



TRUST, ENGAGEMENT, AND THE EMPLOYMENT RELATIONSHIP

Tony Campbell / Danyel Thomson

Nick Swinmurn



A portrait of Tony Hsieh, CEO of Zappos, sitting cross-legged on a light blue surface. He is wearing a light blue button-down shirt, dark blue jeans, and green sneakers with white laces. He is resting his chin on his right hand and looking towards the camera with a slight smile.

Tony Hsieh
CEO, Zappos

Zappos! 
.com 
POWERED *by* SERVICE™



ZAPPOS

FAMILY CORE VALUES

1

**Deliver WOW
Through Service**

2

**Embrace and
Drive Change**

3

**Create Fun and A
Little Weirdness**

4

**Be Adventurous, Creative,
and Open-Minded**

5

**Pursue Growth and
Learning**

6

**Build Open and
Honest Relationships**

7

**Build a Positive
Team and Family**

8

Do More With Less

9

**Be Passionate and
Determined**

10

Be Humble

Amazon Closes Zappos Deal, Ends Up Paying \$1.2 Billion

Posted Nov 2, 2009 by [Robin Wauters](#)

[Next Story](#)

Amazon earlier this morning [announced](#) the official closing of the acquisition of [Zappos](#), a deal which we [broke the news about](#) back in July. Turns out the valuation of the online footwear and clothing retailer went up from the reported \$928 million over the past few months too – thank you, stock market – and Zappos turns out to have been deemed worth a solid \$1.2 billion by [Jeff Bezos](#) & co based on Friday's closing price of \$117.4 a share.

[amazon.com](#)

[Zappos.com](#)

Zappos CEO [Tony Hsieh](#) [writes](#) in a public letter:

We've been spending the past few months obtaining all the proper government approvals, and I'm happy to say that we officially closed the deal at the split second between Halloween (10/31/09) and All Saints' Day (11/1/09). From a practical point of view, we've switched out our previous board of directors with a new management committee that is composed of people from Zappos as well as Amazon.

FORTUNE



EMPLOYEE RATINGS

92% GREAT CHALLENGES

94% GREAT ATMOSPHERE

89% GREAT REWARDS

94% GREAT PRIDE

85% GREAT COMMUNICATION

84% GREAT BOSSES

EXCLUSIVE

Zappos is going holacratic: no job titles, no managers, no hierarchy



📷 In September, Zappos got a new home, now the company is about to get an internal makeover. (Aimee Groth)

“MY WORST DAY AT ZAPPOS IS
STILL BETTER THAN MY BEST DAY
ANYWHERE ELSE.

I CAN'T IMAGINE GOING BACK TO
TRADITIONAL HIERACHY
ANYMORE.”

ONE DEPARTED ZAPPONIAN
CALLS HOLOCRACY,
“A SOCIAL EXPERIMENT THAT
CREATED CHAOS AND
CONSTRAINTS.”

