terminating," she said. "Involving counsel is especially important if the employee has a contract that outlines what does/does not constitute 'cause' and therefore, getting it wrong could come with a hefty price tag. It is also important to follow internal policy, which must be enforced consistently."

Figure Out a Path Forward

In many cases, managers and HR might not have to resort to firing. Instead, they can give underperforming employees guidelines for how to improve. A performance improvement plan (PIP) can be a step-by-step guide to show employees the specific criteria they must meet to stay on the job. Communication and feedback are critical to this process.

"The goal of a performance improvement program, in our view, is that we want to invest in that employee and see if we can get them to meet the expectations of the role they signed on and were hired for," said Erika Sinner, CEO and founder of Directorie, a virtual company with 22 employees. "In our own culture, we believe in daily or on-the-spot feedback because it helps us do better, show up better, and truly deliver for clients and each other."

Terminating an Employee

If feedback and a PIP don't work—and performance and feedback have been well documented—then it may be time to terminate employment. Employers should be transparent about the termination, practice empathy and answer the employee's questions so there is no confusion. Doing so could lessen the risk of the employee taking legal action— as well as secretly recording the firing and posting it to social media.

"The trend of recording terminations for social media is concerning," Dillon said. "We haven't experienced it, but we maintain a respectful termination process, which we believe helps mitigate the risk. Transparency, dignity and support during the termination process are key."

Dillon offers resources like career coaching to support transitioning employees and tries to ensure that the termination procedure is both professional and compassionate.

"It's essential to balance firmness with empathy," he said. "Ensuring the process is as positive as possible can alleviate the stress for both parties."

Source

- Lobell, Kylie Ora. "Best Practices for Firing an Employee for Poor Performance." *SHRM.org*. February 2024.

6.2.2: READ- Viral Video Draws Attention to Layoff Process via Zoom

Article: Viral Video Draws Attention to Layoff Process via Zoom

With proper preparation, direct and confident communication, and thoughtfulness, HR teams can avoid fumbling their delivery.

Employees, employers and HR departments were aghast at a recent TikTok posted by an employee who recorded her termination via a Zoom call that included two company representatives, neither of whom were her supervisor.

The employee, Brittany Pietsch, an Atlanta-based account executive at Cloudflare, was made aware of the Zoom call that day.

She said via a LinkedIn post that she received a calendar invite from a random director, who was not a part of her organization, about an hour before the meeting started.

Pietsch wrote that she was “very confused” and invited her manager to the Zoom call, but he told her that he wasn’t allowed to join any meetings he wasn’t invited to.

“I was let go by someone who had never heard of my name until that day,” Pietsch wrote.

During the 9-minute recorded call, Pietsch rebuts the HR team, imploring them to explain why she was being let go after seemingly being a high-performing employee in her department based on the KPIs her supervisor gave her when she was hired less than six months earlier.

Recordings such as these are not uncommon, according to industry professionals. But this one struck a nerve in many who endured similar events, according to Pietsch, based on the outreach she received from strangers who watched the video and shared similar stories.

Erin McLaughlin, an attorney with Buchanan Ingersoll and Rooney in Pittsburgh, Pa., said that regardless of the forum, the employer representatives should conduct termination meetings as if they are being recorded.

She said the incident is a reminder that HR teams need to enter such layoff events by being prepared, direct, confident and thoughtful. Who is invited to the call, what is said—and what is not said—and the follow-through are each crucial.

Lisa Jerles, co-founder of JG Legal in Miami, Fla., who serves as an outside general counsel to employers, said companies should record the Zoom conversation themselves.

“When you record a Zoom, all parties are provided with notice that the conversation is being recorded so there is no ambiguity,” she said. “In this case, the employee recorded the conversation, but it is good business practice for an employer to record remote firings so that there is documentation of the conversation.”

Who Should Be on the Call?

It is important to include someone the employee knows on the call, if possible, said Phyllis G Hartman, SHRM-SCP, founder and president of PGHR Consulting in Pittsburgh.

“It may be best for HR to deliver the news, but the manager should at least be a witness on the call,” Hartman said. “It is difficult to accept termination, but when it comes from a stranger who doesn’t show a lot of respect or empathy for the employee, it is even tougher.

