SUSTAINING COMPETITIVE AND RESPONSIBLE ENTERPRISES

Module Four

Organize your people

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1.0 Introduction

What is "Human Resource Management"?

HR is an acronym for Human Resources, that element within an enterprise that deals with the human aspect and needs of workers. It covers all the people employed by an enterprise - workers, supervisors and managers, and was coined to recognize that an enterprise's key resource is its people. Indeed, in today's competitive business environment, the way an enterprise organizes and manages its workforce may be its single most important competitive advantage.

The main functions of the HR department involve dealing with the provision of a broad range of services to its employees including the recruitment of the right amount of people in the right job at the right time. However, human resource management is not just about recruiting the right people; it is a combination of managerial functions such as planning, organizing, enabling, facilitating, directing, coordinating and controlling. With regards to HRM, these functions take the form of recruitment and selection; training and development; performance management; and compensation and benefits.

A mistaken notion is that human resource management responsibilities are solely of the HR department alone. Conversely, while the HR department deals with specific HR issues, many outside this department are involved in HRM such as employing and managing workers. It is therefore important to keep in mind that HRM is the responsibility of all the managers and supervisors of the enterprise.

This module is based on a fundamental belief that good HRM systems are built upon many of the basic principles enshrined in international labour standards, such as trust and mutual respect between managers and employees. Throughout this manual you will find concrete guidelines and examples on how HR mechanisms that require dialogue between workers and managers, can contribute to improve the worker/management communications and relations and can lead to increased productivity and quality.

Why is HRM important?

An enterprise's competitiveness is based more and more on the quality of its human resources. If an enterprise's aim is to grow the business by means of increasing productivity and successfully developing and marketing its products then, the people in the enterprise must perform these value creation tasks. Therefore, the skills, knowledge, experience and commitment of the people who coordinate and perform the value creation activities in the business are vital for business success.

In the present competitive environment, traditional advantages such as differential access to capital and customers are much more difficult to sustain in open markets. Superior products and services can easily be copied, and even patents generally offer only a temporary advantage over competitors. The reason as to why some companies have greater capabilities and competencies lies increasingly in their organizational assets. What makes some enterprise more successful than others is not just their technology or their current line of products and services, but rather the characteristics of the enterprise itself and how it operates. The most important of these characteristics relates to its human resources and the way this resource is managed. Therefore, the role of good HRM in achieving business success is increasing.

In order to be efficient however, HRM strategies must be based on:

- A culture of productivity and creativity
- Mutual trust and shared values
- Initiative and self-management
- Multi-skilling, skills upgrading and continuous learning
- Respect for workers' rights

Many employers assume that treating employees well and paying attention to the skill development and reasonable work satisfaction of workers means higher labour costs and lower profits. However, there is a growing body of evidence that the use of high performance work practices including motivating and commitment-building HRM policies and practices can have a significant impact on the financial performance of a company.

- Engaging the energy and talent of workers through the principles or respect, reciprocity, and a carefully planned HR strategy can provide a business with a hard-to-copy and therefore sustainable competitive advantage. Responsible HRM will help develop staff who will add value to the business through their technical knowledge, skills, organization-specific knowledge, commitment and motivation.
- Employee commitment, productivity and retention issues will be the most critical workforce management challenges of the immediate future, driven by employee loyalty concerns, and tight competition for key talent.
- For many businesses, employee departures can have a significant effect on the execution of business plans and may eventually cause a parallel decline in productivity. Effective HRM strategy therefore is vital in gaining employee commitment, and greatly minimizing the impact of losing critical employees.

Practices such as

- comprehensive recruitment and selection procedures
- incentive compensation
- performance management systems and
- extensive involvement in training and development

are long-term investments in human resources that contradict the notion of pure contractual relationships between an enterprise and the workforce and that employees are easily replaceable.

What is fair and equal treatment at work?

Equality of opportunity and treatment means that all recruitment and employment decisions in the company are made solely with reference to merit, skills, experience or abilities of the applicant or employee in question. Adequate attention should also be paid to team diversity and company affirmative action measures. Employers should not exclude anybody from opportunity or treat anybody differently on the basis of his or her sex, ethnicity, religion, disability, health status or any other personal characteristic.

The employers should also make sure they do not make any assumptions or generalizations about the abilities and aptitude of a person based on his or her personal attributes, but assess every person with reference to his or her individual abilities and aptitudes. Discriminatory bias, prejudices or stereotyped assumptions should never be allowed to interfere in the recruitment or employment decisions.

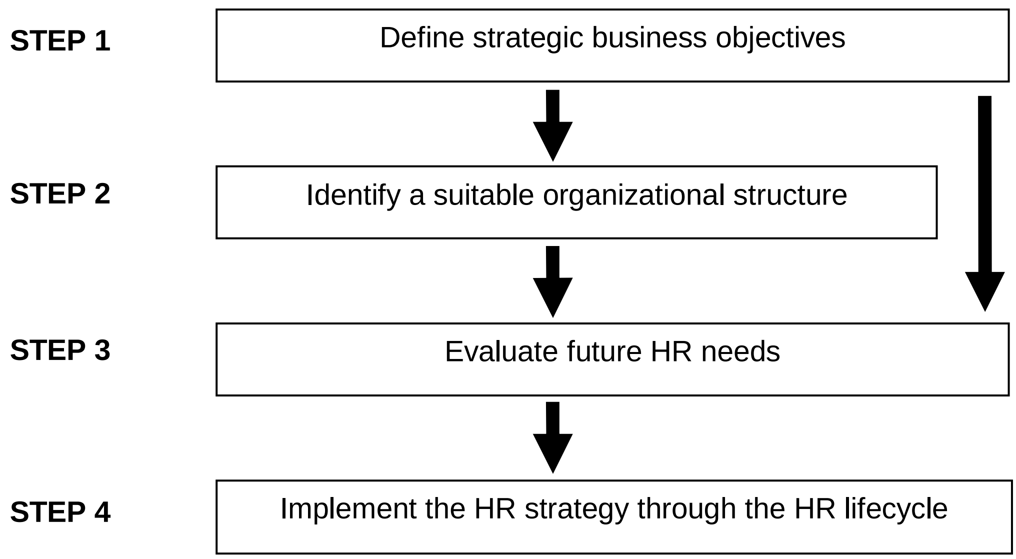
Equality of opportunity and equality of treatment are two complementary aspects of equality at work:

- Equal opportunity means having an equal chance to apply for a particular job to be employed, to attend educational or training courses, to be eligible to attain certain qualifications and to be considered as a worker or for a promotion in all occupations or positions, including those dominated by one sex or the other.
- Equal treatment refers to equal entitlements in pay, working conditions, security of employment, reconciliation between work and family life, and social protection.

The promotion of equality in employment is a step beyond the prohibition or elimination of discrimination to a more proactive, positive approach. It requires continuous efforts, including the implementation of concrete measures and regular monitoring and evaluation. Equality of opportunity and treatment in occupation refers in particular to the breaking down of horizontal and vertical occupational segregation.

How to define and implement an efficient HR strategy?

The elaboration and implementation of a coherent and effective HR strategy can be described as a four step-process described below:



1.1 STEP 1: Define strategic business objectives

In Module 1: Workplace Cooperation, you have identified the goals of your business and how you intend for your business to succeed. A businesses' clear vision of where it is now and where it wants to be in the future is the foundation for an efficient HR strategy. The business strategy establishes priorities, plans and activities for the management of human resources. This involves linking HR initiatives to business objectives. In general, the simple objective of an HR strategy is to have the **right people** at the **right place** at the **right time**. As such, HRM task is to come up with plans to attract and retain a competent and representative workforce with the appropriate skills to meet business needs at all levels of the enterprise.

A good HR strategy therefore aligns these objectives with the business objectives. The HRM function of alignment with business objectives is undertaken in the form of recruitment and selection, training and development, performance management, and compensation and benefits. This means for example position planning (right place and right time) and people planning (right people). Making this important link between business objectives and HRM is fundamental to the sustainability and competitiveness of the enterprise.

1.2 STEP 2: Identify a suitable organizational structure

An organizational structure follows strategy to describe the division of labour in the organization. In other words it defines who performs which tasks. Organizational structures reflect both the vertical and the horizontal differentiation of the division of labour.

- Vertical differentiation refers to the hierarchy and authority in the organization across organizational levels, and the reporting relationships between employees at the same level.

- Horizontal differentiation refers to the division of labour at different organizational levels, by grouping tasks into functions/ positions and these positions into departments.

The organizational structure should support the previously defined strategic business objectives. For example, if the enterprise's strategic drive is innovation (learning), do people have the resources to explore ideas? If the enterprise wishes to dominate the market (competitive), are people held accountable for aggressive goals?

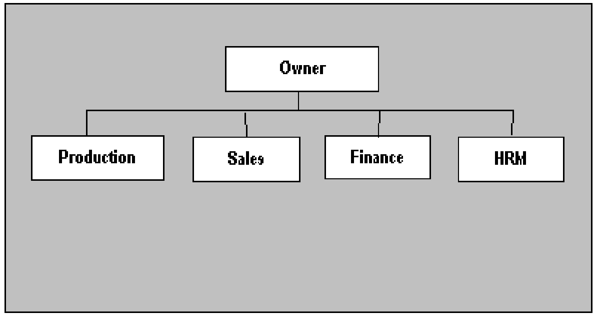
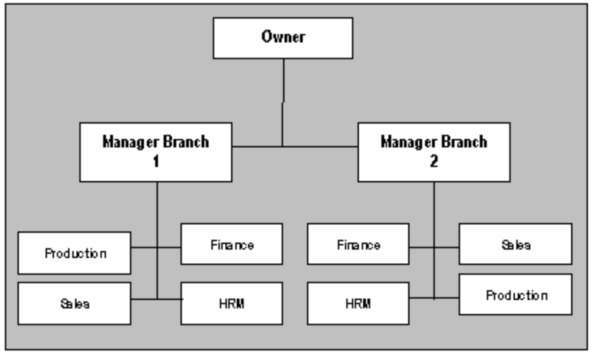
One should be aware that the organizational development effort is a continuous process. The ever-evolving environment in which a business operates as well as its own internal struggles will require permanent adjustments and sometimes deep transformations. Dynamic organizational structures allow for flexible integration of the division of labour, as and when need arises. For example, during times of fast business growth, managers will likely need to repeatedly finetune their organizational structures, redeploy resources and reallocate responsibilities.

Identifying a suitable organizational structure for your business will allow you to respond to initiatives and drive the implementation of priorities. Therefore, when designing your organizational structure, consider your business needs and objectives. For example:

Objective	**Suitable organizational structure**
Customer: where different customer groups have different needs	Divisional
Process: where products have to go through stages as they are made	Functional
Product or activity: organizing according to the different products made	Divisional

Table 1 below illustrates two ways you can design your organizational structure.

Table 1: Typology of organizational structures

Type of organizational structure	Schematic illustration	Pros	Cons
The **FUNCTIONAL STRUCTURE** is the most common way for SMEs to organize activities. This design groups people on the basis of similar skills or their use of the same resources. A functional structure includes those functions that are directly related to the achievement of the primary purposes of the organization, such as "finance", "personnel", "marketing and sales", "operations" and so on.		**Tested**. Most SME operate based on functional structure. **Efficient and cheap**. The clear distinction between functions allows for clear allocation of responsibilities. Focus of staff development is on building up functional expertise. **Centralized**. For the managers and supervisors this setup allows for a relatively easy control of their employees as they are grouped along common skills.	**Lack of synergies**. Due to functional split, departments tend to focus on their own activities and ignore the interrelatedness of functions in the value chain of the business. **Centralized**. There is a risk of all major decisions to be taken at the top of the hierarchy. Lower levels are passive and reactive, not active. **Rigid**. The structure does not easily support quickly shifting resources in time of business growth. Also, with increasing number and volume of tasks, co-ordination between the departments becomes ever more complex.
The **DIVISIONAL STRUCTURE** is a design that groups functions together into divisions based on the needs in the market. The market and therefore the structure may require a focus on products, customers, or geographic areas. Such divisions are relatively autonomous from each other and they are more dynamic than functional structures.		**Customer driven**. Divisional structures with customer focus are client-centered not process centered. **Decentralized**. Divisional structures with geographic focus allow for localized and decentralized operations. **Autonomous**. Divisional structures with product focus have greater autonomy of operations. Primary business functions are clustered, thus facilitating smooth flow of processes in the value chain. **Synergies**. Businesses can bundle support functions like administration at the top of the organization and serve different customer, product and geographic structures at divisional level.	**Threat of resource duplication**. Structuring an organization by product, market or geographic divisions may result in resource duplication (for example, repeating production and sales in different divisions). **Loss of immediate control**. Organizations with divisional structures require delegation of management control from the top level to middle managers. **Costs**. Businesses with divisional structures need multi-skilled staff with more than one functional expertise, at least from the lower management level upwards.

Exercise 1: Your organizational structure

Using the organizational structure above as a guide, design a suitable organizational structure for your business.

Does it support your business goals? Explain

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1.3 STEP 3: Evaluate future HR needs

Using the adopted organizational structure as a template, one can now assess the enterprise's future HR needs by answering questions such as:

- What likely volume of business will be generated by the business strategy?
- What tasks will need to be accomplished?
- What types of skills will be needed?
- What types of workers will be needed, and how many?
- How many work supervisors will be needed?
- What administrative, technical and secretarial staff will be needed to support the additional workers and managers?
- Will there be people with adequate skills to meet projected needs?

The answers to these questions can be formalized through a job analysis that will define the necessary jobs within the enterprise as well as the skills required to perform these jobs. Concretely, the job analysis is the systematic collection and recording of information concerning the purposes of a job, its major duties and the conditions, under which it is performed, as well as the knowledge, skills and abilities needed to perform the job effectively. The job analysis is crucial as it translates the previously defined strategic business objectives and organizational structure into concrete HR needs.

Compared to a clear mapping of the enterprise's present HR situation, the results of the job analysis will enable managers to measure the gap between the enterprise's current situation and its future HR needs.

The assessment of an enterprise's current HR situation requires an inventory of employees and skills already available within the enterprise. An HR inventory consists in the compilation of a series of information on each employee. Not only will this input act as a guide to tailor an efficient HR strategy by referencing all the skills gathered in the enterprise, but it will also enable managers to conduct other activities such as selecting individuals for promotion, for transfers, for training and for executive development more accurately.

Once the HR inventory and the job analysis are prepared, they could both be summarized to determine current and future HR needs.

Job Analysis: Step-by-Step Flow Chart

Understand the Job: Consider the Role, Level of Responsibility, Accountabilities and Context

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Identify Examples of Performance Behaviors

↓

Select Critical / Essential Competency, Knowledge, Skill or Ability, (CKSA)

↓

Select Target Levels For **Behavioral Competencies**

Select Target Levels For **CKSA Competencies**

↓

Identify Experience, Education and Training Qualifications

↓

Identify Special Considerations (E.g. Personal record Checks etc.)

↓

Check Back: Review and Finalize

↓

Prepare job analysis	• Hiring department • Description of position and purpose of position • Description of duties • Required qualifications and competencies • Required experience • Required education • Other (Languages or special skills specific to the job) • Determine the selection process

HR Employee Information Card

Employee Name:		**Contact Information:**	
Current position:		**Years of continuous service**	
Previous position:		**Years of continuous service**	
Salary Level:			

Personal Information:		
Age:	**Sex:**	**Language spoken:**
Education:		
Training and specialize skills:		

Performance ratings:

Notes / Comments:

Gap analysis-HR inventory and job analysis

Exercise 2: Gap analysis – HR inventory and job analysis

1. Identify an existing or potential position in your organization
2. Follow the job analysis chart and prepare a job analysis for the selected position.
3. Do you have the necessary skills required to perform the job?
4. What gaps exist between your current skills inventory and future HR business needs to meet your business goals?

