# Unit-5
# HR Performance

**Workforce Reduction** means any termination of employment of one or more employees of the Company or one or more of its subsidiaries as a result of the discontinuation by the Company of a business or line of business or a realignment of the Company, or a part thereof, or any other similar type of event; provided, however, in the case of any such event (whether the termination of employment was a result of a discontinuation, a realignment, or another event), that the Committee or the Board of Directors has designated the event as a "workforce reduction" for purposes of this Plan."

## Planning For Workforce Reduction

Once it's been determined that a workforce reduction is necessary, it's the job of operations, human resources and your legal counsel to devise a plan that minimizes the risks of litigation and ensure there is ample sensitivity and communication during the process.

Before taking any action toward reduction in force (RIF), consider these steps:

- Document the financial conditions necessitating the RIF
- Identify goals of the staff reduction
- Identify the job functions and/or skills that are essential to successful operations
- Eliminate and/or consolidate unnecessary jobs
- Review limitations or liabilities created by collective-bargaining agreements, employment contracts, etc.
- Consider using a RIF committee for evaluating positions
- Set a timetable for carrying out the RIF

It should go without saying that RIF should never be used as a substitute for terminating employees who are performing below standard. It's also best to be sensitive to situations where an employee can show they were laid off close to the time when they would have qualified for a benefit (e.g., pension vesting rights, retirement eligibility, etc.), were chosen because of age or because they earn higher pay, as these can be seen as discriminatory.

Meet with your legal council to gather the information you need to know and the requirements you need to adhere to when it comes to things such as state or industry related laws, severance benefits, pension plans, collective-bargaining agreements and more. Talk with your legal council to ensure that your RIF will not violate (if applicable to your business or industry) the:

- Older Workers' Benefit Protection Act (OWBPA)
- Age Discrimination in Employment Act (ADEA)
- Equal Employment Opportunity Commission (EEOC)
- Worker Adjustment and Retraining Notification Act (WARN Act)

## Communication Is Key

Employees affected by a staff reduction should be advised of the RIF in as professional and supportive a manner as possible. You should be prepared to cope with employee shock, surprise and inability to absorb every detail. Here are some examples of how this may be conducted.

- If possible, two members of management should meet with affected employees individually
- Communications should be brief and direct as to the company's decision

- If asked, those communicating to the employees should be able to briefly explain the basis for the decision
- The communicators should also explain the following:
- Recall/rehire rights, if any
- Severance benefits (if any), health insurance conversion rights, and other monetary issues
- Outplacement or other transitional services being offered, if any

**After Workforce Reduction**

As a means of goodwill after a workforce reduction has taken place, consider providing outplacement services to assist affected employees in obtaining new employment.

The remaining employees should be provided with prompt and accurate information about the desired goals and anticipated timetables associated with the RIF(s). Another great idea to keep morale high is to provide remaining employees with modest incentives (monetary or otherwise) for increased productivity.

Workforce reductions provide unique opportunities to reorganize and streamline operations. To maximize the cost savings affected by staff reductions, existing processes or operating procedures should be redesigned to improve efficiencies and eliminate the duplication of effort and expense. Some ways to accomplish this are:

- Job cross-training
- Restructuring to avoid unnecessary layers of supervision or management
- Evaluating existing business practices with the goal of reducing hidden costs such as travel, entertainment or recruitment expenses

We hope the information provided here will help you and your business understand the options available if you wish to avoid a workforce reduction, as well as provide you with important tips for planning an RIF if nec

# Organizational Realignment

**Organizational Realignment** is the **process** of changing the way a company does **business**. There may be multiple reasons for which **management** of an **organization** decides to undertake realignment - from underperformance to stagnation. It is the responsibility of the leadership to make sure that the various parts of the organization are aligned for it to function properly.

**Successful                                    Organizational                                    Alignment**
The parts of the organization that need to function smoothly:

- **Work Processes**: Work processes are the daily tasks employees perform to create and deliver value. To create results, leaders must identify and prioritize the work processes that create **marketplace differentiation**.
- [[**Structure** & **Governance**: An **organization's structure** and **governance** must be shaped in a way that allows you to deliver on your **differentiating capabilities** and implement your **strategy**. Rather than consider structure and strategy as two separate issues, leaders should focus first on strategy and then structure the organization to support it.
- Information & Metrics: **Information systems** should be designed to ensure that the right **information** - that which allows leaders to solve critical problems or make decisions

that impact strategy - gets to the right people at the right time. **Metrics** should provide **data** that helps leaders align their **business model** with **organizational priorities**.