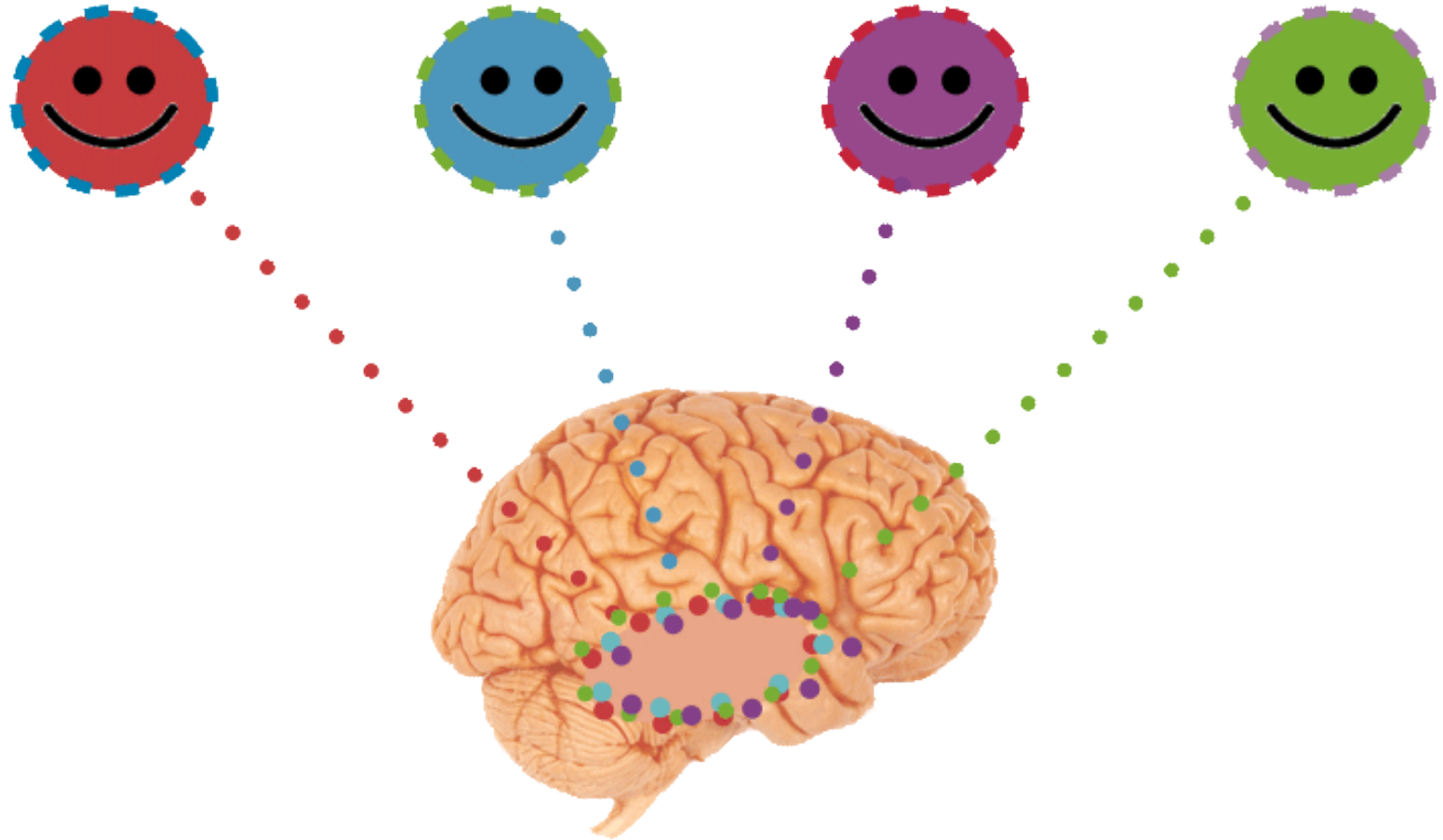
FOR BETTER OR FOR WORSE,
MANAGERS MAKE AN IMPACT.

HIGH ENGAGEMENT =
BETTER OUTCOMES FOR
INDIVIDUALS AND ORGANIZATIONS.

HOW CAN YOU BUILD ENGAGEMENT IN YOUR ORGANIZATIONS AND TEAMS?

**BUILDING A CULTURE OF TRUST
MAKES A MEANINGFUL DIFFERENCE.**

oxytocin



74% LESS STRESS

106% MORE ENERGY AT WORK

50% HIGHER PRODUCTIVITY

13% FEWER SICK DAYS

76% GREATER ENGAGEMENT

40% LESS BURNOUT

29% MORE SATISFACTION WITH THEIR LIVES

THE 6 BEHAVIORS THAT DRIVE **TRUST**

**Recognize
Success**

1

**Communicate
Openly**

2

**Delegate
and
Calibrate**

3

**Build
Relationships**

4

**Invest in
Growth**

5

Recognize Success

1

Recognition and positive
feedback drives trust.