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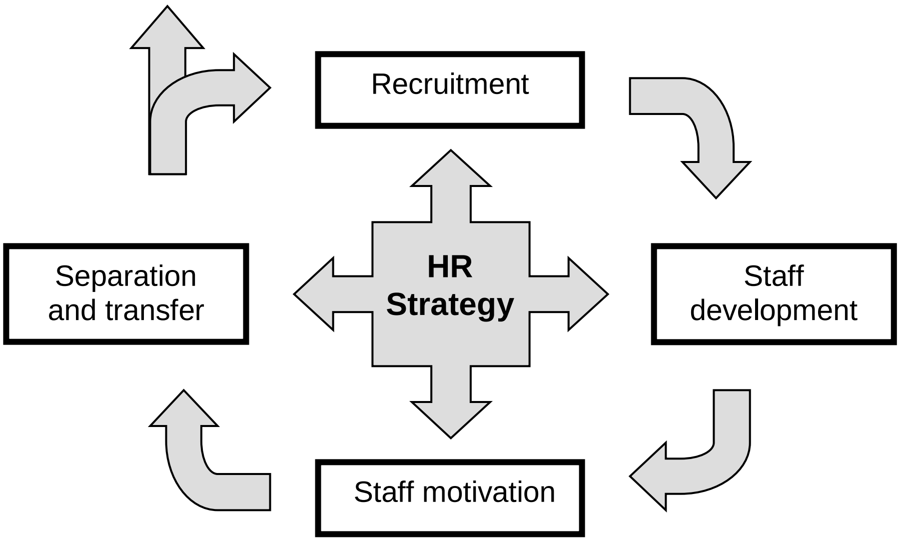
After the present and future HR needs have been assessed, steps can be taken to:

- ❐ Recruit new employees to either match a projected increase in a specific activity or department, or bring in the required new skills that are currently unavailable in the enterprise
- ❐ Reassign some employees to new or different tasks. Training might be needed to help them adapt to the new specifications of their job
- ❐ Transform the units or positions that no longer serve the business' objectives

1.4 STEP 4: Implement the HR strategy through the HR lifecycle

To be able to plan and manage the changes in human resources in any organization, it is useful to understand the different phases of HR. Think of it as the lifecycle of each employee and recognize the importance of building a system that can plan for and implement each stage of the cycle in the workplace, now and in the future.



The HR lifecycle can be read in two different ways:

- At the level of the individual worker, it can illustrate the workplace's relationship to the worker from the moment he or she first hears about the job and walks in the door to apply for it through to the moment he or she walks out of the door for the last time
- At the business level, it can summarize the various options managers have to adapt the enterprise's HR to its strategic objectives

A good HR strategy is one that constantly adapts to the evolving conditions within and outside the enterprise. The HR lifecycle is the toolbox that will enable managers to adapt to these evolving conditions.

The HRM strategy is influenced by several factors that are internal and external to the organization.

Factors affecting an enterprise's HR strategy	
Internal	**External**
Strategic business objectives Organizational structure Enterprise culture Enterprise policies	Economic context National and international labour laws and standards Attitudes and values Demography

Prior to delving into practical tips on how to implement the HRM cycle (chapter 3 onward), it is important to understand the external factors affecting the enterprise.

2.0 External factors affecting HRM

Enterprises evolve in an environment that imposes rules, standards and practices on them. Although the external factors that affect them are often perceived by enterprises as constraints, they can also be the incentives that push businesses to perform well and create value for the long term.

There are a number of national laws, international agreements, and increasingly corporate social responsibility (CSR) policies observed by international and national buyers that safeguard workers rights and impose a range of obligations on employers. To combine high performance and social responsibility, business owners and managers should be aware of these external factors that influence the business environment.

2.1 Corporate Social Responsibility

A number of different actors have tried to develop and define the concept of CSR. Although various definitions exist, the International Labour Organization (ILO) has recently defined CSR as "a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. CSR is a voluntary, enterprise-driven initiative and refers to activities that are considered to exceed compliance with the law".

The elements that characterize CSR are:

- Its voluntary nature – enterprises voluntarily adopt socially responsible conduct by going beyond their legal obligations
- The fact that it is an integral part of company management
- The fact that CSR actions are systematic not occasional
- Its link with the concept of sustainable development

The impact of various processes and dimensions of globalization has brought focus on the social and environmental well-being of societies. Better access to information, the efforts of cause oriented civil societies and consumer activism have reinforced and heightened awareness of the social and environmental impacts of globalization. Improving its social and environmental performance is becoming a competitive challenge to enterprises in a global market where social and economic concerns are increasingly influencing customers' purchasing decisions.

Many different reasons can motivate companies to adopt socially responsible behaviour. Those that are most often mentioned by company managers include:

- Raising the capacity to attract and maintain a qualified and motivated workforce
- Improving relations with staff
- Increasing productivity and quality in the long run
- Improving risk management
- Increasing credit access by providing evidence of environmental and social responsibilities to financial institutions
- Increasing customer loyalty; and

- Strengthening brand image and company reputation as essential factors for competitiveness.

Building on the voluntary nature of CSR, many businesses adopt a code of conduct, which is a written policy, or statement of principles adopted voluntarily by a company to express its commitment toward a particular conduct. By their very nature, company codes contain commitments often made in response to market incentives and not only to legal obligations.

2.2 Legal and regulatory issues and international labour standards

The daily practices of enterprises are greatly influenced by national laws. These laws and regulations administering the set-up, operation and dissolution of businesses form a very important element of the business and investment climate of a country. With the advent of greater market liberalization and greater efforts to attract investment inflows, many countries have embarked on legal and regulatory reforms.

Similarly, with the heightened interest in the social aspects of business operations, more attention is given to laws and regulations governing the treatment of employees. These include:

- legal acts referring to conditions of employment,
- minimum age and minimum wages,
- payment of overtime and hours of work,
- freedom of association and the right to organize, and
- occupational safety and health.

Most countries have such laws, although they are not uniform across countries and the degree of enforcement may vary.

In 1998, the ILO's International Labour Conference adopted the Declaration on Fundamental Principles and Rights at Work. The principles included in the Declaration are:

- Freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of all forms of forced or compulsory labour;
- The effective abolition of child labour; and
- The elimination of discrimination in respect of employment and occupation.

2.2.1 Freedom of association and the right to collective bargaining

The principle of freedom of association and the effective recognition of the right to collective bargaining guarantees workers and employers the possibility of joining organizations and acting together not only to protect their own economic interests but also their civil freedoms such as the right to life, security, integrity, and personal and collective freedom. The principle ensures protection against any act of interference and discrimination, as well as against all forms of harassment. As an integral part of democracy, such a principle is crucial in order to realize all other fundamental principles and rights at work.

In a global economy, freedom of association and especially the right to collective bargaining constitute instruments to create a link between social objectives and market constraints. For example, reaching a conclusion on what constitutes a fair level of financial rewards for work done, and that is also motivational to increasing productivity, will need detailed informal and formal consultation between business owners, workers and their representatives.

Collective bargaining is a formal process that involves negotiation, consultation and the exchange of information between employers, workers and their chosen representatives. The end goal is an agreement that is mutually acceptable to all parties. The agreements reached are legally binding and apply to all members of the trade union, or particular workplace (depending on local legislation relating to labour negotiation) and often to all workers in the enterprise, even if they are not union members. Collective bargaining is usually covered by national legislation, with the framework of negotiation established by law and the content and process a matter for the parties to decide.

Collective bargaining works best when it is done in good faith with both parties working to reach an agreement.

The benefits of collective bargaining:

- ❒ Allows for the settlement of disputes through discussion and consensus rather than through confrontation
- ❒ Agreements often institutionalize settlement procedures, which provides precedence to follow in the future
- ❒ Helps to generate trust and mutual understanding between union and workers and also with employer
- ❒ Workers have a voice and an outlet in the collective bargaining process that reduces uncertainty and instability in the workplace
- ❒ Workers are often more motivated following collective bargaining as they have participated in the process and the outcome
- ❒ Helps ensure adequate wages and working conditions for workers, and broader respect for workers' rights

2.2.2 The abolition of all forms of forced or compulsory labour

Freedom from forced or compulsory labour is a fundamental human right linked to the right to choose work freely. This work should be consistent with individual expectations and skills, and should be carried out in decent human conditions. According to the definition of ILO Convention (No. 29) concerning Forced Labour, the term forced or compulsory labour means all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered him- or herself voluntarily. The fact that the worker receives a salary or a wage is irrelevant to determine if a situation can be considered as forced or compulsory labour.

Two elements characterize forced or compulsory labour:

- Threat of penalty. The penalty may consist in a penal sanction or in the suppression of rights or privileges. Threats of retaliation may be realized in different forms, from the most blatant, which include the use of violence, physical obligations or even death threats, to the more subtle, often psychological, such as the threat to denounce an illegal worker to the authorities.
- Work or service undertaken involuntarily. The absence of a voluntary offer can be determined by external and indirect pressures, such as the case of withholding a part of a worker's salary as a refund for the loans contracted by the worker or of an absence of remuneration or seizure of the worker's identity documents. The principle that all work relations should be founded on the mutual consent of the contracting parties implies that both may leave the work relation at any moment, subject only to any legal requirements of prior notice.

Forced labour is universally condemned and banned in principle. However, it continues to exist in different forms, from the most traditional to the more modern. Among the practices that still exist in the world are described in the box below.

Contemporary Forms of Forced Labour

Slavery

According to the definition given in the UN Slavery Convention of 1926, "slavery is the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised". Although slavery was suppressed a long time ago, the violations linked to this condition are still common especially in countries at war, where prisoners are often used for labour in the agricultural sector and in domestic works. In some cases, war orphans are taken as hostages and obliged to work.

Debt bondage

Debt bondage occurs when a person is obliged to work in order to pay his or her debts or the debts of a family member or ancestor. It is a form of forced labour that persists especially in Asian countries and affects children as well.

Trafficking of human beings

According to the definition under the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (2000), trafficking of persons means "the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation." Victims of trafficking are most often children and women, mostly employed in domestic work, in agriculture, in street selling, in the sex trade and in the garment sector.

Some forms of domestic work

Domestic work can become forced labour when: (1) debt bondage and trafficking are involved; (2) if the worker is physically restrained from leaving the employers' home; or (3) when his/her identity papers are withheld. The worst cases of forced domestic labour involve violence that sometimes includes rape or torture.

Some forms of work imposed by military forces

In some countries, military authorities compel civilians to work in order to build and maintain military camps and accomplish works to support projects launched by the authorities or the armed forces. Such forms of forced labour are sometimes imposed to the benefit of private individuals.

Compulsory participation in public works

In some societies, individuals are obliged to work for the country's development. Such a form of forced labour is widespread especially in the agricultural sector, and in building roads and irrigation utilities.

Forced or compulsory labour also refers to situations in which work is imposed as a:

- Means of political coercion
- Method of mobilizing and using labour for purposes of economic development
- Means of labour discipline
- Punishment for having participated in strikes; means of racial, social, national or religious discrimination

Training and compulsory education shall not be considered as forms of forced labour. The principle of compulsory education is in fact recognized in several international rules as a means to ensure the right to education.

2.2.3 The effective abolition of child labour

Child labour is still widespread all over the world in both formal and informal economies. Besides representing an offence to the rights of the child, this form of exploitation perpetuates poverty, jeopardizes economic growth, and prevents equal development. The term child labour refers to any kind of activity or work which, by its nature or the circumstances in which it is carried out, is harmful to the intellectual, physical, social and moral development of young people or undermines their education, preventing them from going to school, constraining them to abandon schooling too soon or requesting them to work and study at the same time.

Worst forms of child labour

ILO Convention 182 concerning the Elimination of the Worst Forms of Child Labour (1999) identifies the worst forms of child labour in the following situations:

- Slavery and similar practices;
- The use, procurement or offering of a child for prostitution, production of pornography or pornographic performances;
- The use, procurement or offering of a child for illicit activities, in particular for the production and trafficking of drugs; and
- Work that, by its very nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

Minimum age

ILO Convention (No.138) concerning the Minimum Age for Admission to Employment (1973), sets forth that the minimum age for admission to employment or work shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years, in order to ensure the full physical and mental development of the child. A minimum age of 14 years can be initially admissible in countries where the economy and educational institutions are insufficiently developed.

As far as dangerous work is concerned, the minimum age shall be 18 years. However, such work may be performed from the age of 16 years in cases where:

- National employers' and workers' organizations have been consulted beforehand;
- The safety, health and morals of the young persons concerned are fully protected; and
- The young persons have received adequate specific instruction or vocational training in the relevant branch of activity.

Activities that are not likely to harm young people's health and development and do not interfere with their school attendance or their participation in vocational orientation and training programs are considered as light work and the minimum age for performing them shall be 13 years. In those countries where the economy and educational institutions are insufficiently developed, the minimum age for light work can be 12 years.

Conditions of work

Workers who are at least 15 years (14 years in certain countries) but not yet 18 years of age should be guaranteed satisfactory conditions of work. In particular, they shall benefit from:

- A fair remuneration, on the basis of the principle "equal pay for equal work";

- The strict limitation of hours spent at work weekly and daily, including the prohibition of overtime in order to have enough time for education, training, rest and leisure activities;
- A minimum consecutive period of 12 hours night's rest and a rest period every week;
- Paid annual leave of at least two weeks and, in any case, a period not shorter than the one accorded to adults;
- Coverage by social security schemes dealing with accidents at work, health assistance and forms of sick pay; and
- Safety rules and satisfactory health conditions as well as appropriate education and supervision.

2.2.4 The elimination of discrimination in respect of employment and occupation

Discrimination can arise in a variety of work-related activities such as: recruitment, remuneration, hours of work and rest, paid holidays, maternity protection, security of tenure, job assignments, performance assessment and advancement, training opportunities, job prospects, social security, and occupational safety and health.

Employees who experience discrimination at work are denied opportunities and have their basic human rights violated. This affects the individual concerned and negatively influences the greater contribution that they may make to society.

The workplace is a strategic entry point for freeing society from discrimination. Combating discrimination at the workplace can help reduce disadvantages such as in education, resulting from inequity that people may have suffered at earlier stages in life. When the workplace brings together workers of different races, sexes and ages, for example, and treats them equally, it helps build a sense of common purpose. By doing so it defuses stereotypes and prejudices that are at the heart of discrimination.

Furthermore, from a business point of view discrimination does not make sense.

- It leads to social tensions that are potentially disruptive to the company and the society.
- A company that uses discriminatory practices in employment and occupation denies itself access to talents from a wider pool of skills and competencies.
- Discrimination can have disruptive effects such as low productivity, high absenteeism, high turnover, poor industrial relations, and physical violence emanating from the sense of humiliation, frustration, and powerlessness felt by those discriminated against.

The hurt and resentment generated by discrimination affect the performance of individuals and teams in the company. Discriminatory practices result in missed opportunities for development of skills and infrastructure to strengthen competitiveness in the national and global economy.

Finally, discrimination can damage a company's reputation, potentially affecting profits and stock value. Discrimination in employment and occupation means treating people differently or less favourably because of characteristics that are not related to their merit or the inherent requirements of the job.