- **People & Rewards**: This system should be aligned to motivate **employees** and maximize their potential while supporting the organization's strategic goals. For example, an organization with a strategy that focuses on creating **differentiated customer experiences** may decide to provide extra training to their public-facing employees.
- **Continuous Improvement**: To keep pace with changes in the marketplace and within the organization, an organization must have a system to continually review and realign all systems within it. Leaders should keep a "big-picture view" of the organization, frequently examining whether their organization choices are optimally aligned to achieve their goals.
- **Leadership** & **Culture**: The beliefs, behaviors and norms within an organization should be cultivated to contribute to differentiation and value. Leaders can achieve this by modeling the desired behaviors, basing new priorities and programs on those behaviors and aligning other organizational choices in way that supports the desired culture.

**Employee Retention**

Organizations need to keep their best employees around to thrive. This is the goal of employee retention. Employee retention refers to the strategies an organization develops to mitigate employee turnover risks and the processes it puts in place to retain its critical talent. Employee retention is a leading challenge for organizations and HR departments today.

Individuals leave their jobs for many different reasons. Some are voluntary, such as taking another job, while others are involuntary, such as getting laid off. Employee retention strategies primarily focus on voluntary turnover that is detrimental to the organization, as opposed to the loss of a poor performer. It also focuses on turnover that is avoidable, such as an employee leaving their job because they're moving out-of-state.

**9 Benefits of Employee Retention**

As businesses compete for top talent, employee retention is crucial. While some experts suggest that a 90% retention rate is a good goal, the reality is, it varies across different companies and industries. However, the ability to retain employees is universally beneficial for many reasons. Following are nine of the top benefits:

1. **Cost reduction.** U.S. employers spend hundreds of millions of dollars every year recruiting and training new workers. Those costs are sunk if an employee leaves prematurely. Productivity, team cohesiveness and morale also take a hit — which also has a financial impact. Total replacement costs for each employee can range from 90% of a worker's salary for an entry-level employee to 200% or more for tenured professionals and leaders.

2. **Recruitment and training efficiency.** By focusing on employee retention, companies reduce recruiting costs and enjoy greater returns on employee training. Recruiting costs include fees paid to recruiters or to advertise the position, interview-related travel and possible signing bonuses. Next comes training, which can also be costly. If the employee leaves prematurely after being hired, that money is wasted.

3. **Increased productivity.** Employee turnover sets back productivity because it takes time for a new worker to get up to speed and produce at a comparable level as their predecessor. It also takes a toll on remaining staff, who have to take on additional work and may produce lower-quality output as a result. Conversely, high-retention workplaces tend to have more engaged workers who, as a result, are more productive.
4. **Improved employee morale.** Organizations with successful employee retention programs foster greater connectedness and engagement, which helps morale and, in turn, boosts retention. Conversely, a steady stream of departures has a dampening effect on workplace morale, with side effects that include a decrease in work quality and more workers who decide to leave.
5. **Experienced employees.** It stands to reason that the longer employees remain at an organization, the more engaged, knowledgeable and skillful they are. They have also forged valuable relationships with customers and co-workers. When an employee departs, the company incurs an opportunity cost in the potential value the employee could have delivered.
6. **Better customer experience.** Inexperienced and less adept new hires may be more prone to missteps that negatively impact a customer's experience with the company. Satisfied, longer-term employees are often more skilled in dealing with customers and may have strong relationships with them. This is as true during all the stages leading to a signed contract as it is post-sales, when a customer might reach out to customer service. A better customer experience can also be a key brand differentiator.
7. **Improved employee satisfaction and experience.** A symbiotic relationship exists between retention and both employee satisfaction — worker happiness and fulfillment — and employee engagement, the level of commitment workers bring to their roles. Satisfied and engaged employees are often more likely to stay in an organization, and organizations with high retention rates often experience greater employee satisfaction and engagement.
8. **Stronger corporate culture.** Corporate culture develops over time, based on employees' cumulative traits and interactions. When engaged employees who are aligned with an organization's culture stay, they strengthen the organizational ethos. A strong corporate culture also improves productivity and performance.
9. **Increased revenue.** Employee retention is not just about cutting costs; anecdotal evidence shows it can have a positive impact on revenue as well. Employers with better retention rates deliver a better customer and employee experience, hold on to experienced top talent and are more productive — each of which can boost growth.