Things you or your organization can do:

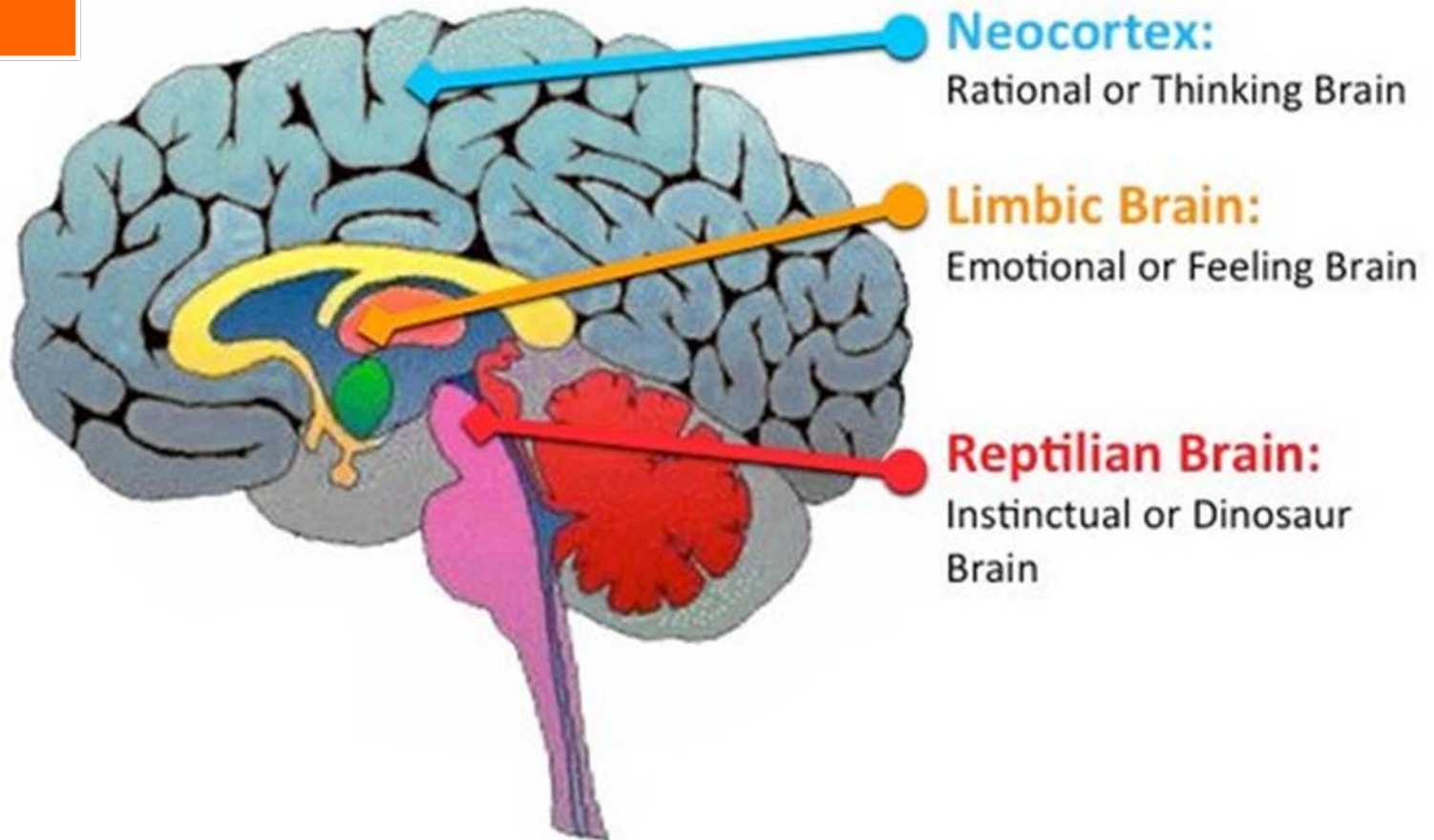
- 1. Get in the habit of noticing the people on your team doing something right.**
- 2. Create a recognition program that recognizes exemplary colleagues.**
- 3. Make a list of personal gifts you could give to recognize outstanding contributions by individual team members.**

ONLY 40% OF EMPLOYEES REPORT
THAT THEY'RE WELL-INFORMED
ABOUT THEIR COMPANY'S GOALS,
STRATEGIES, AND TACTICS.