According to ILO Convention (No.111) concerning Discrimination in Respect of Employment and Occupation (1958), discrimination is any distinction, exclusion or preference that has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation. The Convention therefore identifies the following seven grounds of discrimination:

- Race and colour. Distinctions made on the basis of belonging to an ethnic group, which affect for instance ethnic minorities and indigenous and tribal populations.
- Sex. Discrimination on the basis of biological characteristics and functions that distinguish men and women and of social differences between men and women. They comprise, for instance, distinctions on the basis of civil status, marital status, family situation and maternity.
- Religion. Distinctions on the basis of membership or not to a certain religion or expression of religious beliefs. This also includes discrimination against atheists.
- Political opinion. Discrimination based on different opinions with respect to established political principles, membership to a political party, political or socio-political attitudes, and civic commitment.
- National extraction. Distinctions made on the basis of a person's place of birth, ancestry or foreign origin. They affect for instance national or linguistic minorities, nationals who have acquired their citizenship by naturalization, and/or descendants of foreign immigrants.
- Social origin. Discrimination towards certain individuals because of their social class, socio-occupational category or caste. In some contexts, social origin can influence the professional future of the person because he/she is denied access to a certain job or he/she is only assigned certain activities.

Discriminatory practices can also be based on many other grounds such as: age, disability, health status (in particular HIV/AIDS), membership to trade unions, and sexual orientation.

Non-discrimination means simply that employees are selected on the basis of their ability to do the job and that there is no distinction, exclusion or preference made on other grounds.

By eliminating discrimination in recruitment as well as in other HR policies and practices, the business has access to more potential candidates and can also:

- Avoid legal problems
- Gain commercial advantages
- Attract and retain the best calibre employees
- Boost morale and in so doing increase productivity
- Improve teamwork and communication

Non-discrimination policies

We company X, employ individuals based on merit, without regard to race, colour, religion, sex, national extraction, social status, health condition or HIV status. Discrimination or harassment directed at another employee or applicant by an existing employee or third party with whom we have a contractual relationship is not tolerated.

To demonstrate an enterprise's commitment to non-discrimination, all managers should come to terms with their own biases and work to eliminate them from their dealings with workers. There must be zero-tolerance across the organization for any kind of discriminatory behaviour. Standard policies on how to plan for maternity (length of leave, job protection, job rotation if necessary, returning to work etc.), non-discriminatory recruitment policies and sexual harassment policies should also be in place. In general, to reduce the chances of discrimination at the workplace, an enterprise needs to:

- Review hiring, training, promotion and compensation policies
- Have merit-based selection criteria
- Review accessibility for disabled employees throughout the hiring process and in the workplace
- Provide training in areas such as diversity awareness, HIV/AIDS etc.

Case Study

TATA steel: Management actions to promote non-discrimination and gender equality

Tata Steel is an equal opportunity employer in India with non-discrimination policy on the basis of race, caste, religion, color, ancestry, marital status, sex, age and nationality. The applications for employment do not carry columns like religion, province, and mother tongue. As a policy towards non-discrimination as per Tata Code of Conduct, new recruitments through Graduate Trainee, System Trainee and Trade Apprentices encourage induction of female candidates also. Violation of its equal opportunity policy is redressed though grievance redressal mechanism and Ethics Counsellor. Despite it's equal opportunity policy, the company doesn't have many female employees. Therefore, TATA decided to develop concrete actions to attract, empower and retain them at all levels, from managers to factory workers.

For the managerial levels, the company developed a programme "Empowering Women Managers to Succeed" (EWMS) which encourages women to look at themselves not as "women executives but as executives who happen to be women". For the shop-floor levels, the company inducts women workers to do jobs that were till then strictly reserved for men. Women working either as office girls (serving tea, and running errands), sweepers and cleaners, were trained to drive heavy vehicles ranging from dozers to dumpers to forklifts of various capacities. Others were taught other skills like welding, lubrication, etc. "Despite initial inhibitions and apprehensions, the applications we receive for the programme are steadily rising each year". At Tata Steel, one would now find women driving locomotives that haul full trains of raw material or maneuvering huge bull dozer in most difficult terrains, which even men find difficult to manage. They are also found on a numbers of shop floors, running forklift trucks, lifting and moving finished products through electric over head travelling cranes, and driving variety of earth moving equipment such a front end loaders, large dumpers, etc.

Workplace dialogue on gender equality and sexual harassment

There is a Women Empowerment Cell in the company, formed of women executives. They hold regular dialogue with women employees of the company, discuss and address various women related issues. They conduct training programmes on issues like Legal awareness, Relationship at Workplace, Ethics, Stress Management, etc.

The issues of sexual harassment are addressed through a sexual harassment committee. The company formally signed a historic Memorandum of Settlement with the Tata Workers Union, incorporating an additional clause in the Works Standing Orders of Tata Steel—the act of misconduct on "Sexual Harassment at the Work Places". This is a punishable act, if proved under the existing provisions of Works Standing Orders.

Exercise 3: Non-discrimination and productivity

Factory "It's a man's world" produces high-end shirts for a major European brand. On the factory floor, 90% of workers are women. The company is trying to improve productivity on the button-hole line and is looking carefully at their processes and ways to make changes. As a result they bring in new supervisors from other areas of the factory who are all men. The men were all promoted from within the factory but in most cases have less experience then some of the lead workers on the button-hole line who are women. Six months later, despite the complete analysis the new supervisors did of the work processes and the new systems they implemented, productivity is still not at the levels management believes are reasonable for the line.

1. What types of discrimination are occurring and how it is affecting productivity in the factory?

____

____

2. Write a non-discrimination policy based on the example above.

2.3 Demographic Trends

The world's population is aging because of reduced fertility, better health care and longer life expectancy, particularly in middle and high income countries. The aging population phenomenon has a number of implications for businesses such as an increasingly aging workforce, increased labour migration, and higher participation of women, among others.

Older workers

Older workers are increasingly a feature of the aging population in many regions of the world. Organizations therefore need to consider how they can best use the skills and experience of these older workers:

- Many organizations are seeing older workers as a valuable resource. The challenge to HRM is to use their knowledge to the best advantage while minimizing the limitations of age.
- An important element in deploying older workers effectively is to eliminate the anti-age bias of younger managers and co-workers.
- Drawing up an age/experience profile to reveal the age distribution across jobs can identify gaps and identify where older workers can best make a contribution.
- The predicted shortage of skilled labour in the coming years will need, in part, to be filled by this group of workers.

Increased Labour Migration

The shortage of skilled workers and the decline in the growth of labour force in many countries have led to increased migration of workers.

Skilled workers are drawn from developing countries to the developed market economies. At the same time, the increased investment flows into the rapidly developing economies have created demands for managerial personnel that are often met by relocating managerial staff from MNE home countries to the new investment sites.

This movement of workers and managerial personnel is resulting into greater diversity in the workforce, putting a premium on cross cultural management skills and international HRM.

Higher participation of women

The increasing number of women in the workforce has added another demographic dimension. There are now more women entering paid employment in a variety of jobs and profession formerly dominated by men.

It is possible that as organizations move increasingly to flatter, team-based structures, the "glass ceilings" that frustrated women's mobility in traditional hierarchies will disappear and women will play more prominent roles in the future.

The dual-career, dual income families, which will be more numerous, present a number of challenges to enterprises. Among them is the need for family friendly work arrangements such as flexible scheduling; childcare, family care time-off, etc.

2.4 Responding to HIV and AIDS at the workplace

HIV/AIDS is a serious issue whose implications cannot be neglected. It is highly probable that it will affect your company in one way or another sooner or later, and the best way to address it is to have a clear HIV/AIDS policy in the human resource management and ensure that all the staff is well informed[1].

Basic information about HIV and AIDS

HIV stands for human immuno-deficiency virus. HIV, after entering the human body, gradually destroys the immune system, i.e. the body's ability to fight infections/diseases. As it is a human virus, it is found only in human beings. Generally, there are no immediate and specific symptoms of HIV infection. HIV does not mean that a person has AIDS.

AIDS stands for acquired immuno-deficiency syndrome. If left untreated, HIV gradually depletes the immune system, leaving the body vulnerable to one or more life-threatening diseases. This stage of infection is called AIDS. It is a condition in which a group of symptoms appear as the immune system becomes very weak. Without treatment, it may take around 10-12 years from the stage of

[1] This section is based on information provided by ILO/AIDS.

HIV infection to progress to AIDS. This time varies from person to person, based on health status, life styles and ability to afford and access treatment.

As for the treatment, there is no cure for HIV and AIDS at the moment. However, anti retroviral therapy (ART) can prolong the life of a person living with HIV to normal life expectancy. Once started, the treatment should not be disrupted and needs to be taken for life. In addition to treatment, therapies exist to prevent and treat HIV related opportunistic infections. With the advent of ART, HIV and AIDS has become a medically manageable problem and people living with HIV can lead long and productive lives.

In general, there are no immediate and exclusive symptoms of HIV infection and it may go unnoticed in adults for several years. That is why AIDS is often called a silent killer. Correct information about HIV and AIDS is important as HIV infection is preventable.

Stigma and discrimination associated with HIV and AIDS are obstacles to HIV prevention, treatment and care and support efforts. More than half of all people living with HIV are women, and young women are particularly at risk.

HIV can be transmitted through 3 different modes:

- Unprotected sexual contact, primarily through unprotected vaginal or anal intercourse with someone living with HIV. Worldwide, sexual intercourse is the leading mode of HIV transmission.
- Exposure to infected blood, and in particular transfusion of infected blood or blood products, including sharing of infected needles
- HIV positive woman to her child during pregnancy, during delivery or as a result of breastfeeding.

HIV does not spread through social contacts like shaking hands, hugging or kissing, coughing or sneezing, sharing utensils, sharing toilets or showers, etc. Open mouth kissing is a low-risk activity, as the concentration of HIV is very low in saliva. Prolonged open-mouth kissing could damage the mouth or lips and allow HIV to pass from an infected person to his/her partner. Therefore, kissing in presence of bleeding gums or ulcers in mouth can be risky.

HIV infection can be prevented

HIV prevention follows the three modes of HIV transmission: through unprotected sexual intercourse, infected blood or syringes, and mother to child transmission.

- Protection from getting infected through unprotected sexual contact can be achieved by using male and female condoms correctly and consistently. Unprotected casual sex and sex with multiple partners is a high-risk behaviour. Unprotected anal penetrative sex constitutes a higher risk. Oral sex can also be risky. By looking at a person you cannot see if he/she is living with HIV or not. Therefore, always ensure using a male or female condom correctly and consistently.
- In case of need for blood transfusion, take blood which has been tested for HIV. Blood supplies in most parts of the world are now screened for HIV antibodies as well. Medical personnel must ensure that medical equipment for injections is properly sterilized and use universal precautions including

protective clothing. Safe injection practices should be undertaken and only sterilized syringes or disposable syringes should be used. Injecting drug users should avoid sharing of needles/ syringes and ensure that a new needle is used every time.

- Mother to child HIV infection is a major transmission route. There is 25-40% risk that a pregnant woman living with HIV would pass on the virus to her child. Mother to child transmission of HIV can be prevented by providing timely and appropriate treatment, counselling, and antenatal care and breastfeeding counselling/alternatives.

HIV and AIDS in the workplace

HIV and AIDS affect the company in many different ways, both directly and indirectly. First, it affects people at the most productive age (15-49 years). HIV infection, in the absence of proper treatment, care and support, may increase absenteeism at some time, which may affect enterprise performance. HIV infection may lead to higher staff costs as companies may lose skilled and experience staff on whom considerable investment has been made by the company. Furthermore, HIV infection increases sick-leave. Employees have to care sick relatives. Also, HIV infection can undermine employment rights and increase discrimination in the workplace. In the long run, HIV infection may reduce productivity and profitability.

As large numbers of workers come together at their workplace, HIV programmes at workplace can be very effective in providing timely information and saving lives.

CASE STUDY
How South African companies respond to the HIV/AIDS challenge

There is growing recognition that the costs of the impact of HIV and AIDS on businesses are significant. After much initial resistance, companies have begun to estimate the costs to their organization because of HIV and AIDS, and to calculate the benefits of HIV prevention and health promotion to maintain the health of employees. The economic repercussions of HIV and AIDS in business were measured as reduced productivity, increased labour costs, loss of customers, and a further depression of profits from costs incurred through absenteeism, replacement, recruitment, training, increased payouts to medical schemes and employee benefits.

By estimation, each employee living with HIV costs a South African firm roughly twice that worker’s annual salary. Additional indirect costs include the negative impact of HIV related stigma and discrimination of employees living with HIV, and accompanying disruption in the workplace; management and labour meetings to discuss HIV as the impact becomes more visible, and loss of profit as the disease begins to affect the client base of the organisation. AIDS also hurts uninfected workers financially, as medical and other benefit resources dry up.

Thus, many South African enterprises are setting up HIV and AIDS prevention programmes, which range from distributing free male and female condoms to educational theatre, to voluntary testing and counselling. For instance, AngloGold, a South African gold-mining company, hands out information leaflets about HIV and AIDS in the local languages to miners and their wives and partners, and hires specialists to train “peer educators” - miners who teach other miners about safer sex, and sex workers who teach other sex workers about HIV and AIDS. AngloGold also offers voluntary and confidential HIV testing and counselling.

South African Breweries (SAB) conducts role-play exercises illustrating quickly infection can spread within a population. Coca-Cola Africa has adopted minimum standards on ensuring that people living with HIV do not suffer any discrimination in the workplace. These standards require local producers and distributors to form AIDS workplace committees which include representatives for management, human resources, labour organizations and medical personnel. It is also deploying its unique infrastructure and presence to support HIV education, prevention and treatment programmes in local communities.

Mondi, a paper-making MNE, also goes beyond preventive measures. It provides health insurance, drugs and nutrition supplements to workers living with HIV, as well as job rotation to lighten tasks. All employees at Mondi are trained to perform several different jobs so that they can cover for their sick colleagues.

Based on Rogovsky and Sims (2002): Corporate Success Through People: Making International Labour Standards Work For You. Geneva: ILO, pp. 42-44.

Prevention HIV and discrimination at the workplace

Assessment and prevention of any risk of HIV/AIDS infection at the workplace and minimization of transmission risks in the workplace surrounding areas is a key prevention component. Every workplace needs an HIV programme. Don’t be complacent.

- Undertake knowledge, attitude, practices and behaviour surveys amongst workers. Timely information can save lives.
- Enterprises can get some employees trained on HIV and AIDS, who could act as peer educators for others.
- Enterprises can also establish partnership with government and NGOs and set up referral linkages with existing services for voluntary testing and counselling and treatment.
- Workplaces, particularly those where employees come in contact of body fluids, should offer training in adoption of universal precautions, use of protective equipment and make available the necessary protective gears to employees.
- HIV testing or other forms of screening for HIV should not be required of any jobseeker or employee. Testing must be genuinely voluntary and respect international guidelines on confidentially, counselling and consent. Real or perceived HIV status should never be a ground of discrimination preventing recruitment, continued employment or access to opportunities for advancement.

- Providing correct information about HIV and AIDS is essential as ignorance is also a cause of discrimination. If employees are aware that they will not get HIV infection in day to day workplace contact, they are more likely to accept workers living with HIV.
- Engaging with persons living with HIV, consulting them in the development of policy and inviting them in HIV education and training efforts helps a great deal in dispelling myths, and creating an enabling environment.