# HR benchmarking
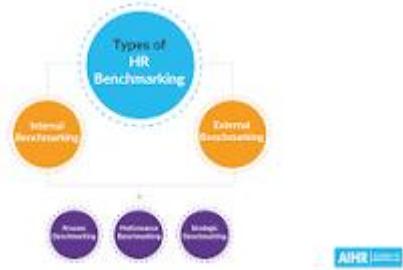


HR benchmarking uses both quantitative and qualitative data to make comparisons between and within organizations, sectors, industries, roles, practices, and processes. It is used to provide feedback to organizations for continuous improvement to their people practices and challenge existing processes.

**Benchmarking**

Benchmarking is a regular practice among business owners, including those in HR. Benchmarking in HR is essentially a technique that uses quantitative or qualitative data to compare between companies to regularly measure, challenge, and improve their practices.

As you measure areas like recruitment and retention procedures and how your business compares with the other businesses, you'll be able to determine your performance. Benchmarking in HR has several additional benefits.

A benchmarking approach needs to focus on the things organizations are doing that consistently bring success. To understand the best practices to be obtained, benchmarking activities have to be strategically planned with specific objectives in mind. HR experts can create a benchmarking approach that is more reliable and valuable when they identify the types of patterns and data to look for.

**Process of HR Benchmarking**

1. **Identify what is to be benchmarked:**
   Executives should be involved in deciding the processes that are vital to the success of the business. The processes should then be prioritized according to the most important metrics.

2. **Identify comparable companies:**
   Determine if you'll benchmark processes within your organization, a competitor's, or an organization outside your industry. It may be difficult to gather all the data you want if you benchmark a direct competitor.

3. **Determine data collection methods and collect data:**
   This process is important but can difficult when you try to gather data from a direct competitor because most of that information may be confidential. You can gather information through research, interviews, and casual conversations with contacts from other companies.

4. **Determine current performance levels:**

Analyze the data you've gathered with other metrics. Layer your performance metrics on top of your process diagrams or map out the processes of your competitor to better see where you're falling behind.

5. **Project future performance levels:**
   Try to identify what causes the gaps in your organization. For instance, do you have enough people, and are they sufficiently trained to carry out their duties? Look for ideas to effectively and efficiently fill those gaps.

6. **Communicate benchmark results:**
   Closely analyze the changes and employee performance. If new methods are not running as required, determine areas that should be adjusted. Ensure that all employees understand their roles and are properly trained.

7. **Develop action plans:**
   Develop a plan to implement changes that you've determined to be the best to close performance gaps. Your plan has to have clearly defined objectives and should be written with the culture of the company in mind.

8. **Implement action plans and monitor progress:**
   You can implement an action plan that achieves the desired goals. The detailed plan should mesh with the company culture so that employees will readily accept the new changes.

9. **Recalibrate benchmarks:**
   After a particular time, you should follow up to make sure that the new changes are producing positive results. Provide a detailed report to share with collaborators.

**The Impact of globalisation on human resource development**
Globalisation has transformed HRD into a dynamic and multifaceted discipline, necessitating new approaches to effectively manage a diverse and distributed workforce. The profound influence of globalisation is not limited to one specific aspect of HRM; instead, it permeates various dimensions, including recruitment, talent management, employee development, and even the very nature of the workplace itself.

**Workforce Diversity**

**The Importance Of Workforce Diversity**
Today, having a diverse workforce is important for a number of reasons:
1. **To Reflect The Community:** In order for businesses to be truly representative of the communities they serve, it is important that their workforce is diverse. This is especially important for businesses that provide services to the community, such as healthcare and education.

2. **To Retain More Employees:** A diverse workforce can help to retain employees. Employees are more likely to stay with an organisation if they feel that they belong and that their unique talents and perspectives are valued.
3. **To Attract Top Talent:** A diverse and inclusive workplace is attractive to top talent. In a competitive job market, businesses need to be able to attract the best and the brightest if they want to be successful.
4. **To Address The Needs Of A Changing Labour Market:** The labour market is changing and becoming more diverse. As such, businesses need to be prepared to meet the needs of a diverse workforce.
5. **To Better Understand Customers:** In order to be successful, businesses need to understand their customers. A diverse workforce can help businesses to better understand their customers and the communities they serve.
6. **To Improve Their Reputation:** A diverse and inclusive workplace is often seen as a good place to work. This can help businesses to attract new customers and to build a positive reputation.

