

HR10 · STEP 5 · FINAL

Policy / Handbook Update Drafts

Policy Draft Redlines

Approval-ready policy redline pack with revised section text, change summary, and unresolved conflicts for human decision.

ABOUT THIS DOCUMENT

This is a **sample** deliverable from the **Policy / Handbook Update Drafts** workflow (HR10) in AGASI AiOS. It shows the expected structure and tone. All names, numbers, and facts are **fictional**.

Policy Draft Redlines — Consolidated Approval Pack

Prepared for: HR Director, People & Culture — Northbridge Advisory Partners Date: Current policy review cycle Sections Covered: 2 (Grievance), 3 (Performance Management), 5 (Workplace Conflict), 6 (Equal Pay & Compensation Equity), Escalation & Severity Criteria
Classification: Internal Confidential Status: Approval-ready — pending HR Director sign-off Downstream use: This document feeds into HR18 — Bias / Consistency Review of HR Artifacts

1. Revision Summary Table

Section	Change Type	Rationale	Status
S2.3 — Investigation Timeline	Incomplete (added overrun notification and escalation)	Grievance case ER-2026-014 exceeded timeline with no notification; policy was silent on overruns	Accepted
S2.4 — Hearing and Outcome	Missing (added right to be accompanied)	Compliance requirement (Ref 1.2) not reflected in current policy	Accepted
S3.2 — Performance Improvement Process	Incomplete (added pre-PIP documentation minimums)	Case ER-2026-019 — PIP initiated without prior documented conversations; Stakeholder Request 1	Accepted
S3.4 — PIP Procedure	Outdated (replaced verbal option, added ER Specialist approval)	Case ER-2026-019 — PIP communicated via Teams without HR approval; Compliance Ref 2.2	Accepted
S3.5 — Probation Reviews	Incomplete (added standard form and escalation)	Case ER-2026-014 — probation review never conducted; no enforcement mechanism in current policy	Accepted
S5.2 — Informal Resolution	Unclear (replaced advisory language with mandatory intervention obligation)	Compliance Ref 4.1 — manager's duty to intervene exists regardless of formal complaint	Accepted
S5.4 — Post-Acquisition Integration	Incomplete (replaced placeholder with mandatory protocol)	Case ER-2026-017 — no framework for mixed teams; engagement Flag #4; Stakeholder Request 2	Accepted
S5.5 — Escalation	Missing (added cross-reference to Escalation & Severity Criteria)	Escalation criteria updated in a recent policy cycle but not reflected in policy; Stakeholder Request 5	Accepted
S6.3 — Salary Protections	Incomplete (added expiry procedure with notification and appeals)	Case ER-2026-021 — 18% pay gap with no transition process; Stakeholder Request 3; upcoming annual review deadline	Accepted
S6.4 — Pay Equity Audits	Incomplete (added annual audit requirement with defined scope)	Case ER-2026-021 — grievance raised with no prior audit; Compliance Ref 3.3	Accepted
Escalation Criteria — Engagement Trigger	Unclear (formalised with defined threshold and action workflow)	Three of four cases correlate with engagement flags; trigger not formally adopted; Stakeholder Request 5	Flagged for Discussion

2. Full Redlined Policy Text

Section 2 — Grievance Procedure

2.3 Investigation Timeline

Original: Once a grievance is received, the firm will acknowledge receipt within 5 working days. An investigation will be conducted and a response provided within 15 working days of acknowledgement.

Revised: Once a grievance is received, the firm will acknowledge receipt within 5 working days. An investigation will be conducted and a response provided within 15 working days of acknowledgement. If the investigation will exceed 15 working days, the case manager must notify the employee in writing before the deadline, stating the reason for the delay and providing a revised estimated completion date. Investigations that remain open beyond 30 working days (twice the stated timeline) escalate one severity level in accordance with the Escalation & Severity Criteria and must be reported to the HR Director.

Rationale: Case ER-2026-014 exceeded the 15-working-day window with no notification. The current policy had no overrun procedure. The revision aligns with Compliance Ref 1.1 (notification on delay) and the Escalation & Severity Criteria (severity escalation at 2x timeline). Addresses Stakeholder Request 4.