Employers and workers should jointly develop and implement an HIV and AIDS policy for their workplace, designed to prevent HIV and AIDS, and to protect all working women and men from HIV related stigma and discrimination. For more information, please refer to ILO code of practice and ILO Recommendation concerning HIV and AIDS and the world of work (no. 200) available at www.ilo.org/aids. This website also contains legal and policy documents as well as court judgements related to HIV and AIDS and the World of Work.

Practical checklist for employers: HIV and AIDS in the workplace

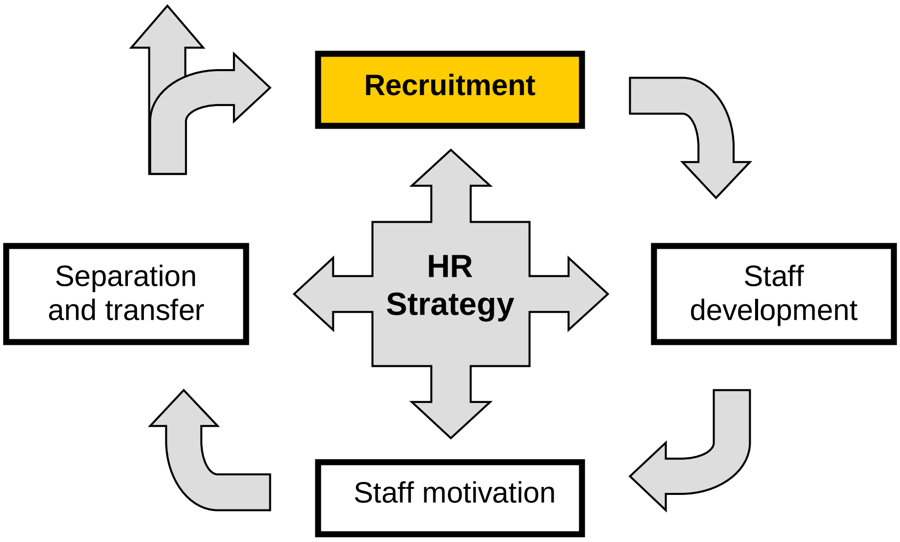
	Guidelines and procedures	true	false
1.	I treat no woman or man living with HIV unfairly in respect to any employment policy or practice.		
2.	I adopt appropriate measures to ensure that employees with HIV are not stigmatized, discriminated against or victimized.		
3.	If any of my employees requests to and agrees to be tested, this is carried out voluntarily and with informed consent. This is accompanied by pre- and post-test counselling.		
4.	If any of my employees disclose his/her HIV status voluntarily, this information is kept private and confidential unless employees choose to disclose their status. Mechanisms are created to encourage support for those who voluntarily disclose their status.		
5.	My workplace addresses any risk of transmission if it exists and an appropriate training and awareness raising on universal control procedures is implemented.		
6.	Steps are identified and taken in the event of an occupational accident. All occupational accidents must be reported.		
7.	I have an HIV programme to regularly inform and educate my employees about HIV prevention and services.		
8.	My employees will not be dismissed on the basis of their real or perceived HIV status.		
9.	The rights of employees living with HIV are integrated into existing policy and grievance procedures.		
	Total:		

Exercise 4: HIV and AIDS at the workplace

1. What is your own personal responsibility in preventing HIV?

2. How could your company improve HIV education and policy at the workplace?

3.0 Recruitment



What is recruitment?

Recruitment is the process of finding and hiring new workers. With global competition and a scarcity of talent in today's workplace, a stable workforce becomes a significant competitive advantage. If an organization has unstable workforce conditions, it's forced to invest thousands of dollars in recruiting, orienting, training, overtime and supervision. Those dollars come right off the 'bottom line'.

While many factors impacting your business performance are external, much of the success of your company is dictated by how well the operation, finances, human resources, marketing and innovation are managed in your company. Human resources are the best asset in a company – big or small. A key to good performance is to ensure that you have talented, motivated and committed staff with right skills and abilities at all levels in your company. This is particularly important to small and medium enterprises whose competitive advantage is not necessarily determined by capital, equipment or technology.

Why is it important to recruit the right people?

Recruiting new workers is expensive and time-consuming, even in places with no labour shortages. Costs to an organization include induction and initial training, as well as lost production and lower initial quality and productivity levels while they get up to speed. It is even more costly if the wrong people are hired: the costs keep accruing, week after week, year after year, until either their performance is improved or they are dismissed. It is therefore critical to get recruitment right and desirable not to have to do it more than necessary, by retaining skilled workers.

How to recruit the best persons for the job?

The recruitment process, policies and practices must be based on merit, focusing on the skills, experience and qualifications required for the job, not on the applicant's race, color, sex, religion, political opinion, national extraction (nationality) or social origin. The key to tapping into the potential of a diverse work force is in making sure that all your employees are motivated and able to contribute from their unique experience, skills and talent.

The goal of recruitment is to find the right person for the position. Therefore, the best way to do this is to open the recruitment process to the widest possible pool of talent. Job requirements should also be non-discriminatory and tested on an individual basis rather than by automatically disqualifying a particular category of worker. To foster diversity among company staff many companies are adopting measures to attract talent from previously under-represented segments of population and to promote diversity at different levels of the organization. These measures should be negotiated and adopted jointly by the management and representatives of different groups of employees in the company.

There are a number of steps that needs to be applied in the recruitment process:

- Job description
- Job classification
- Job advertisement
- Selection

It is important to get each one of these steps right to avoid the cost associated with recruiting as well as misunderstanding over whether the service the person is performing clearly fall under the compensation agreed upon.

3.1 Job description

A job description is an essential tool for hiring a new worker and also for existing workers to describe their specific responsibilities.

A job description:

- should be in writing, and in a situation where applicants speak and read languages other than those of the manager, have the job description translated to ensure what is required for the position is communicated clearly.
- If applicants are not required to read, the job description could be explained verbally, either by a manager, supervisor or worker; or by a community leader. But still keep a written description on hand as a record of information about the job, and to use as a reference when filling a similar position or reviewing the workers' performance in this one.
- should be accompanied by a job specification that details the skills and experience you want in the worker. For example if you are looking to hire a cutter, they would need at least six months experience operating a cutting machine as a specification for the job.

Depending on the job, you may also want to describe the physical environment that surrounds the job (indoors, in remote areas, etc.) as well as the social environment (e.g. teamwork, flexibility, and continuous learning). Hours of work are governed by national legislation, which typically outlines a maximum number of hours per week. Collective agreements may also affect the hours of work. Workers need to know that they may be expected to fulfill a rate of hourly productivity. But they also need to have a time frame, which minimizes potential risks to their health and safety or their family life. Each worker should be allowed one day of rest per week of at least 24 consecutive hours, and typically, after six months of service, workers should be entitled to paid annual leave.

The table on the following page is an example of a job description. It indicates the headings that should appear in the form and provides instructions as to what to put under each headings.

Job description	
Job title:	
Job duration:	*The length of time the employee is expected to work for the enterprise (indefinite, six months etc.). Duration of the job should be clear from the outset, and should conform to national law.*
Department:	*Name of the department where the job takes place*
Location:	*Location of factory or office*
Start date:	
Supervisor:	*Name of direct supervisor overseeing the job*
Manager of department:	*Name of manager overseeing the supervisor and department*
Job summary: *List overall and key areas of responsibility, specific tasks etc.*	
Job specifications: *Include knowledge, skills and experience required for the job* • *What education or formal training is required? In a specific field of study?* • *What previous work experience is required? What type? How many years?* • *Are there any language requirements? English? Other? What level of proficiency?*	

- *Is the ability to travel required? In or out of country? What percent time?*
- *What computer skills, if any, are required?*
- *What other skills are desirable but not required?*

3.2 Job classification

In addition to assessing the skills required for the job, the recruitment process should also make a decision on job classification as described below.

- Full time: permanent workers
- Part-time: work less than full week but with a regular schedule
- Temporary/contract: no fixed schedule, employed on an 'as needed' basis

3.3 Advertising the job

Job descriptions can be advertised internally in the business or externally within the locality or industry. There are advantages and disadvantages to both internal and external recruitment as illustrated in the table below.

	Advantages	**Disadvantages**
Internal recruitment	▪ Workers find new opportunities and challenges, which boost morale, leading to increased productivity and loyalty ▪ Workers already know how the system operates, so training and induction time is greatly reduced, saving overall costs	▪ Can create other vacancies as one person is moved to another job ▪ Limits the recruitment pool of talent ▪ Can lead to a lack of new ideas and approaches
External recruitment	▪ The pool of talent is larger. ▪ New insights, skills and know-how can be introduced into the organization.	▪ Attracting and selecting a new employee is more difficult. ▪ New employee adjustment and induction process is longer. ▪ Morale may suffer among

		existing employees who have been passed over. ▪ Higher cost than internal recruitment.

Many organizations favour internal recruitment for non-base level positions to ensure applicants will fit in with the team/work environment and may plan specific training events to develop skills internally.

Internal advertising generally takes place via email, or notice boards located where everyone will see them. It can also be done verbally through meetings and word of mouth.

External postings can be notices on the factory gate, or announcements posted on targeted websites (the enterprise's or external websites), in local markets, meeting places or local newspapers. It may also be possible to use local recruitment agencies depending on the type of position that needs to be filled. There are also public job centres where people can look for work and provide employers the space to advertise vacancies.

Advertisements should be open for 2 – 4 weeks allowing candidates a reasonable time period to respond.

Tips for writing the job advertisement:

- ❒ Know what type of employee you want to hire. Write in a tone and language that appeals to the applicants you want to reach.
- ❒ Write an accurate description of the job. There is no need to go into details, but describe the position and the time frame required to fill it.
- ❒ List essential qualifications only. Keep them as brief as you can. Don't allow non-essential degrees to screen out qualified candidates.
- ❒ Add clear contact information and instructions how to apply.
- ❒ Proofread your ad carefully. Misspellings reflect poorly on your business, and a phone number mistake can make the entire ad ineffective.
- ❒ When you write a help wanted ad, keep in mind you are not only screening applicants, applicants are screening you. Always leave a good impression of your company.

3.4 **Selection**

Determine the appropriate selection process

The selection process will vary depending on the level of job the enterprise is recruiting for. For example, if one is recruiting managerial positions, one may have a panel to review applicants and interview candidates. If one is recruiting line operators, one may conduct skills testing rather than interviews. The most important point is to have a standard process that is used throughout the factory to select best possible candidate.

Here is a selection of different types of techniques that can be used to determine the suitability of a potential new employee:

Work samples tests	Work samples tests require applicants to perform activities similar to those required on the job in a structured setting. Rather than measure what the applicant knows, these tests assess the individuals' ability to actually do the work they will be assigned. Although these tests are highly operational, they do not assess more intangible skills such as creativity, capacity to solve problems, learning capabilities, interpersonal skills etc.	
Trainability tests	Trainability tests measure how fast an applicant can learn a new skill. These tests enable the employer to determine if the applicant will quickly become an operational and efficient employee.	
Personality tests	Personality tests assess the unique brand of characteristics that define an individual and determine her or his pattern of interaction with the environment.	
Structured interview	Applicants are all asked the same questions in the same order. The answers are ranked according to a guide of 'good' or 'bad'.	Interviews are the most widely used methods of selection, especially for assessing intelligence and interpersonal skills. This two-way exchange of information will help determine whether or not an applicant meets the job requirements and will fit into the culture of the business. Despite their predominance, interviews are often considered the most unreliable method; they are open to subjective elements such as discrimination, assessment based on personality and not on qualifications, and reliant on the skill of the interviewer.
Unstructured interview	Interviewer prepares a list of possible topics to cover and, depending on how the interview goes, asks or does not ask questions.	

Receive and put applications in order

In a larger business, the HR Manager is in charge of receiving and collating applications. They need to be put in good order for careful reading and comparison. The HR Manager will usually discuss with the line manager the description of the position and the list of applicants, applications. If there is a selection panel the manager will ensure that the selection panel receives copies of the applications for short-listing.

Review applicants and determine shortlist

The selection panel will meet and review applicants to determine a shortlist. The selection process should be based on qualifications to do the job (not on sex, marital status, disability status, ethnicity, social status, age, HIV status etc.). The goal is to find the right person with the right skill-set. The panel then analyzes all applications and assesses the candidates based on their match to the selection criteria. The panel then discusses and agrees upon the ranking of candidates.

Assess short-listed candidates

The line manager should discuss the selection process with the panel members and indicate their roles in the process. The panel can employ different methods in order to assess candidates such as: interviews, reference checking, and skills test. Once the candidates have been assessed, a panel or the responsible manager can determine who to hire.

Make an offer of employment to recommended applicant

The line manager can then proceed with a verbal offer of employment to the successful candidate which speeds up the employment process. The line manager can discuss a start day and clarify terms and conditions of appointment. The HR Manager will draft the formal written offer and contract of employment, which he or she can sign, or which can be signed by the relevant line manager. The written offer provides information on terms and conditions of the offer.

Notify unsuccessful candidates

If appropriate, the HR Manager is generally responsible for informing unsuccessful candidates of the selection decision.

RECRUITMENT PROCEDURE CHECKLIST	
1. Create a detailed job description.	☐
2. Decide to advertise the position internally and/or externally.	☐
3. Choose the selection process (selection panel? skill-testing exam?)	☐
4. Receive and organize written applications.	☐
5. Review applicants and select a shortlist	☐
6. Use your selection process to assess candidates: make your choice.	☐
7. Make a verbal offer of employment to recommended applicant.	☐
8. Make a written offer of employment.	☐
9. Advise unsuccessful candidates.	☐

Exercise 5: Recruitment procedures

1. Create a job description for yourself (such as the one provided in this chapter).

2. What steps would you take to hire yourself?

The fight for talent in China

In 2007, the ILO and the Chinese Enterprise Confederation conducted a survey covering 100 leading enterprises operating in China's five most dynamic industries – the chemical, transportation, electrical, electronic and steel industries. The purpose was to learn about the workplace practices applied in the leading enterprises operating in these industries.

Three areas of concern dominate the survey findings for China:

1. China faces an acute lack of workers with appropriate technical skills. Almost **70 per cent** of the enterprises studied indicated that they face difficulties in recruiting suitable candidates, with the greatest difficulty faced in the electrical and electronics industries and in the country's dynamic eastern region.

2. Nearly **93 per cent** of the sample enterprises provide job skills training to employees. Enterprises in the sample spend an average of 3 per cent of their annual revenue on training activities. The main focus of current training activities is on new technology, improving the quality of management and supervision, quality control, and improving client service.

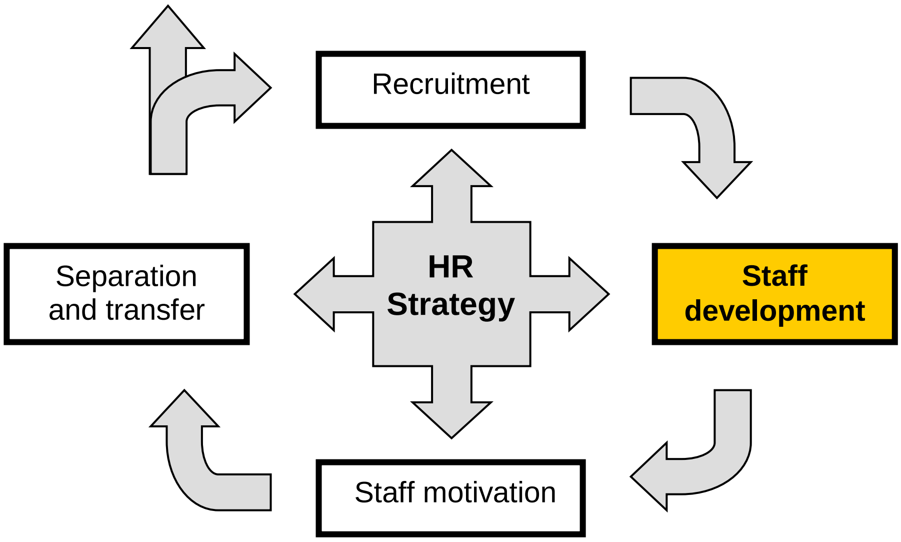
3. The average share of staff leaving the companies every year voluntarily is rather high at **24 percent** of total company staff.