“They told [Pietsch] that she was being let go because her performance had not met expectations, but those delivering the news never provided detail.”

Pietsch shared a few days after the TikTok was posted through a post on LinkedIn that her manager told her he was just as

blindsided as she was.

“On the call, you can hear the HR rep admit that they could not attest to what my manager has said about my performance,” Pietsch wrote. “That essentially confirmed for me they had no idea who I was or why they were letting me go. My manager called me afterward and told me he was sick to his stomach and couldn’t believe this was happening.”

“Of course, [Pietsch] was being defensive, as most people would be,” Hartman said, “but it would have been better for the HR representatives to define the expectations: ‘You were expected to close X number of sales and you didn’t.’ ”

Proper Progressive Employee Discipline

Valerie P. Keels, SHRM-SCP, head of D.C. office services for Gavi, the Vaccine Alliance, based in Washington, D.C., said organizations should implement progressive discipline when it comes to monitoring performance and dealing with performance issues.

“Brittany was right to call them out for not providing her with the necessary feedback that her performance was not meeting expectations and allowing her to improve—if that was their intention,” Keels said.

Cloudflare should also have a stated probationary period whereby an employee’s job is not confirmed until after they complete a certain number of months—generally three to six—of good performance.

“The probationary clause can state that employment can be terminated within that period with or without cause, and because that was a condition of employment, Cloudflare would be able to terminate employment under the stipulations of that clause,”

Keels explained. Keels said that her company’s probationary period, for example, requires a paid two-week notice.

“However, since we are a compassionate group, we would put the employee on a PIP (performance improvement plan) before firing them,” she said.

“If a company, such as Cloudflare, would like to avoid this type of negative publicity with their employment practices, they could have their employees sign a nondisclosure agreement upon employment,” Keels added.

Heidi Reavis, an attorney with Reavis Page Jump in New York City, said when events such as this video hit the mainstream, the employer will face an ongoing PR issue as the incident may be perceived as reflective of the company’s work culture and lack of respect for employees.

Preparing for the Call

Thorough preparation for such calls by the HR teams will help to ensure the call is conducted in a more professional manner, said Stacey Berk, founder and managing consultant at Expand HR Consulting in North Potomac, Md.

She recommended managing the potentially complex and monthslong employee relations problems leading up to the termination in accordance with the organization’s usual process and policies.

Carefully plan the termination by identifying opportunities for risk mitigation, such as any specific federal, state or local laws, and coordinating with outside counsel.

Berk said it’s best to sketch out the severance package as appropriate within the organization’s usual process by analyzing what’s been offered to others within the employee’s job category, with consideration given to tenure and reason for termination.

Berk said to come to the call with a draft of the severance agreement, termination talking points and a termination letter.

Stick to the Talking Points

Though termination meetings can be difficult, it is important to stick closely to the planned talking points, Berk advised.

“The purpose of the meeting is to convey the decision to terminate the employee,” she said. “The employee may question or attempt to challenge the decision and might show anger or be defensive.”

Berk said rather than engage the employee's response, return to the discussion. For example, state that the decision has been made and is final, she said.

"There is nothing to be gained from engaging a debate with the employee if it is not going to change the decision," Jerles said.

Reavis said it is generally recommended for termination meetings to focus on next steps in the process, and not look back at the why-for, unless there is a compelling reason to do so, such as providing the employee with an opportunity to address issues or pivot to another position within the company.

Reavis cautioned against playing "the blame game."

"Typically, it is not advisable to go into performance issues where there is no opportunity any longer to address the issues," she said. "Note, however, that an employee may have a contractual right to cure issues, so employers should consult any applicable employment agreement prior to termination."

She recommended not presenting as if the HR team is there to do the employee any favors. "For example, starting with, 'You haven't seemed happy here,' or, 'You seem to feel frustrated with your work here,' are surefire ways to anger the employee and land as gaslighting," Reavis said.

"Telling someone else how to feel or how they feel, whether they indeed feel that way or not, is often experienced as demeaning and disingenuous, particularly when you're about to let a boom fall," she added.

Companies generally should not convey what they are doing concerning other employees, unless the layoff is indeed impacting a group or percentage of the company, Reavis said, in which case it may be useful to explain to the employee that the layoff is structural.