2.4 Hearing and Outcome

Original: The employee will be invited to a grievance hearing. The hearing panel will include an HR representative and a manager from outside the employee's reporting line. The outcome will be communicated in writing.

Revised: The employee will be invited to a grievance hearing. The hearing invitation must inform the employee of their right to be accompanied by a colleague or trade union representative. The companion may present the employee's case, sum up, and respond on their behalf, but may not answer questions directed to the employee. The hearing panel will include an HR representative and a manager from outside the employee's reporting line. The outcome will be communicated in writing.

Rationale: Compliance Ref 1.2 confirms the right to be accompanied is an established requirement. The current policy omitted this, creating a risk that employees would not be informed of their entitlement.

Section 3 — Performance Management

3.2 Performance Improvement Process

Original: Where an employee's performance falls below the expected standard, the following steps apply:

1. The manager should have an informal conversation with the employee to discuss concerns.
2. If performance does not improve within a reasonable period, the manager should contact HR to discuss next steps.
3. A formal Performance Improvement Plan (PIP) may be initiated at the discretion of the manager.

Note: Managers should document conversations but there is no mandated format or minimum number of documented discussions required before escalating to a PIP.

Revised: Where an employee's performance falls below the expected standard, the following steps apply:

1. The manager must hold a documented feedback conversation with the employee to discuss specific performance concerns. Documentation must use the firm's standardised feedback template and record the date, attendees, concerns raised, and agreed actions.
2. A second documented feedback conversation must occur at least four weeks after the first, reviewing progress against the agreed actions.
3. If performance has not improved after two documented conversations and a minimum of four weeks, the manager may request a formal Performance Improvement Plan (PIP) by submitting the completed feedback documentation to the Employee Relations Specialist for review.

A PIP cannot be initiated without at least two documented feedback conversations spanning a minimum of four weeks. The standardised feedback template is available via the HRIS document portal.

Rationale: Case ER-2026-019 involved a PIP initiated without documented prior conversations. Compliance Ref 2.1 recommends at least two documented conversations and a minimum four-week period before PIP initiation. Addresses Stakeholder Request 1 (Employee Relations Specialist).

3.4 PIP Procedure

Original: When a PIP is warranted, the manager shall:

- Define measurable objectives for improvement
- Set a review period of 30 to 90 days
- Communicate the PIP to the employee verbally or in writing

There is no requirement for the PIP to be approved by HR or the Employee Relations Specialist before communication to the employee.

Revised: When a PIP is warranted, the manager shall:

- Define measurable objectives for improvement
- Set a review period of 30 to 90 days
- Specify the support available to the employee during the review period
- State the consequences of non-improvement

The PIP must be documented in writing using the firm's PIP template. Verbal-only communication of a PIP is not permitted. The completed PIP document must be reviewed and approved by the Employee Relations Specialist before delivery to the employee. The employee must acknowledge receipt of the PIP in writing.

Rationale: Case ER-2026-019 involved a PIP communicated via Teams without HR knowledge. Compliance Ref 2.2 confirms verbal-only PIP communication is insufficient and recommends HR counter-signature. Addresses Stakeholder Request 1.

3.5 Probation Reviews

Original: New employees are subject to a probation period as defined in their offer letter. Managers should conduct a probation review before the end of the probation period. The format and documentation requirements for probation reviews are at the manager's discretion.

Revised: New employees are subject to a probation period as defined in their offer letter. Managers must conduct a probation review using the firm's standardised probation review form no later than 5 working days before the end of the probation period. The completed form must be submitted to HR via the HRIS. If the probation review is not completed by the deadline, the HRIS will notify the line manager's manager and the HR Director. Failure to complete the probation review does not automatically confirm or extend the employee's appointment; the terms of the employee's contract will apply.

Rationale: Case ER-2026-014 involved a new employee whose probation review was never conducted; no enforcement mechanism existed. Compliance Ref 2.3 confirms that failure to conduct a review may result in default confirmation depending on contract terms.