The data indicate that China's leading enterprises are in a fierce competition for relatively scarce high-quality labour. Due to a lack of workers with technical skills, many companies provide training themselves. However, trained workers appear to be attracted to competitors who may offer more attractive salaries and effectively are able to benefit from other companies' training activities.

Collectively, this leads to the high staff turnover – a classic HRD problem. According to the enterprises surveyed, the two most critical factors for successful recruitment of top talent are the reputation of the enterprise and the competitive salaries.

ILO Regional Office Bangkok in cooperation with the Chinese Enterprise Confederation – funded through the ILO/Korea Partnership Programme

4.0 Staff development



What is staff development?

Staff development refers to the process of enabling your employees to develop their work-related skills, in line with the challenges of a quickly growing business, and to fulfill both your expectations as an employer and their personal career goals. Staff development also means giving employees the authority to participate in the decision-making process and to be responsible for their jobs.

Benefits of staff development:

- enables your employees to acquire the skills needed to perform their jobs in a changing work environment
- enables your employees to become more productive, efficient and less resistant to change because they have more job satisfaction. In turn, your company may benefit from their talents and commitment as necessary to become successful
- results in staff empowerment. Rather than devising a training program for your employees in a traditional top-down approach, modern staff development relies on the employees to design their personal development plan together with you.

As a result, your employees will feel more involved and in charge of their personal development, to the benefit to your enterprise.

Why is staff development important?

The cost of labour usually represents a substantial portion of the business if not the highest cost, so it makes sense in business terms to gain the highest returns from that investment. In human terms, workers in jobs that match their skills and who are confident in their ability to carry out their job to required standards will be well motivated and co-operative. The changing marketplace and the changes in technology mean that no worker can stand still just using the skills they had when they arrived in the workplace. Their skills development is part of the development of the business as a whole.

How does a business develop its staff?

Staff development is often approached through the implementation of the following activities.

- Assess the skills requirements of your business
- Analyze whether the existing skills of your staff match these requirements
- Develop and implement personal staff development plans

Staff development is often equated with training and training is indeed a part of it. However there are a number of steps involved in staff development starting on the first day of work.

4.1 **Induction**

Induction is the process of introducing new workers to the company. A typical part of an induction is to familiarize new employees with the workplace by conducting a walking tour explaining where the various areas including relevant offices, fire exits, cafeteria, locker rooms, toilets, canteen and fresh water are located. In addition to showing various locations, the immediate supervisor or team leader conducting the tour should introduce the new employee to co-workers and managers from other departments. Inductions also include the provision of induction package that includes a factory map and HR policies.

Benefits of good induction procedures

Inductions help to familiarize workers with company policies and procedures and provide an important introduction to quality standards and the company's commitment to quality. A good induction helps with early establishment of productivity expectations and if done properly will improve worker retention.

Induction is also the first opportunity to establish good working relations and open communication between a new worker and their supervisor. An effective induction also ensures workers have all the information/tools they need to start work and helps to develop long-term commitment.

Employee Handbook

As part of the induction process, it is also useful to develop an employee handbook to cover various company policies and clear expectations for workers that could include:

- Overview of company's business including customer profile and expectations

- ❒ Commitment to workers (statement)
- ❒ Rules and regulations
- ❒ Work hours (normal and overtime conditions)
- ❒ Wages and benefits
- ❒ Employee services (such as shops, sports clubs etc.)
- ❒ Leave entitlement
- ❒ Pay slip explanation
- ❒ Grievance procedures

Depending on the workplace, the induction package could include:

- ❒ Information on childcare (eligibility, cost if any, hours, etc.)
- ❒ Other welfare issues/benefits that are provided by the employer
- ❒ Company's quality policy and how and when the worker will learn about it
- ❒ Worker consultation system: e.g. line meetings, employee suggestion schemes (ESS), and enterprise improvement team (EIT). New employees should be informed by their supervisor of when these meetings take place and how often

Follow Up

Another effective induction process is a follow-up with the new worker. After the new worker's first week, the team leader or supervisor in charge of the worker's induction should arrange a meeting to discuss any questions they have.

Exercise 6: Induction package

1. Create an induction package for your enterprise. Consider:
    a. What information is important to convey to new workers?
    b. What is the best way to inform new workers of communication channels with management?
    c. How would you deliver the induction to new workers? In writing? Verbally?
    d. What processes will ensure that the induction takes place? Who is in charge of induction?

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4.2 **Training**

Training refers to improving competencies needed today or very soon. Usually, the main objective of training is to improve performance in a specific job by increasing employees' skills and knowledge. Depending on an enterprise's recruitment and selection practices, new hires may have insufficient skills and require training before being placed in a job. For other employees, technological changes and job redesign may create the need for new job skills. Another reason that employees may need new skills or knowledge is that they have been transferred or promoted. Training is crucial to ensure that workers continue to have the right skills for their jobs. Once it becomes clear what are the required skills that the employees do not possess in order to successfully perform their duties, training and development plan must be developed for them.

How do you know when workers need training?

The most important aspect of training is to ensure that the training response matches the training needs. This can be done through a Training Needs Analysis (TNA). A TNA is used to assess an organization's training needs. The root of the TNA is the gap analysis. This is an assessment of the gap between the knowledge, skills and attitudes that the people in the organization currently possess and the knowledge, skills and attitudes that they require to meet the organization's objectives.

The TNA is best conducted up front, before training solutions are designed and delivered. The result of the needs analysis is a document that specifies and answers these questions:

- Why do people need the training?
- What skills need developing?
- Who needs the training?
- When will they need the new skills?
- Where will the training be conducted? and
- How would the new skills be passed on?

There are many ways of conducting a training needs analysis, depending on your situation. One approach is for employee and manager to discuss training and development needs during performance appraisal. Typically, the manager constructs an employee performance development plan in collaboration with the employee being appraised. Plan should document the area that requires improvement, the actual development activity, resource requirements, expected outcomes and an agreed time frame in which the development outcome will be achieved.

A personal development plan enables your staff members to understand what is expected from them in the organization, and what they can do to satisfy these expectations and secure and further their own career in the business.

On the part of the employer, the plan enables you to monitor the staff development progress and to undertake timely action if a staff member is failing to close the skill gap. Below is a sample staff development plan.

PERSONAL STAFF DEVELOPMENT PLAN

Name:

Ms W

Position:

Machine operator

Objective of the development effort:

To enable Ms W to independently and effectively operate the sewing machines in the newly installed production line for high quality shirts

Performance indicators and – benchmarks:

Machine breakdown time below x hours per month

Product defect rate below x units per shift

Labour productivity above x shirts per shift

Employee training needs and wants	Employer/employee action plan to address these needs and wants	By when
Introduction to the workflow process in the new production line	Attend group briefing and study the instruction materials	
Training in machine operation	Attend group training and study for machine operator certification	
Training in basic machine maintenance	Attend group training and study for certificate in machine maintenance	
Individual follow-up counselling in machine maintenance	Be seconded for one day to the technician in charge of fixing machine defects	
Training in occupational	Attend group training and study for	

health and safety	certificate of attendance	

Kinds of Training

Training can be on-the-job or off-site, peer or expert-led, in individual or group settings. It can be informal or formal depending on the learner's needs. If a new line is being introduced, then all workers affected will need training. In this situation, it will be more efficient to conduct formal training with a facilitator or trainer who walks the workers through the new procedures. If new employees need to learn how to do their job, it may be better to have another, more senior, worker sit next to them and coach them informally.

In addition to equipping employees with work-related knowledge and skills, training programs can also be employed to inform employees with potential risks and related prevention measures at work. When there is a possibility of exposure to HIV at work, workers should receive education and training on modes of transmission, measures to prevent exposure and infection and dealing with HIV/AIDS at the workplace. Such trainings should be provided for all workers, and, in particular, for migrant workers, young workers and newly engaged or inexperienced workers.

Consult the workers

Identifying training needs should not be left only to the HR professionals and managers. Discussing training needs with a joint committee or directly motivating workers affected will help find out which skills the workers see they need to improve. It is also an important aspect in the motivation of the workers to attend the training.

By highlighting areas where they feel they would like to develop more or would like some help, employees can take responsibility for the quality and productivity of their own work.

Benefits of Training

The primary benefit to training is continuous improvement as employees will have the right skills for the job and will be more efficient in their job and build the necessary skill sets for advancement.

In addition to employees benefiting in personal skills upgrades and job satisfaction, the provision of training to employees demonstrates the business's commitment to retaining its workers and achieving its business goals. More training means multi-skilling, which increases worker commitment and allows for scheduling flexibility and knowledge sharing among the workforce. When workers learn how to work more effectively, they are motivated to improve productivity and competitiveness which in turn increases the business's ability to increase employees' wages or benefits and thus are better able to retain them.

STAFF DEVELOPMENT CHECKLIST	
Welcome and introduction: • Introduce to other members of the department/division • Familiarize with working environment • Safety: Alert them to the fire exits, where the fire equipment is kept and a map indicating the fire assembly points and which one they would most often use • Information about the department: eg, list of staff, office, and phone number etc. • Times of work: discuss and agree start, finish, lunch, break times (if any) and any other schemes involving hours, whilst maintaining cover for each other and the department at all times • Other	☐ ☐ ☐ ☐ ☐ ☐
Training: • Assess staff skills and needs • Determine existing skill gap • Develop staff development plan • Select training methods-e.g one-on-one training • Provide support, incentives and follow up • Other	☐ ☐ ☐ ☐ ☐ ☐

Exercise 7: Determine training needs

1. Which skills do you have in your enterprises?

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2. Which skills do you need to develop?

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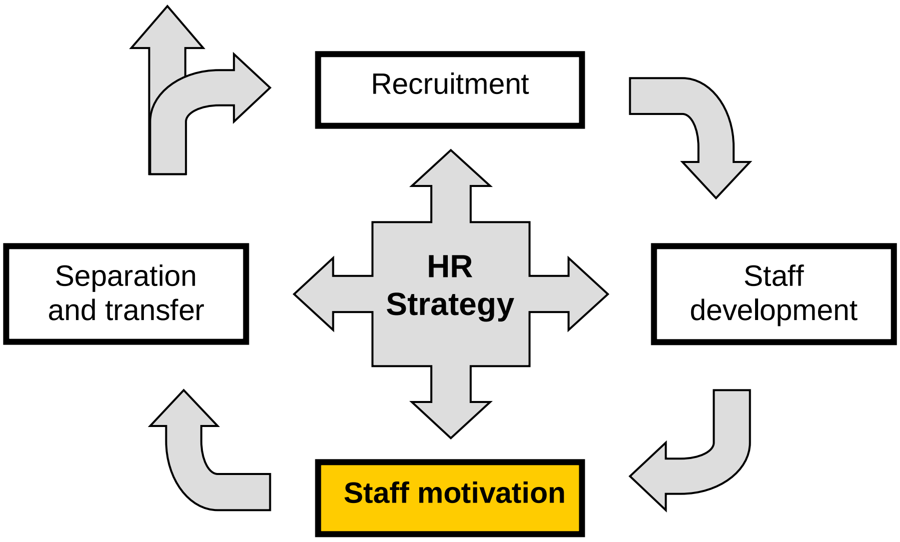
5.0 Staff motivation



What is staff motivation?

Staff motivation means keeping employees interested in what they are doing and encouraging them to maintain the highest possible level of quality and productivity. As the global competition for talent increases, what motivates workers to do their best work in any endeavor they undertake will consistently change. The result of a competitive environment is also one that provides workers with the opportunity to take more responsibility for their own careers, by going where the work is rewarding and where they can develop skills that will guarantee their employability. Therefore, the traditional management thinking and practice that has focused on motivators such as pay benefits, status, bonuses, pension plans, etc. While powerful motivators by themselves, they are no longer enough. Other motivators such as rewards of feeling valued, breadth of skills used, interesting and challenging work and enjoyment of tasks, recognitions for example are now becoming essential to employees in today's workplace environment.

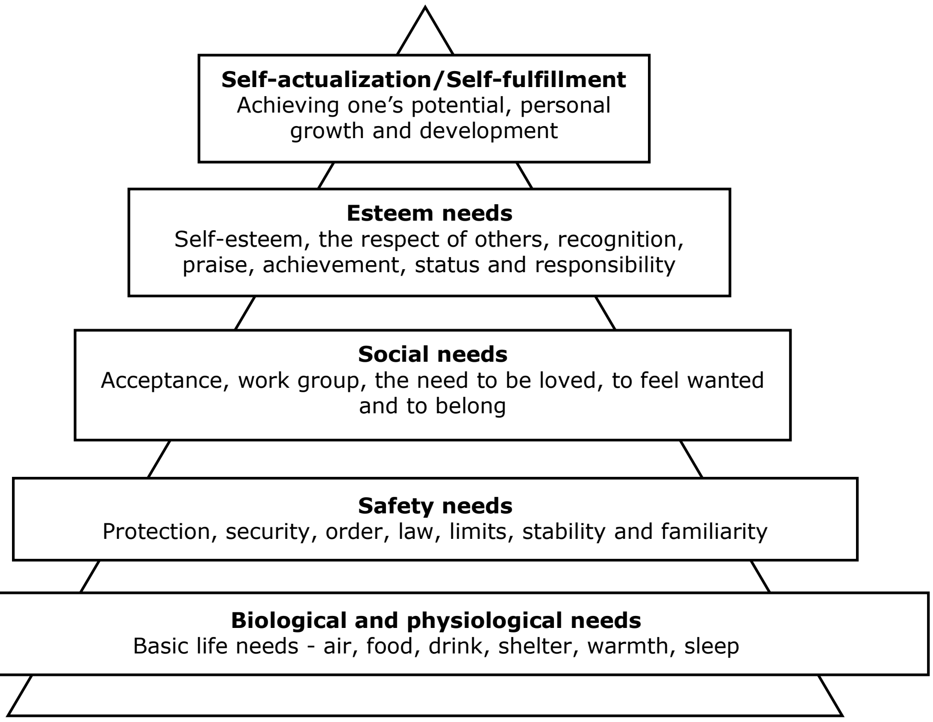
Why is staff motivation important?

As discussed earlier, your employees are the greatest asset and despite how efficient your technology and equipment may be, it is no match for the effectiveness and efficiency of your staff. This means, if a business is to grow, develop and offer a high quality product and service, it must create a working environment in which everyone wants to perform to the best of their ability. This is one of the reasons why staff motivation is important.

Motivated employees are needed because motivated employees in general are more likely to be happy and effective in their roles. Dissatisfaction at work and low staff morale will lead to poor performance and productivity as well as high absenteeism, low staff retention and high staff turnover. Motivation therefore can have an effect on the output of your business and concerns both quantity and quality.