Coordinating Next Steps

The severance agreement, Berk said, is in exchange for an employee's release of their claims against the employer, which ideally helps reduce employees talking negatively about the organization and improves workplace culture for those who stay because they see how exiting employees are treated.

Next, coordinate and review the documents with outside counsel.

Be sure to coordinate the administrative termination of all employee services and provide COBRA forms as appropriate, and manage outplacement if offered.

"The employee may offer to resign," Berk said. "If so, accept the resignation, effective immediately, and ask for a resignation letter."

For delivering the severance agreement, Berk recommended paying attention to the following details:

- **Paycheck.** The final paycheck may include payment for all unpaid salary and accrued but-unused annual leave as of the termination date.
- **Severance pay.** In connection with the separation, the organization may offer a severance payment equal to a certain number of months' salary, conditional on the employee accepting and signing a standard separation agreement and general release.
- **Outplacement.** The organization may choose to provide a certain number of hours of outplacement services to assist the employee with their job search.
- **COBRA.** The organization may agree to pay the employee's COBRA premium for the first month of medical coverage if they elect such coverage within the allowed election period.
- **Unemployment.** The organization may choose not to contest the employee's claim for unemployment benefits for the period after the severance period.
- **Agreement and timeframe.** Be sure the employee reviews the agreement carefully. If the employee chooses to sign the agreement, they will be waiving their right to raise all claims against the organization under federal, state and local law (except as otherwise specified in the agreement). The organization may set forth a deadline for accepting the terms of the agreement and returning a signed copy.

"The sands of employment law shift quickly," Reavis said, "and employers are well advised not to presume yesterday's standards

apply today.”

Source

- Bergeron, Paul. "Viral Video Draws Attention to Layoff Process via Zoom." *SHRM.org*. February 2024.

6.2.3: WATCH- Woman Divides Internet After Recording Own Termination

Mixed Public Reaction

Brittany Pietsch from Atlanta, Georgia, recorded herself being laid off from US IT company Cloudflare and posted the video to TikTok where it has since gone viral.

YouTube Video

This interactive element is not available in this format. Visit the link or scan the QR code to access it online.

[View this YouTube Video online](#)



6.3: READ- How Should an Employer Terminate a Remote Employee

How should an employer terminate a remote employee?

Most HR professionals agree in-person terminations are preferred. However, with the number of remote and global employees on the rise, in-person terminations are not always feasible. The cost of an employee coming into the office or having a representative travel to that employee's work location for a termination meeting must be considered. Also, when immediate action is necessary, travel coordination presents a challenge. Many employers are forced to look at alternative ways to communicate terminations.

Terminations by video-conferencing or phone are the next best options. Videoconferencing allows for all parties to see and understand nonverbal gestures, which is important when discussing such emotional topics as employment status. Videoconferencing or phone terminations allow the employer to convey critical information and empathy, while giving the employee an opportunity to ask questions and share his or her thoughts. An employer still needs to keep the following considerations in mind when using either one of these options:

- As with face-to-face terminations, employers must consider the day and time to deliver the termination. Remote and global employees may live in different time zones. For workers outside the United States, employers should check the country and local laws to ensure they meet requirements for notice prior to termination date.
- Many countries and states have specific provisions regarding payment at the time of termination and severance pay. Although not meeting face to face, employers must still adhere to these laws by either over-nighting paychecks or paying by direct deposit.
- When possible, employers should have another organization representative present to witness the conversation. The employee should be told who is participating on the video-conference or call.
- Employers should be prepared to provide appropriate information to the employee (such as termination date, final paycheck and benefits) and to answer the employee's questions.
- During the video-conference or call, employers should discuss issues such as work project briefings (e.g., project status), return of contact lists and return of organization equipment (e.g., laptop and cellphone).
- Employers should tell the employee they will follow up with appropriate documents by mail. (Overnight package or same-day delivery are the preferred options.)
- Organizations should discuss with the IT department technology-related issues such as shutting down the server, database and intranet access at the appropriate time.

