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BBA | Semester III | UK3DSCMGT201

# Human Resources Management

Course Code: UK3DSCMGT201 • Module 4 Notes

# Module 4: Performance Management and Employee Compensation

Course: Human Resources Management (UK3DSCMGT201) • Semester III • BBA FYUGP Kerala University

## 1. Performance Management and Performance Appraisal

Performance Management is the continuous, systematic process of identifying, measuring, developing, and aligning the performance of individuals and teams with the strategic goals of the enterprise. In contemporary business pedagogy, it is critical to distinguish Performance Management from Performance Appraisal: Performance Appraisal is a formal, periodic (often annual) review and evaluation of an employee's past performance against established criteria; Performance Management is an ongoing, continuous dialogue involving goal alignment, continuous coaching, mid-year reviews, performance appraisal, and integrated talent development.

### The Step-by-Step Performance Appraisal Process

1. **Establishing Clear Performance Standards:** Formulating specific, measurable, achievable, relevant, and time-bound (SMART) performance benchmarks derived from job descriptions and corporate strategic plans.
2. **Communicating Standards to Employees:** Ensuring employees thoroughly understand what performance outputs, behavioral competencies, and quality standards are expected of them, clarifying ambiguous responsibilities.
3. **Measuring Actual Performance:** Gathering objective, verifiable performance data through output logs, sales records, client feedback, project milestone deliveries, and continuous supervisory observation.
4. **Comparing Actual Performance Against Standards:** Evaluating discrepancies, shortfalls, or positive achievements relative to established benchmarks, noting contextual bottlenecks beyond the employee's control.
5. **Conducting the Appraisal Feedback Interview:** Discussing results constructively with the employee, celebrating achievements, diagnosing performance bottlenecks, and co-creating actionable personal development plans.
6. **Initiating Corrective and Administrative Actions:** Translating appraisal scores into merit increments, promotion decisions, training enrollments, or corrective performance improvement plans (PIPs).

### Traditional Versus Modern Methods of Performance Appraisal

Appraisal methodologies have evolved from subjective supervisor ratings toward multi-source, objective behavioral evaluation architectures:

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| Method Classification | Specific Technique | Operational Mechanism and Key Features |
|---|---|---|
| **Traditional Method** | Graphic Rating Scales | Rater evaluates traits (reliability, quality of work, initiative) along a continuous or discrete numerical scale (e.g., 1 to 5). Highly economical and simple, but prone to severe rater bias. |
| **Traditional Method** | Critical Incident Technique | Supervisor maintains a written log of specific outstanding positive or critically negative employee behaviors occurring throughout the appraisal cycle. |
| **Traditional Method** | Forced Distribution Method | Rater must distribute employee ratings along a predetermined bell curve (e.g., 10% top, 80% average, 10% poor), popularized by Jack Welch's "Vitality Curve" at GE. |
| **Modern Method** | Management by Objectives (MBO) | Pioneered by Peter Drucker; subordinates and supervisors jointly formulate specific operational objectives and key performance indicators (KPIs), evaluating outcomes against targets. |
| **Modern Method** | Behaviorally Anchored Rating Scales (BARS) | Combines rating scales with critical incident narratives, anchoring numeric rating points to specific, observable behavioral descriptions along a job performance continuum. |
| **Modern Method** | 360-Degree Performance Feedback | Gathers confidential performance ratings from a circle of stakeholders: immediate supervisors, subordinates, peers, internal/external customers, and self-appraisal. |

### Cognitive Biases and Rater Errors in Performance Appraisal

- **Halo Effect / Horns Effect:** Allowing one prominent favorable or unfavorable characteristic to color the assessment of all other performance dimensions.
- **Leniency / Strictness Error:** A tendency for supervisors to consistently rate all subordinates excessively high (leniency) or excessively low (strictness) regardless of actual performance.
- **Central Tendency Bias:** The administrative reluctance to assign extreme high or low scores, clustering all employee evaluations safely around the middle average.
- **Recency Error:** Over-emphasizing employee conduct and events occurring during the two or three weeks immediately preceding the evaluation while overlooking earlier work.