There are many theories about what motivates people, but one that is widely used is Maslow’s hierarchy of needs illustrated below. Maslow views people as having a set of needs that can be displayed as a hierarchy. He suggests that needs only really motivate people when they are unsatisfied and that the lower order or basic needs (comfort, safety and security) have to be satisfied before higher order needs (self-esteem, the need to belong and achieve potential) become an issue. Generally it shows that people will be motivated to the degree that their needs are being fulfilled.

Maslow’s Hierarchy of Needs



- People need money to provide for the needs of their family now and in the future (food, clothing, housing (basic needs) and education for their children
- People need to feel safe in their work and life
- People want to feel part of a group; to belong and contribute positively to their environment

- ❒ People want to be valued for what they do; they want to be given responsibility for their work and be rewarded for what they do well
- ❒ People want to develop themselves, to improve their abilities, to learn new skills, and to grow in their jobs

Although the range of motivational factors are wide and vary according to each needs of the worker, in general there is a hierarchy of needs in which the lower needs must be satisfied, or at least partially satisfied, before the higher levels become important. This could mean that unless salaries or wages and working conditions are considered satisfactory, and until there is some sort of job security, workers are unlikely to be motivated to improve their performance for the benefit of the enterprise.

Also, work life balance arrangements can enhance employee satisfaction, promote workplace equality, contribute to an organisation�much reputation as an employer of choice, and benefit employers as well as workers. Successful policies to support work-life balance need to be tailored to the needs of individual women and men, bearing in mind that these can vary throughout the life course and taking into account that long and/or irregular working hours can be an obstacle to reconcile work and family life for both men and women. However, it is equally important that account is taken of different companies' needs, bearing in mind that these can vary too depending on the production cycle or customers' needs. Although workers‛ and company‛s needs do not necessarily coincide, the best results are achieved through dialogue in the framework of a win-win approach.

Diversity, reasonable accommodation and inclusive workplaces

Barriers to employment of workers with health conditions or disabilities are often practical, and many times can be overcome by simple workplace measures to adjust work arrangements, equipment or working time. In non-discrimination terminology these adjustments are known as reasonable accommodation. [2] Practical examples of reasonable accommodation of workers with disabilities and health conditions measures include:

- Modify office space so that an employee using a wheelchair can access it.
- Provide an employee with vision impairment with glasses that enables him or her to perform the job.
- Let an employee with a kidney problem take a time off to go to the hospital for dialysis.
- Organizing work in such a way as to accommodate the episodic nature of HIV and AIDS, as well as possible side effects of treatment.

While reasonable accommodation is most often discussed in relation to workers with health conditions or disabilities, the same approach applies also to making

[2] The UN Convention on the Rights of Persons with Disabilities defines reasonable accommodation as follows: "Reasonable accommodation" means necessary and appropriate modification and adjustments not imposing a disproportionate or undue burden, where needed in a particular case, to ensure to persons with disabilities the enjoyment or exercise on an equal basis with others of all human rights and fundamental freedoms (Art.2)."
Under the Convention failure to provide reasonable accommodation is considered discrimination. Reasonable accommodation of workers with HIV-related illnesses is also required under the ILO Recommendation concerning HIV and AIDS and the World of Work, 2010 (No.200).

the workplace inclusive towards workers with special religious requirements. Practical examples of reasonable accommodation of religious needs include:

- Allocate work shifts so that all groups of employees can have time off on the day of their religious observance and religious festivals.
- Allow Muslim women to use a headscarf with their work uniform.
- Taking dietary requirements of different groups of workers into account in provision of meals at the workplace.

How to keep the staff motivated?

There are many ways of motivating people, some being negative such as the fear of losing a job and the risk of being shouted at by the employer whereas others are positive, such as financial incentives, additional training and professional development, and the feeling of being appreciated for the job performed. However, while an employee needs to know that poor performance will have negative consequences, a good manager knows that positive encouragement is more effective in increasing performance. The areas discussed below are important to consider for keeping staff motivated.

5.1 Compensation

Compensation is the process of paying and recognizing workers for their efforts. Compensation is one way to attract, motivate and retain skilled workers and should be applied consistently across the workforce. The best way to ensure this is to have a system in place. To avoid the potential for discrimination in compensation, workers must receive equal pay for equal work, while respecting additional pay for qualifications, experience or seniority and national labour laws. Having a system or pay scale will help to avoid discrimination. It is important to ensure that both men and women are paid on the same scale and have equal opportunities for advancement.

Printed pay slips that provide the number of hours worked, pay rate and overtime worked help workers and payroll resolve any mistakes and provide records. If possible, one may also want to look at ways to move towards an automated or standardized pay system. Wages can be based on:

- ❒ Type of work performed and the employee's qualifications and experience;
- ❒ Number of hours or days worked
- ❒ Number of units produced (piece rate system)
- ❒ Salary system where employees are paid regardless of how much time is present on the job. Generally managerial positions are paid this way, with no extra compensation for long hours/overtime

Hourly wages must be higher than a minimum wage set by local or national governments. To determine wages, one can look to the local/national minimums but also at what competitors are paying. Wages can affect staff turnover – if an enterprise pays the lowest among its competitors, it may end up with higher turnover and lower productivity. Generally, companies will choose to pay more than the minimum to attract and retain skilled or quality workers.

The following is an example of a basic pay slip that shows the essential information required on a pay slip.

Pay slip for XYZ Company			
Employee's name:		Date:	
Classification:	Enter job title/contract type	Pay period:	Ex. 7-18 Nov 2005
Wage calculations			
Ordinary wages/hourly rate	No. of hours	@ (rate)	$
Overtime	No. of hours	@ (rate)	$
Allowances:	List any allowances received		$
Gross wages:			$
Less deductions:	Taxes: Death donation: Other deductions: List here…		$ $ $
Total deductions:			$
Net wages (Gross wages - total deductions)			$

Apart from wages, there are other ways to attract and keep employees such as non-cash compensations, including health insurance, paid vacation time, accident insurance, pensions etc.

5.2 **Overtime**

Overtime refers to payments made for hours worked in addition to normal working hours. As with hours of work, overtime rates and amounts are based on local labour laws. Workers should be consulted first and guaranteed adequate pay for the additional hours. Companies should have a set policy for payment and the maximum amount of overtime (e.g. 1.5 times normal wage, up to a maximum of 12hrs per week).

Negative Impacts of overtime:

- Workers may be willing to work overtime because of the extra income it provides. However, it is costly for employers, who have to pay overtime premiums and may create additional management complications in terms of scheduling etc.
- It may also result in lower quantity and quality of output as a result of workers fatigue, and is best practiced if overtime is equally distributed amongst workers to avoid such problem.

It is important to reduce long working hours when excessive work hours become a risk for employees' health and safety. In fact, at a certain point, reducing long working hours can increase the business's income because productivity and quality increases when workers are not over-tired and stressed.

5.3 **Job security**

The dominant emotion for many workers today is fear that their job is on the line, fear that they won't be able to make ends meet etc., and react by searching for alternative positions. While these fears are valid especially in an unstable economy, employers need to create alternative approaches to minimize fear and turn these emotions into motivational factor. Employers need to understand that security is very important in the hierarchy of human needs and in today's competitive market, probably the most difficult to provide.

- Competitive wages, training and good working conditions, in which workers feel they are always working to improve their talent, skills and abilities that will make them marketable in the future can all be motivational factors that help workers to overcome their fear of unemployment.
- It is important that employers discuss company benefits and the length of employment during recruitment.
- Employment contracts should be in accordance with national and international labour laws and stipulate a reasonable notice to be given in the case of an employee no longer being needed.
- Job security can also be further enhanced through encouraging workers to become members of trade unions of their own choosing and unemployment benefit schemes in order to ensure a degree of coverage, should they find themselves out of a job.
- Employers should also be sure to pay any requisite social security contributions.

5.4 **Job Safety**

The main principle in workplace health and safety is to prevent accidents from occurring, and provide a working environment free of risks to workers health and safety. Workers who afraid of injury are highly likely to be distracted at work which affects their ability to perform at their maximum potential.

Experience has shown that workers who are being cared for by the employer in terms of safety measures are more likely to remain with the business, feel greater loyalty towards their employer and are more productive in the workplace. This reduces worker turnover costs for the business and employers keep skilled and productive workers.

5.5 Teams and teamwork

People want to feel part of a group and to belong and contribute positively to their environment. Having satisfied the need for better working conditions, and reasonable security in the job, workers generally feel better to be part of the business team and get the chance to contribute to its success.

This is a positive need and should not be too difficult to fill as there are several opportunities in any business. Teamwork and knowledge sharing increases productivity as it improves co-ordination, interaction between workers, and involvement of individuals in the success of the whole process. The first target should be to ensure that all workers in the business (including the owner) feel part of the team that makes up the enterprise. Groups with good team spirit will be inclined to pull their weight and feel responsible for the success of the business.

Smaller work teams within the team can also be created and may be used to carry out various work tasks that are done better by working together than by working as individuals. Module 1 discusses an example of a team, the Employee Improvement Team (EIT), in more detail.

5.6 Performance appraisal

Performance appraisal is the process of evaluating the contribution of each worker. Supervisors observe and evaluate performance, record the assessment and provide feedback to the worker. Performance appraisals should be based on the employee's actual job description and should include a comparison with any previous appraisals to see where the employee has made improvements.

By providing specific feedback to employees, performance appraisals help to maintain productivity levels through motivation and a feeling of pride people have when they are commended for their work. Performance appraisals can also help to identify quality issues that may need to be improved in an individual's work.

So how can the business owner achieve even better performance of his workers by responding to this need? The employer must:

- Make clear the standards of performance of each worker
- Continuously assess the performance of workers
- Let workers know what they are good at and what they can do better
- Give feedback on both positive and negative aspects of performance
- Encourage workers by rewarding good performance

Workers also need to know when their work is not at the expected standard. Time needs to be taken for listening and giving feedback. If not done consistently, unresolved work issues or personal problems will keep people distracted from their work and stops productivity from improving in your business.

Feedback on poor performance should be given in a constructive way and should focus on the behavior, not on the person. The discussion should aim to find the causes for low performance, and on finding ways to improve it. This could include training, different tasks, new tools or equipment, or even a short leave from work to recover from an illness if that is the case for poor performance.

Managers should also ask their workers to give feedback on their own performance. Workers can help them to improve their management skills by describing the positive and negative actions and decisions they may take. Workers should be able to give honest feedback to the owners or managers without fear of punishment. Employees can provide important ideas on how productivity can be improved in a business.

Records of all performance appraisals should be kept in the employee's file so they can be used in the future as justification for purposes of training, promotion, discipline or dismissal. Performance appraisals are based on a worker's performance against predetermined standards and objectives, not on manager's views on the worker's race, color, sex, religion etc. Ideally an outcome of an appraisal is a collaboration to help develop the staff member skills.

Exercise 8: Performance appraisal

1. How can employee performance be assessed in the different areas of work in your enterprise?

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5.7 Training and development

Training and development, as discussed in Chapter 4, serves not only the purpose of improving current and future performance by helping employees acquire the skills, knowledge, and attitudes required to build a competitive workforce but serves also a means to keep up employee motivation. To stay motivated, employees will need to develop themselves, improve their abilities, learn new skills and grow in their jobs. For the business owner, this is a very positive need. If employers respond in the right way, training and development can be an important factor of creating a happier, more motivated and therefore more productive workforce.

Training and development areas a business can give due considerations include:

- Organizing for workers to participate in training courses related to their jobs or (even more motivating) to jobs at a higher level
- Letting qualified and deserving workers temporarily act as supervisors or managers at a level above the one they normally work
- Letting workers perform a different job for a period of time in order to add to their skills and qualifications – and to make more flexible use of them in your business
- Promoting workers from within your business rather than bringing in people from the outside

Training is an excellent topic for dialogue with workers and a good means for building trust.

5.8 **Promotion**

Promotion is a system used to reward an employee with a job requiring higher skills and responsibilities. Promotion demonstrates commitment to workers through advancement opportunities and helps keep workers motivated in their work. When employees demonstrate skills of a higher level of performance or when they have proven to be a worthy resource to a team, a promotion can be a mechanism to acknowledge their abilities and encourage them to develop further.

Promotions are usually a result of:

- Outstanding performance – when the employee has exceeded expectations in terms of relative criteria such as productivity, work ethic and positive attitude
- Seniority – when an employee has been with the enterprise for a certain duration that merits moving to a position of higher authority
- Unique ability – held by the employee and required for the new job

It is important to have a promotion policy so that rules can be applied fairly across the organization. It is also important for managers to discuss with the employee the specifics of the promotion and explain new performance expectations. Employees should have the option to decline a promotion without any negative repercussions.

Discrimination exists when workers who deserve promotion are not selected because of race, color, sex, religion, political opinions, national extraction or social origin. There should be clear company policies on how workers are promoted, ensuring that workers are fairly promoted based on their performance and not on the subjective opinion of their supervisor. Such policies are necessary to make sure, for example, that women are not disadvantaged in comparison to men or people with disability are not overlooked for promotions.

5.9 Dealing with bad performance or behaviour

There is more to business than records, costing and productivity. We all have problems and sometimes, these problems can affect our work performance. The following are common problems experienced by employees:

- ❒ Family difficulties such as a sick child or family member
- ❒ Financial difficulties
- ❒ Personal difficulties such as marital issues
- ❒ Personal health problems.

Identifying the problem

So how will one know if a worker has family problems, has health problem or going through financial hardship? Some symptoms and indicators are listed below:

Job performance	Increasing absenteeism, decreasing job performance, more accidents and injuries, disregard for safety, unstable work patterns
Health	Sick more often, changing eating pattern, poor concentration and memory
Physical appearance	Untidy physical appearance-unwashed hair and clothing, problems with listening and maintaining attention during conversations
Emotions/feelings	Unusually sensitive to advice, resentful of criticism, argumentative and aggressive, irritable and nervous, moodiness, 'don't care' attitude, changes in personal values and beliefs, passive and unresponsive
Social and relationships	Avoids supervisor and work mates, less communicative, increasing conflicts with others, unusual excuses
Financial	Borrowing money from people, receives phone calls from people whom he/she owes money, asks for advances on wages
Family	Increasing family problems (fights, separation, divorce, physical abuse), uninvolved in family life, spending time away from home, distrusted and/or rejected by family members, being an embarrassment to the family
Legal	Arrests, irresponsible behaviour resulting in legal action, court cases

Fighting harassment and bullying at the workplace

Harassment and pressure (also known as bullying or mobbing) at the workplace can occur as various offensive behaviours. It is characterized by persistently negative attacks of a physical or psychological nature, which are typically unpredictable, irrational and unfair, on an individual or group of employees. Sexual harassment is a particularly serious form of harassment, which can offend both women and men.

No worker, female or male, should be subjected to harassment or pressure in any term or condition of employment, or to any emotional abuse, persecution or victimization at work. In particular, there should be no sexual harassment. Work assignments should be distributed equally and based on objective criteria. The job performances of all employees should be evaluated objectively. Employees should not encounter obstacles in the performance of their job functions and should not be required to perform additional work duties or assignments on the basis of their sex. Victims of harassment and pressure should be protected from retaliatory or disciplinary action by adequate preventive measures and means of redress.

There is growing awareness that harassment and pressure at the workplace is not merely an individual human problem but is rooted in the wider social, economic, organizational and cultural context, which includes pervasive inequalities in gender relations. As research indicates, the effects of harassment are also a costly burden for the worker, the enterprise and the community. Harassment should therefore be addressed by adequate measures.

