Case – Star Advise

Star Advise was named "the most exciting and fastest management consultancy in the country" last year, which is rare for a young company. Just three years since the company started, it has gained large Fortune 500 clients.

Adrian Zhang, the Human Resources Manager at Star Advise, was considering his recent meeting with the company's President. There were two major issues on her mind. First, she's thinking of developing a new team performance evaluation to promote more collaboration. Second, she noticed that employees have not been using their annual leave, and she's wondering how she can change this workaholic culture.

Performance Evaluations

In the last three years, the President has seen the challenges and obstacles facing the employees with the heavy load of clients and has changed the structure of the company. Instead of each client being assigned one Star Advise employee as its representative, the client is now assigned to a team of three Star Advise employees. The success of the client relationship is dependent on the team, not an individual Star Advise employee.

Because of the collaborative work environment, the President feels that Star Advise employees need not only an annual individual performance evaluation, but a team performance evaluation as well. While the individual performance evaluation measures the team member's success at following through on the job description, a team evaluation is needed to ensure the member is successful at collaborating.

Employees at Star Advise take the performance evaluations very seriously, as it determines their year-end bonus. Introducing the team performance evaluation will surely lead to questions and uncertainty among the employees. The President asked Adrian for his input on

- How often to evaluate team performance?
- How much weight team performance should have compared to individual performance (e.g., 50/50, 75/25, etc.)?
- How team performance will affect monetary rewards?
- Ethical considerations (e.g., is it fair for my bonus to be reduced if a team member doesn't perform?)

Work Culture

Star Advise has 80 full-time employees that are salaried. The employees work a Monday – Friday workweek, from 8:00AM until 5:00pm. Urgent client demands sometimes require employees to work on weekends.

All Star Advise full-time employees that have been employed one year or longer earn 15 days of annual leave per year. If the 15 days are not used, they do not roll over into the next year, they simply vanish, which employees refer to as "use it or lose it."

While Star Advise has several different departments that work on unique tasks, the entire staff works together as a team to serve the client. Collaboration from different departments is almost always needed to complete work tasks. Due to the collaborative nature of the workplace, many employees do not take advantage of their annual leave and end up losing several days of earned leave. Last year over half of Star Advise employees did not use their full 15 days of annual leave.

The President is concerned about the loss of annual leave days and had asked Adrian to investigate. Adrian talked individually with employees to confidentially discuss the issue, and he found out that employees felt guilty using annual leave. The employees stated that the culture at Star Advise labeled taking annual leave as being lazy and not dedicated to work tasks. Co-workers at Star Advise are quick to judge employees that use their full annual leave, even if spread out through the year.

The President is extremely concerned about the judgmental culture that has grown at Star Advise. Studies have shown that employees that do not take annual leave have low morale and have added stress. Not taking annual leave due to co-worker peer pressure also demonstrates low confidence levels.

The President has asked Adrian to determine how the organizational culture can be altered to encourage employees to use their annual leave. The President feels that changing the stigma attached to taking annual leave will not only benefit Star Advise employees but the organization as a whole.

The Task

Adrian had a lot of information to go through, and he knew that after doing the analysis, he'd also have to make a plan about how to actually implement change into the organization in a way that will motivate employees rather than reduce their motivation.