The least desirable option for a remote termination is to use e-mail to deliver news of an employment separation. Unlike videoconferencing or phone, e-mail does not allow for a real-time, two-way conversation; it is impersonal, leaves an employee feeling disrespected or insignificant and could provoke the terminated employee into a negative emotional reaction. In addition, e-mail termination presents other risks, including delaying the receipt of the termination notice, accidentally deleting the notice, sending information to the wrong e-mail address and forgetting to include important information or attachments. Employers should use e-mail as a last resort when communicating a change in employment status.

Termination is a challenging task, and it can be even more complicated when organizations have remote and global employees. When travel expense or time restricts an employer's ability to perform in-person terminations, the organization may need to rely on alternative methods, understanding that some alternative methods do not allow for synchronous two-way conversation. Also, employers should consider consultation with legal counsel to assess and reduce liability risk.

Source

"How should an employer terminate a remote employee?" *SHRM.org*. December 2023.

6.4: READ- What to Include - and Not Include - In a Termination Letter

What to Include—and Not Include—in a Termination Letter

Following an employee's policy violations, misconduct or substandard performance, you may conclude it's time to send the worker a termination letter. How that letter is worded might save you a legal headache.

"When involuntarily separating an employee, a termination letter is appropriate. Some states do not require such a letter, but more information, if well-crafted, often diffuses a former employee's drive toward litigation," said Merrick Dresnin, an HR consultant with MD-HR Consulting Services in Washington, D.C. "People appreciate upfront, honest communication."

Eighteen states require employers to provide a written termination letter or specific forms at the end of a worker's employment, according to Experian Employer Services, a Costa Mesa, Calif.-based HR consulting firm.

Employees who have a contract or a collective bargaining agreement will also need written communication of their employment termination.

"I recommend employers use termination letters in instances where the employment at issue is governed by an employment agreement that has termination procedures," said Sara Jodka, an attorney with Dickinson Wright in Columbus, Ohio. "In those cases, a formal, written notice of termination may be required. If the employment agreement requires a cause for the termination to be identified, I recommend structuring the language of the termination notice along the specific cause provisions in the employment agreement itself or referring to the specific section of the employment agreement."

Employers should take time to draft the letters carefully.

What to Include

Termination letters should be professional, clear, precise and accurate.

The letter should include "the reason for the separation, request for any company items/equipment to be returned, reference to COBRA rights [and] indication to arrange any further visits to the business through human resources. Different states have different content requirements," Dresnin said. In some cases, the letter might need to name the company policy the worker violated or the dates of any verbal or written warnings given.

In addition, the letter should include "the last date of employment, date of the last paycheck, the vacation/PTO [paid time off] payout, the last date of the different benefits, how to access pay stubs and the process for accessing the 401(k)," said Kimberly Prescott, president of Prescott HR in Columbia, Md. The letter also could contain a reminder about any confidentiality agreements or non-compete agreements the employee has signed. Try to confirm their personal e-mail address and home address.

The termination letter can be delivered as a printed copy or by e-mail. "Any separation needs to be treated with the utmost formality, and a printed page, to me, reflects the fact that the company takes this decision very seriously," Dresnin said.

What to Exclude

Employers don't want a termination letter to provide fuel for a future lawsuit alleging discrimination or retaliation. Companies should avoid including harsh language, jokes, emotional statements or too much detail in the termination letter. The tone should be respectful and direct.

"Stick to the facts," Dresnin said. "A termination letter should provide a straightforward reason for separation, required information helpful to the former employee, a signature of the HR professional and little more. This letter should not have any emotions, opinions or apologies."

However, Prescott disagreed on one point: "I strongly advise against putting a termination reason or any details leading to the termination. If the information is needed for an unemployment claim, the state will request that information directly."

A case in Illinois illustrates a time when providing details backfired on the employer. Two employees sued a medical practice for unpaid overtime wages and retaliation. Their termination letters cited unprofessional behavior, rudeness and complaints from patients. The employees filed a motion to compel the medical practice to reveal the patients' names and contact information. As a health care provider, the employer argued that patients' privacy rights outweighed the employees' interest in including that information in the legal proceedings. In 2014, the U.S. District Court for the Northern District of Illinois granted the employees' request to discover the patients' names and contact information.

Most workers are considered at-will employees, meaning their employer can legally dismiss them at any time for any reason or no reason at all, as long as it doesn't constitute discrimination or retaliation. Employment is presumed to be at will in all states except Montana.