Section 5 — Workplace Conflict Resolution

5.2 Informal Resolution

Original: Employees experiencing workplace conflict are encouraged to resolve the matter informally with the other party. Managers should support informal resolution where appropriate.

Revised: Employees experiencing workplace conflict are encouraged to resolve the matter informally with the other party. Managers who become aware of a workplace conflict — whether through direct observation, employee report, or third-party information — must take documented action within 5 working days. Documented action includes holding a facilitated conversation between the parties, referring the matter to HR for mediation support, or recording a written assessment that no intervention is required and the reasons why. This obligation applies regardless of whether a formal complaint has been filed.

Rationale: Compliance Ref 4.1 confirms the manager's duty to intervene exists regardless of formal complaint status. The previous wording was advisory ("should support") and did not define a threshold for action.

5.4 Post-Acquisition Team Integration

Original: Teams that include employees from acquired firms should be managed with sensitivity to cultural differences. Managers are responsible for ensuring a smooth integration. No specific integration protocol, timeline, or documentation requirement is mandated.

Revised: When teams include employees from acquired firms, the responsible Practice Head and HR must implement a documented integration protocol within 30 days of acquisition close (or within 90 days of this policy's effective date for existing mixed teams). The protocol must cover:

1. **Reporting structure clarification** — written confirmation of reporting lines, project roles, and decision authorities for all team members
2. **Project allocation principles** — documented criteria for how work is distributed to ensure equitable opportunity across legacy and acquired employees
3. **Shared team norms** — a one-page team charter co-developed with input from both legacy and acquired team members, covering communication norms, meeting cadence, and conflict escalation
4. **Monthly check-in schedule** — mandatory monthly check-ins between the Practice Head and a cross-section of team members (minimum one legacy and one acquired employee) for the first 12 months, documented via a standard check-in template

The integration protocol must be filed with HR and reviewed at 6 and 12 months post-implementation. Failure to implement the protocol within the required timeframe must be escalated to the HR Director.

Rationale: Case ER-2026-017 involved workplace conflict between legacy Northbridge and former Meridian employees with no integration framework. The Meridian acquisition was completed over 12 months ago. Engagement Flag #4 (cultural fragmentation in Data & AI Advisory) corroborates the gap. Addresses Stakeholder Request 2 (Practice Head, Data & AI Advisory), including the request for joint development with practice leadership.

5.5 Escalation

Original: Unresolved conflicts may be escalated to the HR Director. The escalation process and criteria are not defined in this policy; managers should use their judgement.

Revised: Unresolved conflicts must be escalated in accordance with the firm's Escalation & Severity Criteria. The following triggers require escalation to the HR Director:

- **Multi-complaint trigger:** Two or more formal complaints naming the same respondent within 12 months
- **Overdue response trigger:** Cases open beyond twice the stated response timeline
- **Engagement survey correlation trigger:** Case theme matches a survey risk flag in the same practice and issue category where the flag is rated High or Critical (see Escalation & Severity Criteria for threshold definition)

Managers must not rely on personal judgement alone for escalation decisions. All escalation triggers must be documented and communicated to the case owner and the HR Director.

Rationale: The Escalation & Severity Criteria were updated in a recent policy cycle but were not cross-referenced in this policy section. The previous language ("use their judgement") was inconsistent with the structured framework the firm has already adopted. Addresses Stakeholder Request 5.

Section 6 — Equal Pay & Compensation Equity

6.3 Acquired Employee Salary Protections

Original: Employees who joined through acquisition may retain their pre-acquisition salary terms for a transitional period. The duration of the transitional period is specified in the acquisition agreement.

Note: No procedure is documented for what happens when the transitional period expires, how affected employees are transitioned to the standard pay framework, or how salary gaps created during the protection period are addressed.