A STUDY OF 2.5 MILLION
MANAGER-LED TEAMS IN 195
COUNTRIES CONFIRMED THAT
ENGAGEMENT IMPROVED WHEN
MANAGERS HAD DAILY
COMMUNICATION WITH DIRECT
REPORTS.

A team is more effective when it knows where it's heading and why.





**Communicate
Openly**

2

Reduce uncertainty.



Things you or your organization can do:

- 1. Hold regular team meetings to share objectives and key results.**
- 2. Inform the team about projects that other teams are working on.**
- 3. Give the background behind decisions, especially when they're unexpected.**

**Delegate
and
Calibrate**

3

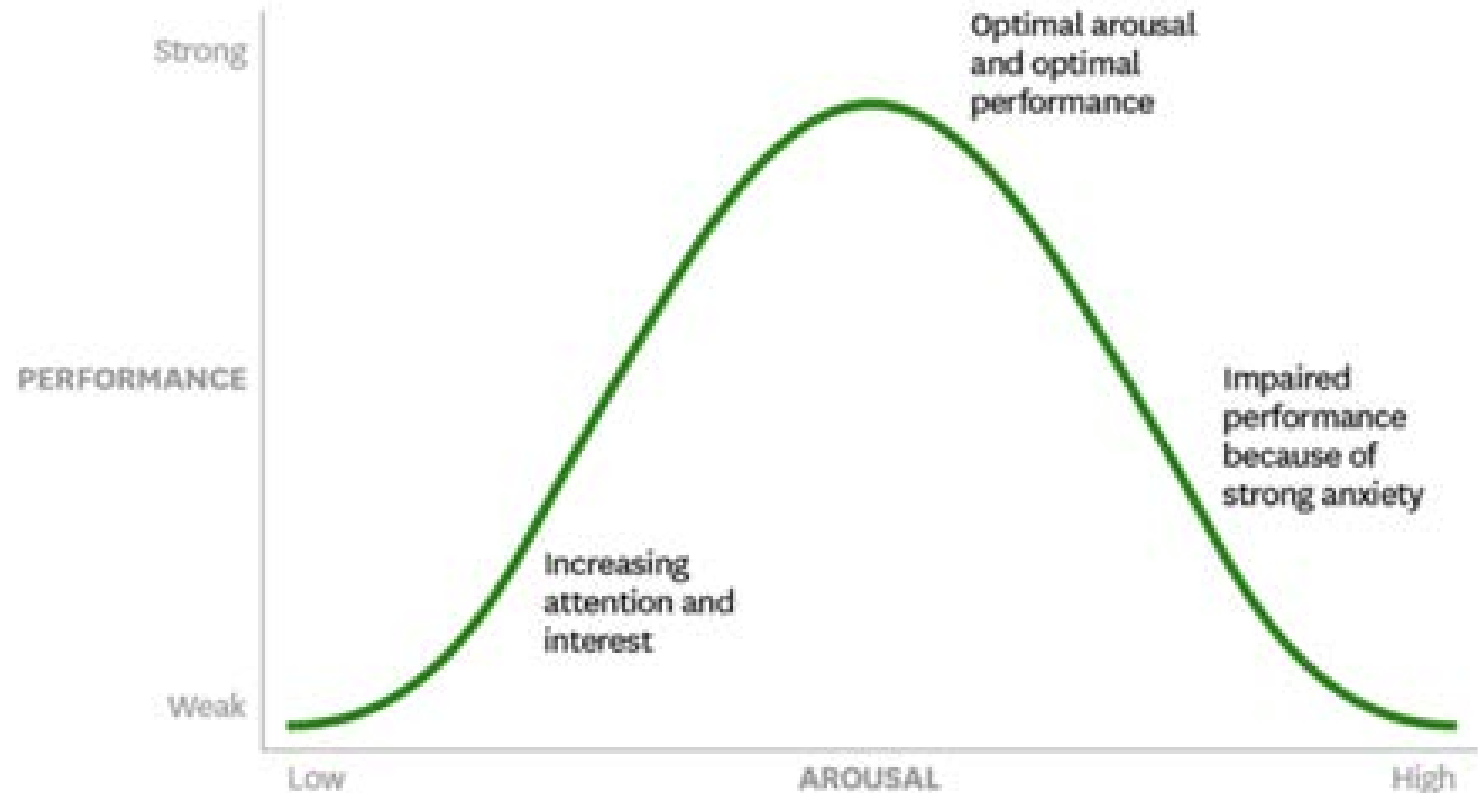
**Have clear and
consistent expectations.**