## 2. Employee Compensation Administration and Foundational Wage Theories

Compensation administration involves designing and implementing equitable financial and non-financial reward packages designed to attract, retain, and motivate talented personnel. It encompasses direct monetary compensation (base salary, hourly wages, overtime pay, bonuses) and indirect compensation (health insurance, pensions, subsidized housing, fringe benefits).

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### Foundational Economic Wage Theories

1. **Subsistence Theory of Wages (Iron Law of Wages):** Propounded by David Ricardo, this classical economic theory posits that wages tend toward the minimum level necessary to sustain the worker and their family at bare physical subsistence. If wages rise above subsistence, population expands, labor supply increases, driving wages back down to subsistence.
2. **Standard of Living Theory:** Developed by Karl Marx and later economists, arguing that wages are determined not by bare physiological survival, but by the customary standard of living to which a specific class of workers has become accustomed.
3. **Wages Fund Theory:** Formulated by Adam Smith and expanded by J.S. Mill, suggesting that employers set aside a predetermined fixed fund of capital for wage payments. The average wage rate is strictly a mathematical quotient of the total wage fund divided by the number of active workers.
4. **Marginal Productivity Theory:** Formulated by J.B. Clark, asserting that employers hire workers up to the point where the marginal revenue product of labor (MRPL) equals the marginal cost of labor (the wage rate). Wages are directly determined by the economic value added by the last worker hired.
5. **Bargaining Theory of Wages:** Advanced by John Davidson, arguing that wages are determined within a negotiable range bounded by the minimum wage acceptable to workers and the maximum wage employers are willing to pay, with the exact wage determined by relative collective bargaining power.

### Wage Structure Concepts in Indian Labor Jurisprudence

Indian legal jurisprudence, guided by the landmark Committee on Fair Wages (1948) and Supreme Court rulings, categorizes wage levels into three distinct tiers:

- **Minimum Wage:** The absolute rock-bottom remuneration that must be paid to a worker irrespective of the enterprise's financial capacity to pay. It covers bare physical sustenance, basic clothing, shelter, children's education, and basic medical requirements. Failing to pay minimum wage constitutes forced labor under Article 23 of the Constitution.
- **Fair Wage:** A wage positioned between the minimum wage and the living wage, adjusted according to the employer's capacity to pay, prevailing industry wage rates in the region, and national labor productivity.
- **Living Wage:** The ultimate socio-economic goal of labor policy, providing not merely bare physical subsistence, but ensuring a decent standard of comfort, social security, insurance against sickness, and cultural dignity for the worker's family.

## 3. Incentive Wage Plans, Profit Sharing, and Employee Morale

Incentive plans establish a direct mathematical linkage between worker productivity and total compensation, motivating employees to maximize output while maintaining standard quality.

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### Classic Premium Bonus Wage Plans

- **Taylor's Differential Piece Rate System:** F.W. Taylor advocated severe financial penalties for sub-standard performance: workers who achieve or exceed the scientific production standard receive a high piece rate (e.g., 120% of standard), while workers failing to reach standard receive a punitive low rate (e.g., 80% of standard), with no guaranteed minimum wage.
- **Halsey Premium Plan:** Formulated by F.A. Halsey, this system guarantees a minimum hourly time wage. If a worker completes the standardized job in less than standard time, they receive their standard hourly rate for actual hours worked plus a bonus equal to 50% (or 33.3%) of wages for the time saved.
- **Rowan Premium Plan:** Formulated by James Rowan, it similarly guarantees minimum hourly wages. However, the bonus is calculated as a proportion: the percentage of time saved relative to standard time multiplied by wages for time taken. This mathematical formula ensures bonus increments decline at extreme speeds, preventing workers from overstraining machinery.

$$\text{Halsey Bonus} = 0.50 \times (\text{Standard Time} - \text{Actual Time}) \times \text{Hourly Rate}$$

*Where Standard Time represents scientific task benchmark and Actual Time is logged completion duration.*

$$\text{Rowan Bonus} = \left[ \frac{(\text{Standard Time} - \text{Actual Time})}{\text{Standard Time}} \right] \times (\text{Actual Time} \times \text{Hourly Rate})$$

*Bonus proportion scales dynamically based on efficiency gains relative to allotted target hours.*

**Profit Sharing, Employee Morale, and Fringe Benefits:** Profit sharing distributes a predetermined percentage of annual net company profits among eligible employees in the form of cash or company stock (ESOPs), fostering long-term organizational ownership. Fringe benefits (medical coverage, paid vacations, retirement gratuity, crèche facilities) provide security, elevating general workforce morale, stabilizing employee engagement, and drastically lowering voluntary turnover.