To avoid discrimination lawsuits, the termination letter shouldn't make reference to legally protected characteristics like sex, gender, race, color, religion, national origin, disability, pregnancy and age.

A recent case shows how things could go wrong for the employer. In 2020, the U.S. Equal Employment Opportunity Commission (EEOC) sued a car dealership in California because it fired a title clerk who was undergoing testing for cancer. The clerk had informed her supervisor about her hospitalization, cancer screening and plan to return to work within a few days. Soon after sharing that information, she received a termination letter that stated her termination was not performance related and advised her to "focus on her health." The EEOC argued the letter was proof that the business discriminated against her because of a disability protected under the Americans with Disabilities Act. The case was settled on Jan. 19, 2022.

Source

- Shepard, Leah. "What to Include—and Not Include—in a Termination Letter." *SHRM.org*. January 2023.

6.5: REVIEW- Letter of Termination for Cause EXAMPLE

Letter of Termination

Review the attached document of a sample termination letter.

Date

Dear [Employee Name],

This letter confirms our discussion today informing you that your employment with [Company Name] is terminated effective immediately due to [reason for termination].

[Insert details regarding coaching, warnings, and other related documentation].

Your final paycheck will be provided to you on [date] and will include payment for unused, accrued vacation hours.

Your health insurance benefits will continue through [date]. Your rights to continue coverage under COBRA will be provided to you by mail from our plan administrator.

You can contact [retirement plan administrator] at [phone number] regarding your retirement plan distribution options.

The following [Company Name] property must be returned to human resources immediately:

[Type of property (cellphone, laptop, keys, etc.)]

Should you have further questions, please contact me directly at [phone number] or [e-mail].

Sincerely,

Your Name

Your Job Title

Source: SHRM.org.

6.6: READ- What is Job Abandonment?

What is Job Abandonment?

Job abandonment is the term used to describe scenarios when an employee fails to attend their scheduled shifts and has no intention of returning to their job, but they do not inform the employer of their desire to quit. Job abandonment can cost companies a lot of money because of the strain the no-call/no-show places on colleagues and the time and resources required to train a replacement.

Why does job abandonment happen?

Job abandonment can happen for many reasons, including:

- Inability to fulfill the requirements for a position
- Employee has received a better offer elsewhere
- Employee is embarrassed after an issue at work
- Fear of resigning in person
- Ignorance about company policies

In many of these scenarios, if you're able to reach the employee before they reach the stage of simply vanishing, you might have a chance of retaining them.

Some industries have higher rates of job abandonment than others. Those with a high percentage of casual or shift workers tend to see greater rates of abandonment, but the phenomenon does occur in other industries too.

No-shows vs. job abandonment

If a person fails to show up to a scheduled shift without giving notice, this is classed as a [no-call/no-show](#). Occasional no-call/no-shows can be dealt with under your company's disciplinary policy.

Several consecutive no-call/no-shows would be a cause for concern and may trigger an investigation under your company's job abandonment policy. This would be included in an individual's [employment contract](#).

Not all no-shows are job abandonment

While no-call/no-shows put employers in a difficult position, try not to assume the worst if an employee fails to show up for multiple scheduled shifts. There are valid, non-abandonment reasons why this might happen. A person may have been in an accident or suffered a medical emergency, or they may be dealing with a family crisis.

Rather than treating all no-call/no-shows as potential job abandonment, take some time to investigate. Attempt to contact the employee by call, SMS, email or other methods before sending them a termination of employment letter. If you do reach the stage of having to send a letter terminating the person's employment and you would be willing to reconsider your decision, include a note asking them to contact you if there are mitigating circumstances such as a medical emergency.

Tips for preventing job abandonment

Unless it occurs due to a significant medical emergency or other crisis, job abandonment reflects a breakdown in communication between employee and employer. In many cases, this can be prevented by having better engagement throughout the employee lifecycle and by providing staff with clear information via the [employee handbook](#).

Create a job abandonment policy

The job abandonment policy sets out what is classed as job abandonment and how you would investigate it. It also describes the point at which a person would have their employment terminated for being absent without contacting their superiors.