Calibrate your approach.

The Yerkes-Dodson Law

How anxiety affects performance.



SOURCE: ROBERT M. YERKES AND JOHN D. DODSON

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Things you or your organization can do:

- 1. Break challenges into difficult but achievable weekly actions.**
- 2. Have an innovation contest – use the insights of your team to improve processes.**
- 3. Understand the strengths and capabilities of your team members.**

**Build
Relationships**

4

Be honest, authentic, and balanced.



Things you or your organization can do:

- 1. Ask for help rather than demanding outcomes.**
- 2. Commit to listen twice as much as you speak.**
- 3. Get to know your team members as people – and understand their goals and dreams.**

Invest in
Growth

5

Prioritize training.



Things you or your organization can do:

- 1. Prioritize training and development.**
- 2. Think about how you can improve the reviews you conduct.**
- 3. Develop peer education programs to stimulate personal and professional growth.**

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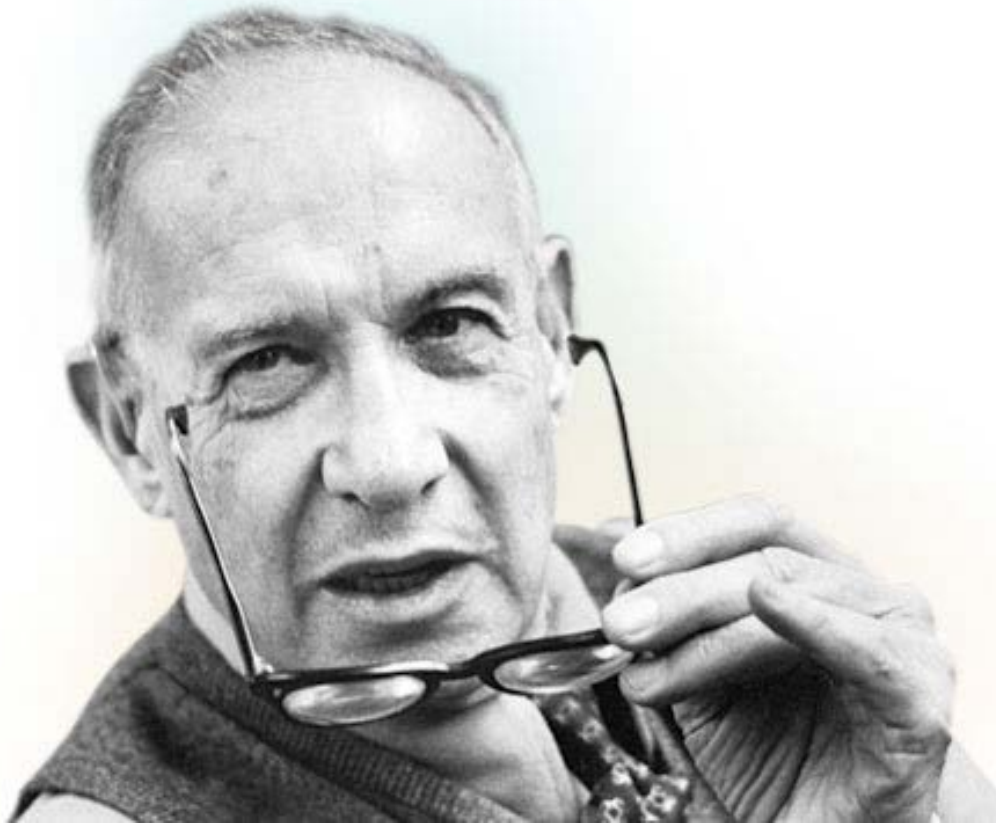
4