## 4. Industrial Discipline, Domestic Enquiry, and Occupational Safety

**Discipline and Code of Discipline:** Discipline implies the orderly conduct of workforce members in adherence to organizational rules, policies, and standing orders. Douglas McGregor formulated the famous **Red Hot Stove Rule** for administering equitable discipline: it must be *Immediate* (burns instantly upon touch), *Warning* (gives heat warning before touch), *Consistent* (burns every time it is touched), and *Impersonal* (burns anyone who touches it regardless of identity).

**Domestic Disciplinary Enquiry Procedure:** Natural justice requires that no employee be penalized without a fair hearing. The formal procedure requires: (1) Issuing a formal Charge Sheet detailing alleged misconduct; (2) Considering the employee's written explanation; (3) Appointing an impartial Enquiry Officer; (4) Conducting formal enquiry hearings with opportunity for examination and cross-examination of witnesses; (5) Formulating the Enquiry Findings Report; (6) Issuing Show Cause Notice on proposed penalty; and (7) Communicating the final punishment order.

**Occupational Safety and Health (OSH):** Governed by statutory frameworks (such as the Factories Act 1948 and the Occupational Safety, Health and Working Conditions Code 2020), organizations must maintain clean air ventilation, prevent industrial noise hazards, install emergency machinery guards, provide personal protective equipment (PPE), and maintain on-site first aid dispensaries.

## 5. Scientific Job Evaluation: Determining Relative Job Worth

Job Evaluation is the systematic, formal process of determining the relative worth or value of distinct jobs within an enterprise to establish an equitable, transparent internal wage structure. While job analysis identifies what a job entails, job evaluation determines how much financial compensation that job is worth relative to other jobs in the organizational hierarchy. Edwin Flippo defined job evaluation as an orderly and systematic process of determining the relative worth of jobs within an organization, preventing arbitrary managerial favoritism and wage discrimination.

### Job Evaluation Methodologies: Analytical Versus Non-Analytical

Job evaluation methodologies are divided into quantitative (analytical) and qualitative (non-analytical) categories:

| Method Category | Specific Technique | Analytical Mechanics and Operational Features |
|---|---|---|
| **Non-Analytical (Qualitative)** | Job Ranking Method | The simplest method; an evaluation committee reviews job descriptions and ranks jobs in order of perceived importance or difficulty from highest to lowest. Inexpensive and fast, but highly subjective with no measurement of the distance between ranks. |
| **Non-Analytical (Qualitative)** | Job Classification / Grading | Predetermined job classes or grades are established with formal written grade definitions (e.g., Grade I: Clerical routine; Grade II: Supervisory skilled; Grade III: Executive). Individual jobs are slotted into the corresponding grade. Commonly utilized in civil services. |
| **Analytical (Quantitative)** | Point Rating Method | The most widely deployed and rigorous system; jobs are broken down into universal compensable factors (e.g., Skill, Effort, Responsibility, Working Conditions). Each factor is divided into progressive degrees, each assigned a numerical point weight. The sum of points across factors determines the job's wage grade. |
| **Analytical (Quantitative)** | Factor Comparison Method | Combines ranking and point methods. A committee selects universal key benchmark jobs, ranks them factor-by-factor, and allocates actual monetary wage portions directly across compensable factors to establish a comparative monetary evaluation scale. |

### The Point Rating Architecture: Compensable Factors and Weights

Under the Point Rating Method, the Point Scale Matrix assigns percentage weights and progressive degree points across core compensable factors:

- **Skill (30% Total Weight):** Subdivided into Education (15%) and Experience (15%). Degree 1: Basic literacy (15 pts); Degree 2: High school plus 1 year (30 pts); Degree 3: Bachelor's degree plus 3 years (60 pts); Degree 4: Master's degree plus 5 years (100 pts).
- **Effort (20% Total Weight):** Subdivided into Physical Exertion (10%) and Mental / Visual Strain (10%). Degree 1: Light sedentary desk work (10 pts); Degree 4: Continuous heavy lifting and high visual concentration (100 pts).
- **Responsibility (35% Total Weight):** Subdivided into Responsibility for Equipment / Materials (10%), Responsibility for Safety of Others (10%), and Financial / Operational Discretion (15%).
- **Working Conditions (15% Total Weight):** Subdivided into Environmental Hazards (10%) and Physical Discomfort (5%). Degree 1: Climate-controlled office (10 pts); Degree 4: Severe chemical fumes, extreme noise, or high-voltage hazards (100 pts).

