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Five New Year's resolutions for employers in 2017

By Johan Botes

After the festive season break, gyms and health clubs overflow with bodies keen on making good on New Year's resolutions pledged over a glass of bubbly. Employees file back into the workplace again, hopefully buoyed and brimming with enthusiasm to tackle the challenges inherent in earning a living.



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Employers seeking to make the most of 2017 (and the enthusiasm inherent in the start of the new year) should consider their employment practice priorities. This is an opportune time to introduce amendments or new policies or practices. Here are our top five action items for employers for 2017.

#1: Change bad workplace practices

This may sound like an obvious issue to consider, but experience shows that employers often fail to take a step back to evaluate their employment practices. What went wrong in your workplace over the past two to three years? Are you suffering from staff turn-over higher than the norm within your industry? Have you seen a spike in grievances, disputes declared at the employment tribunal or even just murmurs around the water fountain? Look at all these and other sources of information to understand what causes workers to be disenchanted in your workplace.

Once you have identified reasons for disgruntlement, prioritise it and attack the top ones. In many cases sharing information about the company's position or actions may go a long way to diffuse tensions. Outdated policies or practices can often be amended to accommodate changing needs without dramatic impact on those managing the implementation or management of such policies or practices. Realising that there is a lack of clarity about the bonus policy or salary increase system (typical examples of employee dissatisfaction) allows the employer to improve understanding about the implementation of such processes.

#2: Alter the composition of your workforce

A workforce reflecting the diversity of talents available in society is not only a moral imperative and even a legal requirement

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in some jurisdictions (including South Africa) but also makes sound business sense.

Recent reports show that, in respect of gender diversity, businesses in the top quartile are 15% more likely to deliver financial returns that beat the returns of the companies in the bottom quartile. The results are even more stark when considering racial and ethnic diversity. Companies in the top quartile of racial and ethnic diversity in the workforce are 35% more likely to outperform their counterparts in the bottom 25% of the list. <u>McKinsey & Co 'Diversity Matters' (2015)</u>]. Employers struggling to increase business performance should implement a measurable plan to improve diversity in the workplace.

#3: Get your best managers involved in recruitment

Many hours wasted on performance counselling, disciplinary hearings and employment disputes can be avoided when you ensure that you employ the right candidate. Recruitment is often a grudge-process where a line manager will instruct the HR manager to find a resource, and then perhaps sit in during a 10 or 15 minute interview at some stage.

Managers who understand the value of sourcing the right candidate for a vacancy will spend time being actively involved in the recruitment process. The line manager and supervisors who will eventually work with the individual are much better placed to pick up on subtle red flags that will suggest a lack of cultural fit with the team. Companies looking to cut their legal costs can do so by encouraging their line managers to actively participate in the recruitment process. Hiring correctly is the best defence against an unfair dismissal claim as it decreases the likelihood of a dismissal.

#4: Implement double-loop learning in HR practices

Human resource practitioners get misty-eyed when hearing about double-loop learning. It may sound warm and fuzzy for many people, but HR people can appreciate the theory behind it. Yet, when considering the demands of managing the HR function in many organisations, one can understand that practitioners often don't get to implement this in their own systems. Chris Argyris (Teaching Smart People How To Learn) provides the following example to highlight the difference between single and double-loop learning:

[A] thermostat that automatically turns on the heat whenever the temperature in a room drops below 68°F is a good

example of single-loop learning. A thermostat that could ask, "why am I set to 68°F?" and then explore whether or not some other temperature might more economically achieve the goal of heating the room would be engaged in double-loop learning. **J**

HR practices should implement a system that encourages or forces practitioners to feed back learning experiences into the HR system after enquiries or hearings, grievances, disputes or terminations. Measure managers or practitioners on the feedback they provide back into the HR system after certain touch points. It is vital to understand that, for instance, a particular clause in a policy has resulted in a finding against the company at the employment tribunal. Measure the managers involved on how they give this feedback back to the HR team. To complete the benefit of double-loop learning, assess the HR team on their implementation of remedial steps to prevent the same from happening again in future. Implement this across all offices or jurisdictions to experience exponential benefit.

#5: Pick your battles

Settling employment disputes still seem to carry a stigma with some employers. They would not want to be seen to settle a matter as they are concerned about the message this will send to the rest of the staff or marketplace. There is value in ensuring that staff do not act with impunity knowing that the employer will get rid of them by paying them off. Employees should know that the employer will dismiss them (and defend its decision) where they commit heinous acts of misconduct.

However, in many instances disputes can be settled at a fraction of the cost of defending it. The key is probably to determine which matters to settle and on which to blow the legal budget. Here a sound understanding of the employee relations climate in the workplace is critical. If there is an increase in a particular type of workplace problem, then it is prudent to communicate to staff that the employer will no longer tolerate such conduct in future.

Where an employee is dismissed after the employer's caution, defending the subsequent dispute could assist in strengthening the message. Many employers (correctly, I submit) also view certain categories of misconduct to be such that it precludes settlement. Employees should know that where they commit acts of dishonesty, sexual harassment or other discrimination, their employer will terminate their employment and take all steps to uphold the decision.

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