There is no federal law defining how many days of unauthorized absence in a row are classed as abandonment. Some states may have case laws that establish a time period before a person who has failed to show up for work would be classed as having abandoned their job. Seek advice from an expert if you're unsure what the job abandonment law is in your state.

In the policy, outline the steps you will take to try to reach someone who is missing from work for several consecutive days and the point at which the employee will be treated as eligible for termination. Should someone abandon their position, follow this process, documenting each step.

The policy may also detail any penalties an employee might face if they quit without notice. For example, if the employee has been given a loan or perks that are conditional on fulfilling a contract, you might specify that leaving early or without notice could see the cost of these subtracted from the final paycheck.

Improve the onboarding process

Reduce the risk of new hires abandoning their jobs by making onboarding as smooth as possible. Foster a culture that's inclusive and welcoming and where team members feel safe to ask questions. Encourage people to see mistakes as learning opportunities rather than a cause for punishment. A positive culture can help improve morale and retention.

Conduct regular reviews

Conscientious people don't abandon jobs lightly. Rather, they walk away from a position without notice because they're unhappy in the job or because they're struggling and are too embarrassed to ask for help.

Conducting regular performance reviews can help identify problems of this nature. It gives you as a leader a chance to review each employee and discuss areas where they might be struggling. This type of regular communication also gives your employees a chance to discuss any issues they might have and request [opportunities for training or progression](#) if they're performing well.

Offer options for medical leave

Support employees by offering the option to take medical leave if required. Illness and medical conditions are common causes of job abandonment, and by making it clear you'll support team members who need time off for medical reasons, you'll be less likely to have someone vanish without a trace.

By encouraging employees to speak up if they're struggling or need support, you'll create an environment where your team is less likely to just stop showing up when they're faced with a crisis. In situations where an employee's departure is inevitable, open communication may help make the transition amicable, leaving the option open for them to return to your company in the future.

Seek input from departing employees

If an employee resigns formally, take the opportunity to conduct an [exit interview](#). This could provide you with useful information about how employees view the company, why they choose to leave and how you could improve retention for current and future employees.

Be flexible with scheduling

If an employee asks for flexible hours or other support, consider trying to accommodate them. Not only might this be more cost-effective than losing them, but it could also benefit you by increasing employee job satisfaction and loyalty.

Job Abandonment FAQs

Q: What is considered job abandonment?

If an employee fails to report to work as scheduled on several consecutive occasions without giving notice and does not inform their employer if or when they intend to return to work, this is classed as job abandonment. Job abandonment is not the same as a single no-call/no-show absence.

Q: How do you fire an employee for job abandonment?

If you suspect an employee has abandoned their position, start by investigating the absence. Document the absences and your attempts to reach the employee. If you are unable to reach the employee and they're absent for three or more days, follow your company's termination procedure.

Q: Is job abandonment classed as serious misconduct?

Many employment contracts list unauthorized absence as a misconduct offense. Repeated absences may constitute a reason to dismiss an employee. Check the terms of the employee's contract and follow your organization's dismissal procedures carefully.

Q: How can you reduce the risk of job abandonment?

Creating an environment where employees are highly engaged and feel comfortable communicating with their managers can reduce the risk of job abandonment. Conduct exit interviews and regular employee reviews to learn the concerns and issues faced by your employees.

Source

- Indeed Employer Content Team. "[What is Job Abandonment?](#)" *Indeed.com*. November 2024.

6.7: WATCH-The Termination Meeting

The Termination Meeting

Terminating employees may be a necessary reality of the workplace. Watch this video to learn about some tips to make sure the meeting goes as expected.

YouTube Video

This interactive element is not available in this format. Visit the link or scan the QR code to access it online.

[View this YouTube Video online](#)



Source: [The Termination Meeting](#), HR360Inc.

6.8: WATCH- How to Fire With Compassion

Compassionate Firing

Firing is never easy, and shouldn't be. But it is something a manager should strive to handle well. Building great teams requires picking the best talent and also removing talent that isn't working out. Letting someone go is a painful process, but if done well, it won't come as a surprise to them and you'll set them up for success when they leave. Being compassionate during this process is key to building a lasting professional network.

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Source: [How to Fire with Compassion \(Quick Study\)](#), Harvard Business Review.

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