## The Types Of Workforce Diversity

Today, workforce diversity isn't just about gender and race. There are a number of different types of diversity that businesses need to consider when creating a diverse and inclusive workplace. However, these can be grouped and categorised into four types:

- **Internal Diversity:** Internal diversity characteristics are those that the employees are born into. This includes gender, race, ethnicity, age, sexual orientation, religion, socio-economic status, and ability.
- **External Diversity:** External diversity characteristics are those that employees acquire from their experiences outside of work. This includes skills, education, life experiences, religious and cultural experiences, and international experience.
- **Organisational Diversity:** Organisational diversity relates to the characteristics within the workplace like job functions, management status, employment status, union membership, etc., that can create different perspectives and experiences.
- **Worldview Diversity:** The way different workers conceptualise world events, problems, and solutions is known as worldview diversity. These include political beliefs, moral values, and social attitudes.

## Challenges Of Diversity In Workplace

Businesses need to be aware of the human resource challenges that can come with having a workforce that is diverse in terms of race, ethnicity, age, gender, sexual orientation, and ability. These challenges include:

- **The Potential For Conflict:** One of the challenges of diversity is the potential for workplace conflict. When people are from different backgrounds and have different perspectives, it is possible for them to clash. This can be a problem in the workplace, where productivity can be affected.
- **The Need For Training:** Another challenge of diversity is the need for training. Employees need to be trained on how to work with people who are different from them. They also need to be taught about the importance of diversity and how to create an inclusive workplace.

- **Communication Barriers:** Communication can be a challenge in a diverse workplace. This is because people from different backgrounds may not be able to understand each other. They may also communicate in different ways, which can lead to misunderstandings.
- **The Risk Of Discrimination:** There is always the risk of discrimination when there is a diverse workforce. This can be harmful to employees and can lead to a loss of productivity.
- **Cultural Misunderstandings:** Cultural misunderstandings can also be a challenge in a diverse workplace. This is because people from different cultures may not be familiar with the customs and traditions of others. This can lead to confusion and frustration.

## Benefits Of Diversity In Workplace

Despite the challenges, there are also many advantages to having a workforce that is diverse. These benefits include:

- **The Ability To Serve A Diverse Customer Base:** A diverse workforce can help businesses to understand their customers and the communities they serve better. This is because they have employees from different backgrounds who can provide insights into different cultures.
- **Increased Creativity And Productivity:** When people from different backgrounds come together, they often spark new ideas and increase productivity. This is because they bring different skills, knowledge, and experiences with them.
- **A Better Representation Of The Community:** A diverse workforce can help businesses to represent the community they are in better. This is because they have employees from different backgrounds who can share their stories and experiences.
- **Increased Cultural Awareness:** A diverse workforce can help businesses to become more aware of different cultures. This is because they have employees from different cultures who can provide insights into their customs and traditions.
- **Reduced Employee Turnover:** Studies have shown that businesses with a diverse workforce have reduced employee turnover. This is because employees feel appreciated and valued when they are in an inclusive workplace.
- **Attract And Retain Top Talent**: Diverse workplaces are often more attractive to top talent because they provide an environment where people can feel included and respected.
- **Improved Decision Making:** Diversity can also improve decision making in the workplace. When there are different perspectives, businesses are more likely to make better decisions.
- **Better Reputation:** A diverse workplace can also lead to a better reputation for a business. It shows that it's an organisation that values and respects all people.

## HRD Programs for diverse employees

Definition & Meaning According to Pulpa Subba Rao "HRD is a process in which the employees of an organization are helped/motivated to acquire and develop technical, managerial and behavioral knowledge, skills and abilities and mould the values, beliefs and

attitudes necessary to perform present and future roles by realizing the highest human potential with a view to contribute positively to the organizational, group, individual and social goals" According to Prof. TV Rao, "HRD is a process by which the employees of an organization are helped in a continuous and planned way to :

1) acquire or sharpen capabilities required to perform various functions associated with their present or expected future roles;

2) to develop their general capabilities as individuals and discover and exploit their own potential for their own and/or organizational development purpose;

3) develop an organization culture in which superiorsubordinate relationships, team work and collaboration among subunits are strong and contribute to the professional well being, motivation and pride of employees"

Nature and Scope of HRD

1. Systematic & Planned Approach - HRD is a systematic and planned approach for the development of culturally diversified workforce in order to achieve organizational, group and individual goals.