Revised: Employees who joined through acquisition may retain their pre-acquisition salary terms for a transitional period as specified in the acquisition agreement. The following procedure applies when the transitional period is due to expire:

- 1. 60-day advance notification:** The Compensation Analyst must notify each affected employee in writing at least 60 days before the protection period expiry date, explaining the upcoming change and the transition options available.
- 2. Pay equity gap analysis:** Before any transition, the Compensation Analyst must conduct a gap analysis comparing the affected employee's current salary to the applicable band midpoint and to comparable peers at the same grade. The analysis must be documented and reviewed by the HR Director.
- 3. Transition options:** One of the following must be selected and documented:
 - (a) Alignment to band midpoint, effective at the next review cycle
 - (b) Phased adjustment over two consecutive review cycles, with interim amounts documented
 - (c) Retention of current salary with written justification approved by the HR Director (exceptional cases only)
- 4. Appeals process:** Affected employees may submit a written appeal within 15 working days of receiving their transition notification. Appeals are reviewed by the HR Director and the outcome communicated in writing within 15 working days.

This procedure must be completed before the protection period expiry date. The Compensation Analyst must maintain a register of all active salary protections with expiry dates, reviewed quarterly.

Rationale: Case ER-2026-021 revealed an 18% pay gap between same-grade employees in Data & AI Advisory caused by Meridian acquisition salary protections with no documented expiry process. The Meridian protection clause expires at the upcoming annual review cycle. Addresses Stakeholder Request 3 (Compensation Analyst).

6.4 Pay Equity Audits

Original: The firm may conduct pay equity audits from time to time. The frequency, scope, and methodology of such audits are not defined in this policy.

Revised: The Compensation Analyst must conduct an annual pay equity audit covering all grade levels and practices. The audit scope includes base salary, variable pay, and total compensation. Comparison methodology: within-grade, within-job-family analysis, controlling for material factors (length of service, qualifications, geographic location, market rate at time of hire).

Audit results must be reported to the HR Director within 30 days of the annual review cycle close. For any practice or grade where the pay gap exceeds 5%, the Compensation Analyst must prepare a documented action plan with specific remediation steps and timelines. Action plans must be approved by the HR Director.

The first annual audit under this revised policy must be completed before the upcoming annual review cycle.

Rationale: Case ER-2026-021 involved a pay equity grievance with no prior audit to reference. Compliance Ref 3.3 confirms employers must demonstrate a review was conducted when a concern is raised. The current 14% compensation benchmark gap (firm-wide metric) reinforces the need for systematic auditing.

Escalation & Severity Criteria — Engagement Survey Correlation Trigger

[FLAGGED] This revision formalises a trigger that was added informally in a recent policy update but never went through the policy change approval process. The HR Director should confirm whether this trigger should be formally adopted or deferred for further consultation.

Original (informal, prior policy cycle): When a case theme correlates with a survey risk flag, the case should be flagged for policy-level review.

Revised: When a case theme matches an engagement survey risk flag, the following threshold applies: the case and the flag must share (a) the same practice or department, (b) the same issue category (e.g., management effectiveness, compensation, cultural integration), and (c) the flag must be rated High or Critical. When this threshold is met, the Employee Relations Specialist must flag the case for policy-level review and notify the HR Director within 5 working days. The HR Director determines whether the correlation warrants a targeted policy review, a broader investigation, or no further action, and documents the decision.

Rationale: Three of four current cases correlate with engagement risk flags (Flags #1, #4, #5), but the trigger had no defined threshold or action workflow. Addresses Stakeholder Request 5. The Employee Relations Specialist raised the ambiguity when attempting to apply the criterion.

3. Open Items

- 1. Engagement survey correlation trigger — formal adoption:** The trigger was added informally in a prior policy cycle without following the policy change approval process. The HR Director should determine whether to formally adopt the revised threshold definition above or defer pending further stakeholder consultation. (Flagged at Section 5.5 and Escalation Criteria above.)
- 2. Retrospective integration protocol timeline:** Stakeholder Request 2 asks for the post-acquisition integration protocol to apply retrospectively to existing mixed teams. The redline proposes a 90-day implementation window from the policy effective date. The Practice Head, Data & AI Advisory, should confirm this timeline is realistic given current team workloads.
- 3. Salary protection register — current state:** The revised S6.3 requires the Compensation Analyst to maintain a register of active salary protections. The HRIS Administrator should confirm whether this data can be extracted from the current HRIS or requires manual compilation. The upcoming annual review deadline for the Meridian expiry procedure makes this time-sensitive.