Dealing with problems

When a problem has been identified, how should it be dealt with?

Prepare your case

- ❒ Observe closely and identify changes in job performance and behaviour
- ❒ Establish that the work performance of the employee has fallen below the usual standard and below what is required
- ❒ Record in writing the incidents of performance and attendance problems (what happened, how and when)

Discuss the problem and seek solutions

- ❒ Discuss performance problems with the employee when they occur
- ❒ Explore ways of solving the job performance problem. Insist on improvement
- ❒ Offer to help identify the underlying problem (but recognize pitfalls in taking on a counsellor role).
- ❒ In case of personal problems, identify community resources for possible referral.

Act on the problem

- ❒ Take disciplinary action when required by company policy
- ❒ Reach agreement on a plan to resolve the problem
- ❒ Put the agreement in writing and have it signed by both parties
- ❒ Implement the written plan according to the terms of the agreement
- ❒ Refer to relevant community resources as agreed upon

Provide follow-up and support

- ❒ Stick to the terms of the written agreement
- ❒ Support the employee through personal contact and open communication
- ❒ Continue to evaluate changes in job performance

- ❒ Keep in contact with relevant referral resource to obtain feedback on progress

Disciplining bad work

Discipline is the process of correcting unacceptable behavior or performance by a worker. Discipline should be based on a standard system for responding to the various sorts of performance or behavior problems that can occur in the workplace. It's important to have clearly written policies and procedures that are always the same for every employee.

Procedures generally involve:

- ❒ Oral or written reprimands
- ❒ Suspension with or without pay
- ❒ Mandatory training or coaching
- ❒ Demotion or Transfer
- ❒ Dismissal

Once the decision to discipline is made, the company should rigorously observe a number of principles and procedures:

- ❒ Always be non-discriminatory. You need to deal with the situation regardless of gender, position, status, race, religion, political affiliation, nationality, disability status etc.
- ❒ Deal with discipline situations quickly to minimize further disruptions
- ❒ Document all performance/discipline problems and all communications with workers about the situation
- ❒ Ensure confidentiality of all statements, proceedings and records that are kept
- ❒ Inform workers of allegations against them immediately
- ❒ Record all discussions and actions taken in the worker's file
- ❒ Give workers the opportunity to explain their side of the situation

Discipline should also be consistent with the act. Guidelines and rules in place explaining what is considered a minor offence and what is more serious and may result in immediate dismissal should be made available to all workers. The following table provides examples of some common minor and more serious offences.

Minor	Serious
• Lateness • Inappropriate dress • Distribution of non work related materials without approval	• Theft • Being affected by alcohol or drugs • Refusing to follow instructions

It will depend on the context with some offences, such as poor job performance, low productivity, absenteeism, violating company rules, or dishonesty as to whether they are serious or minor.

Exercise 9: Discipline examples

2. What type of discipline would be appropriate in the following situations:
    a. Worker shows up late 3 days in a row

    ____

    ____

    b. Worker is consistently misusing a tool, causing damage

    ____

    ____

    c. Worker is bullying other workers; so they have to work more, bring them tea etc.

    ____

    ____

    d. Worker is sent on mandatory training and still does not improve

    ____

    ____

    e. Worker is seen drinking on the job

    ____

    ____

Disciplining bad management

Discipline is a two way street. Managers must also play by the rules even if they sometimes have more latitude to interpret them. Workers have the right to fairness and decent treatment based on a range of core rights.

Grievance procedures enable workers to raise issues or complaints against managers regarding their work or supervisors' or fellow workers' actions that affect them. Grievances need to be discussed as a healthy airing of differences. Small problems can be resolved before they incapacitate work relationships. Grievance procedures are a form of communication between workers and managers that:

- Informs management of potential trouble spots
- Informs workers of management's attitudes towards provisions in the contract
- Provides an outlet for complaints
- Helps avoid slowdowns, absenteeism, strikes and damage

Some of the more common issues include:

- Lack of proper implementation of terms and conditions of employment.
- Health and safety
- New working practices or organizational change
- Equal opportunities (non-discrimination practice)
- Sexual or moral harassment

Workers should be guaranteed that they are in no way disadvantaged for bringing a grievance.

Whenever possible, a worker's grievance should be dealt with as rapidly as possible. The experts suggest within five days, and at the lowest possible level within the organization. Often, grievance procedures may be resolved informally in a discussion between the worker and the line manager or supervisor: hence the importance of investing in human relations training for that level of staff. It is still a good idea for both the worker and the line manager to keep a record of what was discussed and how it was resolved. It is vital that all forms of grievance procedures are in writing and made known to all employees. Procedures for dealing with complaints should be impartial and should enable the matter to be settled quickly. Appeal procedures into the formal labour disputes settlement regime should also be available.

Full weight should be attached to the need for confidentiality. Establish a committee composed of representatives of employees and management to supervise the system, review complaints, collect information, make appropriate factual inquiries, decide on the outcome, and implement decisions. Carry out proper investigations in each case and handle all grievances seriously, and ensure confidentiality of the procedure. Guarantee that both the complainant and respondent will be treated fairly. Both sides should be allowed to clarify and explain their position to avoid misunderstanding. Prohibit victimization and penalizing of the employee bringing the grievance. State that both sides of the dispute should act in good faith and collaborate to reach a settlement.

The stages of a Grievance Procedure

Grievance procedures are based on a series of stages that escalate the matter to the point where external parties are required to solve the dispute. Start by setting goals for the grievance handling procedure, for example: to resolve any grievance related to sexual harassment, mobbing, discrimination or other unacceptable behaviour in fair, efficient and thorough manner.

Stage 1:

1. The worker addresses the grievance, often verbally, to their immediate supervisor or manager. If the grievance is against this manager, then the matter should be brought to the attention of a more senior supervisor.
2. The worker should have, at any stage of the grievance procedure, the right to be accompanied by a union representative, or even legal counsel if he or she so desires.
3. The manager should respond to the worker within 10 days of the first meeting.

Stage 2:

1. If the issue is not resolved during stage 1, the worker should be permitted to raise the matter, generally in writing to a more senior level of management.
2. The manager should then investigate the matter thoroughly, by speaking with any witnesses and taking statements from anyone else who may have been involved.
3. The manager should respond to the worker within 10 working days. At this stage it is important for the manager to really listen to the worker to ensure the whole problem is grasped clearly. [Grievances that reach this stage are unlikely to just go away, and if they can be dealt with relatively early there is likely to be less disruption and bad publicity than if the grievance carries on to stage 3.]
4. If the grievance is contested, the worker should be invited to attend a meeting in order to discuss the grievance. [This meeting might involve appearing before a joint committee or panel made up of equal representation of workers, managers and independent union representatives.]
5. Following the meeting, and incorporating the recommendations of the joint committee, the manager should reply to the worker in writing within 10 working days.

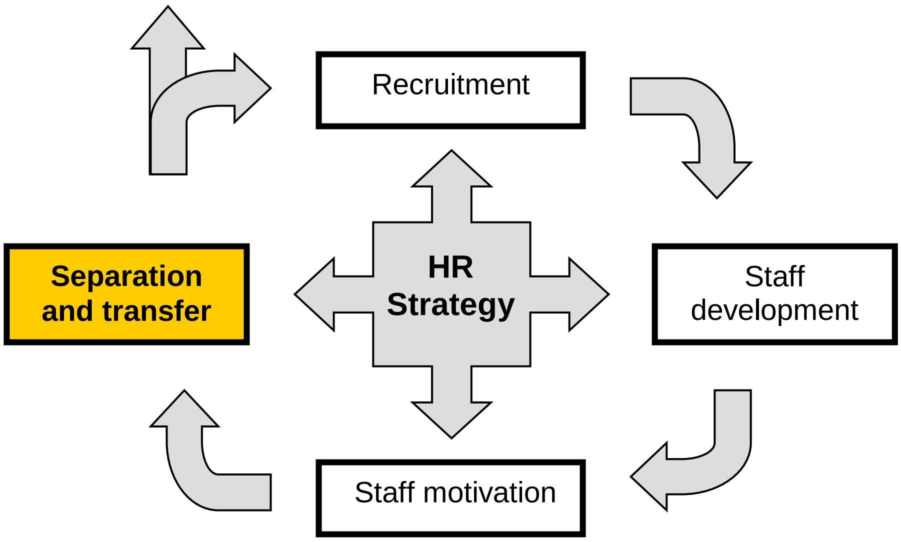
Stage 3:

1. At this stage internal procedures have been generally exhausted.
2. The worker usually has formal legal options available such as arbitration.

If the grievance cannot be dealt with by informal discussion, it should go to a more formal procedure. The number of stages each enterprise has will depend on the size of the organization, its management structure and the resources available; but the internal procedures should not be so long and complicated as to be a practical obstacle to workers seeking redress or lead to disputes and disruptions which undermine quality and productivity. A smaller enterprise may have only one or two stages but even with a single owner-manager, it is still important to act in an impartial manner.

A well-functioning grievance procedure allows swift and flexible handling of the complaints, and as such can play an essential part in cultivating good worker-management relations. Issues that workers wish to bring to objective review by the grievance handling committee may include, for example, unfair treatment or abusive disciplinary methods by supervisors or bullying by co-workers. Sexual harassment at the workplace is also an issue concerning especially among women workers, which would be best addressed through a credible and confidential procedure at the workplace. A sample procedure for handling equality related grievances can be found in the Annex.

6.0 Separation and transfer



6.1 What is transfer?

A transfer is the movement of an employee from one position to another position without change in salary band. It may involve a change in classification description or working titles.

Job transfers generally fall into one of two categories: those initiated by management or those made in response to an employee's request.

Transfers initiated by the employer may be necessary because of:

- temporary workload imbalances
- the need to rotate employees to limit exposure to harmful conditions
- organizational restructuring
- dislocations caused by job elimination or reductions in force.

Employees may initiate a transfer because:

- they want new or broader experience
- there is friction among co-workers
- they want to better use their skills
- they need accommodation for disabilities or family care responsibilities

Either way, transfers may be temporary or long-term, depending on the organization's business needs.

Prior to initiating a transfer, it is important that the HR Department assist supervisors by providing appropriate information and guidance for formally completing the transfer. This will entail a briefing session for the employee regarding the new position addressing responsibilities, starting dates, working hours, necessary forms to be completed for the transfer etc.

An important aspect of employee transfers managers should prepare for is the possibility of inefficiency and knowledge loss. Prior to transferring the employee, HR together with the supervisor and the employee need to discuss how to transfer skills and knowledge onto the next employee. This generally involves allocating days for a debriefing of the old employee and training of the new employee before the transfer takes place. If the transfer is within the same facility, support can be provided on a continual basis. This means, in addition to formally completing the transfer, HR needs to prepare and distribute a job posting for the vacant position as soon as a decision the transfer is made – if the vacant position is to be filled again.

6.2 What is separation?

Employee separation is action initiated by an organization or individual to permanently separate an employee from the organization. Individuals or the organization may initiate the employment separation process for various reasons, and typically may occur as a result of voluntary resignation, non-renewal or early termination of appointment, position elimination or retirement.

Separation is actually an evolutionary process in which employees gradually discover what the organization is like and what kind of relationship they are in with their manager, peers, etc., and make a choice accordingly to stay or leave. This is important to grasp, because an employee does not simply decide he or she is going to resign that day, and nor is it a one off event that causes an individual to leave an organization. Although it is a yes or no decision, the event itself is most often the culmination of a series of experiences that prompt organization or people to disengage.

When separation is initiated by either the employer or employee, procedures have to be in place and followed to ensure the separation process is completed in a manner that is clear and agreed upon by both the employer and employee. This is primarily the responsibility of supervisors who are in charge of ensuring that the HR Department is notified of the separation as soon as possible after they first become aware of an employee or organization request.

As discussed earlier, reasons for separation could be many and following are explanations for the various forms of employee separation.

Voluntary separation

Voluntary separation occurs when a worker leaves to pursue another job or retires. In either case, it is important to conduct some sort of 'exit interview' to find out why the worker is leaving and to have them leave on the best possible terms. In the case where a worker is leaving to find another job, it is especially important to find out why. This will help prevent future occurrences of losing workers to competitors. A strong HR system will not only help you retain workers but also identify weak areas. Exit interviews are the final chance to capture this information.

During the interview

- you want to ask questions about the reasons as to why the worker has decided to work elsewhere. This can often provide information about competitors' wages and benefits as well as highlight possible cases of workplace discrimination or harassment.
- It is also possible to sensitively ask questions that may identify personal problems. Sometimes workers leave their jobs because of personal reasons such as the need for leave of absence. In this case, managers may be able to make some adjustments and keep a good worker if this is identified to be the case during the interview.

Exit interviews demonstrate that management is concerned about workers, which will help maintain a good reputation amongst workers as well as potential new workers.

Retirements are another form of voluntary separation. They generally occur at the end of the workers' career. However, they still provide an opportunity to capture areas for improvement and also a chance to offer appreciation to a worker for their commitment and work.

In addition, it is important to track the amount of voluntary separation in a workplace. Is turn-over a major issue? Do managers know why? It is more costly to hire new workers than to retain workers. Thus, if high numbers of workers are leaving, an investigation needs to be undertaken.

Dismissal

Dismissal is another form of involuntary separation. Dismissal occurs either when all discipline options are exhausted and the problem still exists, or when there is serious misconduct on the part of the worker that constitutes grounds for immediate dismissal. Before dismissing an employee, managers should first make sure they have gone through appropriate disciplinary measures. Local laws govern dismissals and vary country to country, but generally the principle of good cause applies. Good cause is the principle that there has to be a legitimate reason for dismissing an employee.

As with discipline, an enterprise needs clear guidelines on what constitutes good cause and what the company policy is on infractions that may be considered minor or serious depending on the context. For example, should an employee be dismissed immediately because they are caught drinking on the job? If this is the first time and if the worker is a long-standing, typically productive worker, it may be wiser to discuss the problem and try to find a solution that will satisfy both parties. If it is proven to be habitual and there have been warnings in the past, then it would be appropriate to provide the worker the support needed in seeking professional help to get to the bottom of the problem and offer proper treatment.

In general, dismissal because of certain areas of misconduct is accepted as good cause:

- Habitual lateness
- Excessive absences from work (in absence of a medical excuse)
- Insubordination
- Refusal to follow instructions
- Violating company rules

- Disclosure of company confidentiality
- Dishonesty
- Disrupting the work environment
- Preventing co-workers from doing their jobs
- Endangering health or safety of co-workers
- Harassing co-workers
- Threats of violence
- Possession of a weapon at work
- Stealing or other criminal activity

Dismissal because of age, sex, religion, political affiliation, and real or perceived HIV status constitutes discrimination and is not with a 'good cause'. Additionally, persons with HIV-related illness should not be denied the possibility of continuing to carry out their work, with reasonable accommodation if necessary, for as long as they are medically fit to do so. Measures to deploy such persons to positions adapted to their abilities, to find other job through training, or to facilitate their return to work should be encouraged.

Prohibited grounds for dismissal under International Labour Standards include:

- Union membership or participation in union activities outside working hours or with consent of the employer, within working hours
- Acting as a workers' representatives
- Filing a complaint or participating in legal proceedings against the employer
- Race, colour, sex, marital status, family responsibilities, pregnancy, religion, political opinion, national extraction, social origin and absence during maternity leave

In any dismissal situation it is important to meet all legal requirements. A systematic approach is the best way to avoid problems with both workers and suppliers. In most circumstances, dismissals should only occur after at least one disciplinary meeting. This allows the employer to document the case for dismissal and actions taken to avoid dismissing an employee, and it provides the employee with an opportunity to correct their actions or tell their side of the story.