2. Continuous process – For the culturally diverse workforce, HRD is a continuous process for the development of technical, managerial, behavioral and conceptual skills and knowledge.

3. Multi-level – In a culturally diverse workforce, HRD develops the skills and knowledge not only at the individual level but also at the dyadic level, group level and organizational level.

4. Multi-disciplinary – HRD is a multi-disciplinary as it draws inputs from engineering, technology, psychology, anthropology, management, commerce, medicine, etc.

5. Various techniques - Culturally diverse workforce demands various techniques like performance appraisal, training and development, career planning, counselling, social and religious programs, quality circles, etc.

6. Omnipresent – The presence of HRD id seen not only in manufacturing and service industry but also in information technology industry. Scope of HRD HRD deals with the development of human resources in order to achieve the individual, group and organizational goals and helps the efficient management of employees in the organization.

The scope of HRD in relation to the culturally diverse workforce is as under:

1. Recruiting the employees within the dimension and possibilities for developing the diverse workforce.

2. Selecting the talented employees from across the globe having Page 4 of 12 potentials for development to meet the present and future organizational goals.

3. Analyzing, appraising and developing performance of culturally diverse employees as individuals, members of a group and organizations with a view to develop them by identifying the gaps in skills and knowledge.

4. Help the employees to learn from their superiors through performance consultations, performance counselling and performance interviews.

5. Train the employees in acquiring new technical skills and knowledge.

6. Develop the employees in managerial and behavioral skills and knowledge.

7. Planning for career and introducing developmental programs.

8. Succession planning for the employees.

**Expatriate and Repatriate Support and Development:**

- Create a dedicated expatriate and repatriate management programme as part of your global talent management strategy, with a particular focus on employee wellness.
- Conduct thorough research about the host country so that the expatriates will have sufficient background knowledge about the country.
- Ensure adequate orientation and training about the host country, e.g. national context, culture, laws and environment.
- Prepare expatriates to have a clear understanding of their position and role in the host country.
- Identify any possible risks in the host country and develop appropriate mitigation plans.
- Orientate the expatriate about any cultural dynamics in the host country, e.g. language(s), laws, habits, customs, norms and rules (spoken and unspoken).
- Test potential expatriates on their global cultural adaptability, people who are very adaptable to different cultures in one country may not be able to adapt to a total different cultural environment on a totally different continent.
- Integrate the family of the expatriate in your planning, in fact research has indicated that expatriates adapt much quicker than their family members.
- In addition to a home country contact person, create a host country support system for the expatriates so that they are actively and proactively supported at the local sites.
- A key aspect is to ensure that all HR and logistical arrangements are in place, such as expatriate allowances, accommodation, language training, schools etc.
- Ensure good communication with their home country so that they never feel isolated or neglected, keep them informed of all developments affecting them at the home and host countries.
- Keep a special folder of major changes in the country before the repatriate returns.
- Prepare the repatriate to return, inform them of changes in laws, rules and other changes.
- Organise a welcoming party and pack as part of the repatriation programme.
- Formalise the repatriate programme so that the repatriate looks forward to his or her return and can visibly be part of a caring repatriate experience.
- Support the repatriate with logistical arrangements, e.g. schools, home, office etc.
- Activate the necessary HR and other processes, e.g. salary arrangements, relocation.
- Arrange an official debriefing with the repatriate and capture this knowledge as part of your global market intelligence.
- Provide the necessary employee wellness support by focusing on the unique wellness issues of repatriates.

- Develop a repatriate retention strategy to retain this special global talent in your company.
- Ensure that the expatriate's knowledge is used to tap into the host country market.
- Use the experience of the expatriate to mentor, coach and prepare a new team of expatriates, and to provide inputs into other global operations.
- Put specific emphasis on developing a global mindset and culture in your company, this will ease future international assignments and repatriation in the process.
- Monitor the re-integration of repatriates into the company and the country and address any problems or challenges as they arise.

*****************************************************************