**Invest in
Growth**

5

Organizations are no longer built on force,
they're built on trust.

Peter Drucker



GET THEIR EMPLOYMENT
AGREEMENTS RIGHT.



Trustful, Engaging Employment Relationships: the Legal Piece Presented by Danyel Thomson

06 December 2017

TO THINK ABOUT:

How does clear and legally compliant documentation help to establish a trustful, engaging employment relationship?



OUR RULE BOOK

Myanmar Labor Legislation

- ****Notification No. 140/2017 (MOL) & Standard Employment Contract (SEC)**
- **Employment and Skills Development Law (2013)**
- **Shops and Establishments Law (2016)**
- **Factories Law (2016)**
- **Leave and Holidays Law (1951, as amended 2014)**
- **Notification of Severance Payment (No. 84/2015)**
- **Payment of Wages Law (2016)**
- **Settlement of Labor Disputes Law (2014)**
- **Contract Act, 1872**



'PLAYBOOKS' & OTHER FACTORS



- **Employment Contract**
- **Internal Regulations/HR Manual/Employee Handbook**
- **Legislation for your industry sector**
- **Internal Instructions or Directives of MOL & TLOs**
- **What happens in practice**
- **Facts of the case**

TODAY'S LINE UP

- 1) **Requirements:** in establishing the employment relationship foundation
- 2) **Recommendations:** for provisions to ensure expectations are communicated effectively



TRUE OR FALSE?

ALL EMPLOYERS IN MYANMAR MUST
USE A GOVERNMENT TEMPLATE
EMPLOYMENT CONTRACT.

ANSWER: _____

EMPLOYMENT CONTRACTS IN MYANMAR



- **What should be:** Parent company standard contract can be used, so long as the conditions of employment are in compliance with Myanmar law.
- **What was:** Per Notification 1/2015 (MOL), employers must use the SEC and register contracts with the TLO.
- **What is:** Per Notification 140/2017 (MOL), employers must use the SEC and register contracts with the TLO; some important changes, e.g., can amend with 50% employee consent.

EMPLOYMENT CONTRACT



Issue: How to enter into a good, legally compliant EC in Myanmar.

Rules:

- 1) ESDL, Clause 5;
- 2) Notification 140/2017 and SEC - Annexes

TAKE AWAY: BUILDING A TRUSTFUL, ENGAGING EMPLOYMENT RELATIONSHIP BEGINS WITH AN EMPLOYMENT CONTRACT TO SET THE EXPECTATIONS. DECIDE ON AN APPROACH IN REGARDS TO THE SEC FOR YOUR ENTITY, AND SEEK ASSISTANCE TO WORK THROUGH IF NEEDED.