The process for dismissing an employee needs to be carefully followed:

- Review previous disciplinary discussions
- Plan how to approach the worker and what you will say
- Think of typical questions (when is their last day, when will they receive their last pay-cheque, will you provide any references, can they go back to their work area to collect their belongings etc.)
- Have checklist of company assets/property that should be returned
- Arrange for a witness to attend the meeting
- Invite the worker to have a support person in the meeting (union or worker representative)
- Give a written notice for their records, and explain what the notice says
- Inform employee of any benefits they will receive (unemployment insurance, any overtime/vacation owed)

- You may want to provide information on other companies looking for work or agree to wording that can be used in a reference for them

A successful dismissal is where:

- The worker understands essential information about their status
- The worker is treated fairly and with respect
- The company fulfils its legal and ethical responsibilities
- Disruption to other workers is minimal

Exercise 10: Dismissal procedures – two perspectives

<u>Worker perspective</u>

You are a worker known for a quick temper. But at least people know your opinions. You feel you do a good enough job, certainly better than some others you've seen in the past; yes, you are a bit sloppy with your work and pass on pieces that are probably substandard but no-one says anything, so you assume it's okay. Sometimes you are late and your supervisor gets mad, but management has never shown much interest in you, so you don't feel coming in late a few times is so bad. Besides you can't stand your supervisor, he started after you and got promoted quickly. But that's management: they don't understand what happens on the floor.

<u>What happens from your perspective:</u>

- You are called in to the HR manager. This is probably not good; you are annoyed.
- You walk in and find that they are dismissing you. The HR manager calls it a 'lay off'.
- You ask when you'll get your pay and the manager doesn't know. You are angry.
- You yell, try to hit the manager, leave saying you will start a grievance procedure.

<u>Manager perspective</u>

You are the HR Manager, junior for the position, but the HR department is very small, only you and one other employee with even less experience than yourself. The production department tells you that a certain worker is not producing enough on their job and that quality on the entire line is suffering. This has been going on for a while and the production department wants to fire the worker. Upper management wants to improve productivity and tells you to dismiss the worker. You call the worker to your office. When you pull out their file, you find that there is very little information there. You are unsure if the worker's supervisor has discussed the worker's level of productivity or disciplined the worker in the past.

<u>What happens from your perspective:</u>

- ❐ The worker walks in: you know he or she have a quick temper and it makes you uneasy.
- ❐ You tell the worker that he or she is dismissed. As soon as you see the worker's reaction, your get flustered and add that it's just a layoff. These things happen.
- ❐ The worker is very angry now and asks you when they will get their final pay. You can't find payroll information. You will have to check the next pay with your clerk.
- ❐ The worker suddenly tries to hit you; walks out yelling they will start a grievance.

<u>Question:</u>

1. Could the situation have been avoided?

____

____

____

____

2. What could the manager and HR have done to prepare for the dismissal.

____

____

____

____

DISMISSAL PROCEDURE CHECKLIST

Check detail when preparing for the dismissal:

1. Review the employee file and any other documentation from previous disciplinary discussions
2. Plan how to approach the employee and what you will say in advance. All information should be kept strictly confidential.
3. Make sure you are able to answer typical questions the employee might have:
   - ❒ When is my last day?
   - ❒ Why should I leave?
   - ❒ When will I receive my last pay check?
   - ❒ Am I eligible for unemployment insurance?
   - ❒ Will you provide employment references? What will you say if asked to provide an employment reference'
   - ❒ What will my co-workers be told about my dismissal?
   - ❒ Can I say good-bye to everyone before I go?
   - ❒ When can I go back to my work area to collect my things?
4. Have a checklist of any enterprise assets, or other property that should be returned by the employee.
5. If you have any questions about the process or circumstances that have resulted in involuntary dismissal, consult with your legal counsel.
6. Have a witness in the meeting. Give the employee the opportunity to also have a support person in the meeting (such as a union or worker representative).
7. Allow the employee to tell their side of the story.

Check Steps to be taken during the dismissal meeting:

Review the situation with the employee and give the specific reasons for dismissal.

1. Inform the employee when their last day of work is. Generally, in the case of poor performance, the employee is told to leave immediately. In the case of a layoff or reduction in the workforce, the date is usually sometime in the future.
2. Let the employee know of any benefits such as unemployment insurance.
3. Give the employee a written notice for their records and explain what the notice says.
4. Consider offering the employee help in finding another job. Let them know of businesses recruiting in the area. Or, agree on the wording of a reference.

6.3 Responsible HR practices during economic crisis

Involuntary separation or lay-offs typically occur when a company decides to reduce its labour costs. This process is often referred to as downsizing. Downsizing is often the first thing that a company is doing when the economic situation deteriorates. It is often perceived that downsizing has a positive impact on the performance of the company. However, research and experience has shown that this is not always true.

- Downsizing employees does not lead to long-term improvements in the quality of products or services. In its survey on corporate downsizing, the American Management Association reported that over the long term, only 35 percent of its surveyed organizations increased the quality of their products and services after laying off employees.
- Profitability does not necessarily follow downsizing. Data from the S&P 500 for 1982-2000 show clearly that profitability, as measured by the return on assets, does not necessarily follow downsizing, even as long as two years later.
- Productivity does not necessarily increase as a result of downsizing. The American Management Association surveyed 700 companies that had downsized in the 1990s. In 34 percent of the cases, productivity rose, but it fell in 30 percent of them.
- For the majority of companies, downsizing has had adverse effects on the morale, workload, and commitment of "survivors". Seventy percent of senior US managers who remained in downsized firms report that morale and trust declined.

By laying-of employees, firms can all too easily lose vital knowledge that is locked up in the heads and hands of their employees. Losing some of this knowledge may end up costing the company more than it saved on a salary. Certain practices of workforce reduction may also damage the reputation of companies among employees, graduates and customers. The costs of a damaged reputation are hard to calculate and firms often don't consider them. Furthermore, firms that quickly lay-off staff may find themselves poorly positioned lacking skilled employees to manage the expansion when economic growth picks up again.

Therefore, enterprises should consider a three layer strategy when cutting costs. This can involve:

- reducing non-staff costs first;
- secondly, aiming at staff-costs savings without making employees redundant
- finally, reducing staff-costs through layoffs and downsizing when alternative sources of cost savings are exhausted, but doing that in a socially sensitive manner

Make sure that in time of economic crisis specific groups of workers are not left at a higher disadvantage. E.g. part-timer workers (the majority of which tend to be women; also disabled people may end up having to work reduced hours), contract workers (often women, migrants). Also, if re-training and re-qualification schemes are in view, make sure everyone are able to attend and benefit. Do not exclude part-time workers, women on maternity leave, make sure training facilities, time and space modalities are accessible for all. Encourage everyone try to take up new skills.

Reducing non-staff costs

In most enterprises, there is a potential for company-specific cost-savings beyond labour costs. The best way to exploit this potential and to identify wasteful practices is to involve employees. Companies should consider awarding ideas that save expenditures, and make cost-saving everyone's business. Strategies for employee involvement are outlined in Module 1: Workplace Cooperation.

It is important to think beyond the short-term cost savings when implementing cost reduction programmes. How cost-reduction programmes are executed in the short-term will greatly influence how people respond to the long-term impacts of cost reduction initiatives.

Reducing staff costs without redundancies

The last costs that any responsible enterprise wants to cut are staff costs that imply laying-off employees. Sometimes, they do not have a choice, but often there are options to reduce staff costs without having to resort to redundancies. The following is a non-exhaustive list of measures that could be negotiated and implemented in order to reduce labour costs without laying-off people:

- Not refilling existing vacant positions
- Freeze on new hiring
- Work Sharing
- Retraining and filling vacancies with existing employees
- Cuts in pay and bonuses
- Cutback on paid overtime
- The introduction of different working patterns such as reduced hours and part-time solutions

- Partial retirement as well as “encouraged” vacations or sabbaticals

However, it is crucial to make sure that national labour code and existing collective agreements are being respected whenever any of these options are initiated. If these situations arise, the investment that has been made earlier in good relations between managers and workers may help in finding ways in a cooperative manner of adjusting to changed economic circumstances while still retaining as many employees as possible.

Involuntary separations - Reducing staff costs through layoffs and downsizing

Involuntary separations or lay-offs should only take place if alternative methods for cost savings are exhausted. If downsizing is the only option that is left, the first responsibility of enterprises is to oblige with national laws that regulate layoffs for example concerning notice time.

Companies can take a range of steps that go beyond severance payments and compliance with basic legal requirements to demonstrate corporate social responsibility in relation to retrenchment. Whenever a worker is dismissed, his or her ability to find new sustainable routes to livelihood is essential to cushion the effects of lay-offs on both the individual and the community. Companies are often in a good position to use some resources to seek to improve the work and life chances of those workers that they have placed in precarious situations as a result of the retrenchment process.

Consultations with workers’ representatives should explore ways and means of avoiding collective redundancies or reducing the number of workers affected, and of mitigating the social consequences of redundancies. The following measures could be implemented in compliance with legislation or shared agreement reached between employers and workers, or as an enterprise’s voluntary initiative:

- Seeking applicants for voluntary redundancy and/or early retirement
- Severance packages
- Training and other measures to increase the employability of workers
- Assisting with job search (internal/external)
- Priority for rehiring at a later point in time
- Counselling

Consultation and social dialogue during economic crisis

Consultation and social dialogue always constitute the cornerstone for the effective enterprise level employer–worker relations. With mutual trust, information sharing and participative problem solving approach, enterprises are better able to improve productivity and remain competitive during economic crises.

As a general rule, as much information as possible should be given to the workforce concerning the financial position of the company. On the one hand, this will help to gain the trust of the workforce and its buy-in to steering the company through the crisis. If the workers feel that they are being kept “out of the loop” and that the employer is withholding information, this is unlikely to foster good relations and a smooth process of managing the restructuring. On the other hand, being informed, workers can contribute to the task of managing the adjustment process. They often have a better insight of how proposed restructuring programmes might affect actual company operations and propose alternative ways for cutting costs and carrying out the adjustment process.

Annex

Issues for consideration at different levels of workplace cooperation and human resources

WORKING CONDITIONS

Wages and benefits

- equal pay
- overtime
- bonus systems
- job classification
- pension schemes
- housing benefits
- transport benefits
- medical benefits

Leave

- annual leave
- compassionate leave
- maternity/paternity/parental leave
- medical/sick leave
- paid educational/training leave
- other personal leave (marriage, etc.)

Hours of work

- basic hours and overtime
- part-time work
- flexible working time
- job sharing
- night work
- expectant and nursing mothers
- time off for family responsibilities

Health and environment

- health and environmental hazards
- ergonomics
- visual display units
- control measures and personal protective equipment
- welfare facilities and services
- disabled workers
- HIV and AIDS information
- reproductive health
- health and safety committees and safety representatives

MATERNITY AND FAMILY RESPONSIBILITIES

Maternity

- maternity leave and cash benefits
- miscarriage and stillbirth
- adoption
- reproductive health care
- rights of pregnant and nursing mothers
- job security

Family responsibilities

- paternity leave
- parental leave
- family leave
- child care
- care of the elderly
- reproductive health services
- protection against discrimination or victimization

DEFENDING RIGHTS OF NON-PERMANENT AND VULNERABLE WORKERS

- categories - casual, temporary, task workers, seasonal, contract, part-time, rural, home-workers, domestic, migrant, indigenous and tribal
- extend general conditions
- avoid child labour
- avoid non-permanent status for permanent work

DIGNITY AT THE WORKPLACE COMBATING DISCRIMINATION AND VICTIMIZATION

- trade union activities
- sex discrimination
- sexual harassment
- violence at the workplace
- creating an enabling environment

Sample procedure for handling equality related grievances

This procedure explains what to do if you have an equality related problem, issue or complaint.

At_____*[company name]*_________ we understand that it may be hard for you to work to your full capacity if you are being treated unfairly or harassed at work. That is why we support equal opportunity in this workplace. You can obtain a copy of our equality policy from_______*[say where]*_______.

____*[Add name of person responsible for equality]*_____ is responsible for making sure this procedure is followed and reviewed as necessary. If you bring a problem to us it will be handled confidentially, impartially and speedily.

What to do if you have a problem
We have outlined the procedure for handling problems in steps. Not all of these may apply to you, or you may follow them in a different order than shown here. You can seek help from the Equal Opportunities Commission at any time, though we recommend that you try to resolve the issue at work first, if possible.

Step 1*: Talk to the person/people involved*
If you can, it's best to try and resolve issues yourself and to do so as soon as possible after the incident. We understand that you may not always feel comfortable doing so, particularly if you have a problem with a supervisor.

Step 2: *Talk to the person responsible for equality*
If you would like to talk over an issue or find out what your rights are, make time to talk to our company's equality representative _____*[insert name and contact details]*____. They will meet with you as soon as possible. In general they will not discuss your problem with anyone else without your permission. The only exception to this is if you tell them something that may affect someone's safety.

Depending on what you decide and after taking details from you, the equality representative will approach the other person(s) involved in the issue as soon as possible (and preferably within two workdays of meeting with you) and obtain their side of the story.

We strongly encourage timely complaint resolution. Within ____*[time frame]*___ after speaking to the other person(s), and ____*[time frame]*____ from the date you first approached them, the equality representative will speak to witnesses if they need further information. Witnesses may include people who didn't actually see what happened, but who observed your reaction or other related behavior.

The equality representative will then decide if they have enough information to know whether your allegation happened (using the standard of proof that it is more likely than not to have happened). They will also work out whether disciplinary action is required.

Where allegations are proved, the equality representative (or your manager) will resolve the problem by:

- bringing everyone together for a meeting to reach an agreement/resolve issues if the allegation is not of a serious nature
- taking appropriate disciplinary action (such as requiring an apology, counseling, an official warning, transfer, demotion, loss of promotion rights for a set period) against the person(s) responsible if the allegation is serious.

They may also arrange training on equality issues for all staff to ensure that everyone knows what is and isn't acceptable workplace behavior.

Step 3*: Contact the labour department hotline, workers' organization or a legal aid centre*

If you are unsatisfied with the decision reached under this procedure, or you do not feel comfortable bringing it to our attention, you can contact labour department hotline, workers' organization or a legal aid centre to get further advice.

How will our company handle your problem?

We will handle your problem:

- ***Confidentially*** -- Only those directly involved in your issue or complaint (including anyone helping to sort it out) will have access to information about it. Information about the problem will only go on an employee's file if they are disciplined in relation to it.
- ***Impartially*** -- Everyone involved in the issue will get the chance to tell their side of the story, and will be treated as fairly as possible. The person handling the issue or complaint will not make a decision or take any action until all relevant information has been gathered.
- ***Speedily*** -- We will handle all issues or complaints as quickly as possible. Where possible, we will try to resolve all issues within ____*[time limit]*_____.

We will not tolerate *Victimization* -- Less favourable treatment or disadvantage of anyone involved in an issue or complaint being handled under this procedure will be disciplined. Malicious use of this procedure (for example, to lie about someone) will also be disciplined. We will not take any action without proof. We will investigate all issues before making a decision and/or taking action. We will only take action if we believe that it is more likely than not that the allegations happened.

____Date _______________________

Signature of business operator / company