EMPLOYMENT CONTRACT CHECKLIST



- ☐ Type of Employment: Position and Job Duties
- ☐ Probation Period
- ☐ Wages/Salary
- ☐ Place of Work
- ☐ Term of Contract
- ☐ Working hours
- ☐ Rest day/Public Holidays/Leave
- ☐ Overtime
- ☐ Meals during Working Hours
- ☐ Accommodation and Uniform
- ☐ Medical treatment
- ☐ Transportation to/from work
- ☐ Workplace Rules and Regulations
- ☐ Training Courses – obligation to work for employer after training
- ☐ Resignation and Dismissal
- ☐ Termination of contract
- ☐ Obligations of Employer and Employees
- ☐ Cancellation of Employment Contract with Mutual Consent
- ☐ Dispute Resolution
- ☐ Health and Safety
- ☐ Amending and Supplementing Contract
- ☐ Additional provisions – Miscellaneous

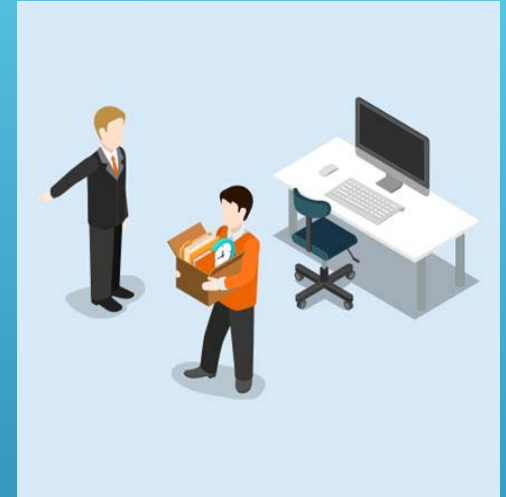
REQUIRED ANNEXES TO SEC

A: MISCONDUCT

- ▶ Punctuality
- ▶ ID, Uniforms
- ▶ Fulfilling duties/assignments
- ▶ Safety – equipment
- ▶ Disruptive behavior
- ▶ Entering restricted areas at work
- ▶ Destroying/defacing property

B: SERIOUS MISCONDUCT

- ▶ Stealing, misusing, destroying work property
- ▶ Injuring another employee
- ▶ Corruption
- ▶ Alcohol, gambling, drugs
- ▶ Violating confidentiality or IP
- ▶ Criminal arrest or sanctions
- ▶ Abandonment for 3 days or 5 days in a month



- Include disciplinary action: warnings or dismissal
- Warnings system for misconduct: 4 strikes you're out

TO THINK ABOUT...

WHY IS IT SO IMPORTANT TO SET THESE EXPECTATIONS CLEARLY ... WHAT IS IT THAT WE ARE SEEKING TO AVOID HAPPENING?

ANSWER: _____



TRUE OR FALSE?

Myanmar is an 'at-will' employment jurisdiction.

Answer:

TO KNOW BEFORE YOU GO...

SEC, CLAUSES: 5(b), 15(b)

- ▶ Employment shall not be terminated if the employee has not violated the contract. The Employer shall not deny the extension of the term of the Employment Agreement without giving any reason.
- ▶ Employer shall keep the record of termination with the valid reason when the employer terminates the employee.

TAKE AWAY: YOU MUST HAVE A NO-FAULT OR FAULT REASON FOR TERMINATION OF EMPLOYMENT CONTRACTS.

REASONS FOR EMPLOYMENT RELATIONSHIP ENDING

- Expiration of contract
- Fault: Termination by Employer for Fault/Cause
- Employee Resignation
- Employee Resignation - Constructive Dismissal
- No Fault: Termination by Employer for Non-Fault Reason

EMPLOYMENT TERMINATIONS



Issue: How do we carry out employment terminations under Myanmar law?

Rules: SEC:

- Clause 5: Expiration and extension
- Clause 15(a): Termination by Employee
- Clause 15(b)(1)&(2): Fault
- Clause 15(b)(3)&(4), 16: No Fault

TAKE AWAY: THERE ARE A LOT OF RULES –
CONSULT PROFESSIONAL LEGAL ADVICE IF
YOU ARE NOT SURE OF THE PROCESS BASED
ON YOUR FACTS.

OFFERING VOLUNTARY REDUNDANCY

Issue: Should we offer EOI in voluntary redundancy?

Rule: Internal Policies:

- 1) Eases pressure on employer to choose.
- 2) Lessens number to go through process.
- 3) Empowers employees to decide, rather than wait and see.



TAKE AWAY: IF IN A LAYOFF SITUATION, OR A NEED TO REDUCE STAFF, CONSIDER IF OFFERING VOLUNTARY REDUNDANCY WOULD BE APPROPRIATE.

OFFERING VOLUNTARY RESIGNATION/MUTUAL SEPARATION



Issue: Should we offer the employee to resign rather than be fired?

Rule: Internal Policies/Risk Assessment:

- 1) How strong is your proof of fault.
- 2) Employee's likelihood of claiming unfair dismissal.
- 3) Time investment to prove misconduct.

TAKE AWAY: ASSESS THE FACTS, THE PARTICULAR EMPLOYEE, AND ASSOCIATED RISKS CAREFULLY AND CONSIDER WHETHER A VOLUNTARY RESIGNATION/MUTUAL SEPARATION IS APPROPRIATE.

TODAY'S LINE UP: #2

- ✓ **Requirements:** in establishing the employment relationship foundation
- **Recommendations:** for provisions to ensure expectations are communicated effectively



INTERNAL REGULATIONS



Issues: Are IR required? Can employers change them from time-to-time?

Rule: ESDL, SEC

TAKE AWAY: CONSULT WITH EMPLOYEES IF POSSIBLE WHEN MAKING CHANGES; AND AT A MINIMUM, IMPLEMENT THE USE OF A SIGNED ACKNOWLEDGEMENT WHEN YOU MAKE CHANGES TO YOUR INTERNAL RULES/HANDBOOK.

EMPLOYMENT DOCUMENT PITFALLS

- Leaving out unrequired policies and procedures
- Not following internal policies and procedures



EMPLOYEE HANDBOOK CHECKLIST

In addition to the usual provisions, be sure to include:

- ☐ Performance Management
- ☐ Grievance Procedures
- ☐ Dispute Resolution
- ☐ Career Development
- ☐ Code of Conduct
- ☐ Internal HR systems, policies, and procedures



PERFORMANCE MANAGEMENT



Issue: What about underperforming employees?

Rule: SEC, Clause 17 & Annex:

- 1) Failure to perform duties of contract
- 2) 3-warnings applies

TAKE AWAY: HAVE A CLEAR PERFORMANCE MANAGEMENT PROCESS AND FOLLOW IT.

GRIEVANCE PROCEDURES



Issues: What if the employee has a complaint? Is a resigning employee ever entitled to severance pay?

Rule: N/A: Be aware of “constructive dismissal”

TAKE AWAY: HAVE A PROCEDURE TO ADDRESS EMPLOYEE COMPLAINTS; EDUCATE AND TRAIN ON THE ‘ICKY’ ISSUES; ATTEMPT TO SETTLE INTERNALLY.

UNDERSTANDING COUNTRY CONTEXT

“Social justice was mentioned as a determining factor: “As [the worker] was dismissed from his job, he was not entitled to any severance pay nor compensation, but to show social justice it is considered that one month salary should be paid.” (Case 64/2016)



- Ediger, Laura and Chris Fletcher. 2017. “Labour Disputes in Myanmar: From the Workplace to the Arbitration Council.” Report. BSR, San Francisco.]



TAKE AWAY: USE YOUR
EMPLOYMENT CONTRACTS AND
INTERNAL REGULATIONS TO
~~PROTECT YOURSELF~~ CREATE TRUST
WHERE THE LAW IS SILENT.

CONCLUSION

Implement these Take Aways to Achieve clear, legally compliant HR documentation in order to:

- ▶ Set the expectations of the employment relationship;
- ▶ Know how situations will be handled when they arise;
- ▶ Mitigate your risk exposure to employee claims; and
- ▶ Foster a trustful, engaging working environment.



DISCLAIMER: The information provided in this presentation does not constitute legal advice; please seek professional legal assistance for your specific matter.

THANK YOU FOR YOUR TIME TODAY!



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