The total accumulated points for a job directly map onto a standardized corporate wage curve, ensuring internal pay equity (equal pay for jobs of equal relative worth).

## 6. Modern Performance Architectures: Balanced Scorecard and OKRs

In response to the limitations of backward-looking annual performance reviews, modern enterprises integrate strategic multidimensional measurement architectures:

### The Balanced Scorecard (Robert Kaplan & David Norton)

The Balanced Scorecard translates an enterprise's strategic mission into a comprehensive set of performance measures across four balanced perspectives, preventing executives from over-emphasizing short-term financial gains at the expense of long-term organizational health:

- **Financial Perspective:** "To succeed financially, how should we appear to our shareholders?" Key metrics: Return on Capital Employed (ROCE), Operating Margin, Economic Value Added (EVA).
- **Customer Perspective:** "To achieve our vision, how should we appear to our customers?" Key metrics: Customer Lifetime Value (CLV), Net Promoter Score (NPS), Customer Retention Rate.
- **Internal Business Processes Perspective:** "To satisfy shareholders and customers, what business processes must we excel at?" Key metrics: Manufacturing Cycle Time, Quality Defect PPM, Unit Production Cost.
- **Learning and Growth Perspective:** "To achieve our vision, how will we sustain our ability to change and improve?" Key metrics: Employee Skill Index, Training Hours per Capita, Innovation Adoption Rate.

### Objectives and Key Results (OKRs)

Pioneered by Andy Grove at Intel and popularized by John Doerr at Google, **OKRs** establish an agile goal-setting methodology. An *Objective* defines a qualitative, ambitious, inspiring direction ("What is to be achieved?"), while *Key Results* are 3 to 5 quantitative, time-bound, measurable outcomes ("How do we know we achieved it?"). OKRs are reviewed quarterly, decoupled from direct salary bonus

formulas to encourage ambitious risk-taking ("stretch goals"), and shared transparently across the entire enterprise.

## 7. Comprehensive Mathematical Comparative Incentive Wage Example

To master the mathematical mechanics of classic industrial incentive wage plans, consider the following standardized shop-floor scenario:

- Standard task benchmark time allotted: 10 hours.
- Standard guaranteed hourly wage rate: $20.00 per hour.
- Worker A completes the assigned task in 8 hours (saving 2 hours).

**Step-by-Step Resolution Across Incentive Systems:**

1. **Standard Time Rate System:** Worker receives hourly wage strictly for actual hours worked.
   Earnings = 8 hours × $20.00 = $160.00.
2. **Straight Piece Rate System:** Worker is paid for standard allotted hours regardless of actual time taken.
   Earnings = 10 standard hours × $20.00 = $200.00 (Effective hourly earning = $25.00/hr).
3. **Halsey Premium Bonus Plan (50% Sharing):** Worker receives actual time wages plus 50% of the wages of time saved.
   Time Saved = 10 - 8 = 2 hours.
   Bonus = 0.50 × (2 hours × $20.00) = $20.00.
   Total Earnings = (8 × $20.00) + $20.00 = $160.00 + $20.00 = $180.00 (Effective rate = $22.50/hr).
4. **Rowan Premium Bonus Plan:** Worker receives actual time wages plus a bonus proportional to the time saved relative to standard time.
   Bonus Proportion = (Time Saved / Standard Time) = (2 / 10) = 0.20 (20%).
   Bonus = 0.20 × (8 hours × $20.00) = 0.20 × $160.00 = $32.00.
   Total Earnings = $160.00 + $32.00 = $192.00 (Effective rate = $24.00/hr).

This empirical mathematical comparison proves that for moderate time savings (up to 50%), the Rowan plan provides higher financial rewards to the worker than the Halsey plan, while incentivizing efficiency and safeguarding product quality.

## 8. Occupational Health, Safety Engineering, and the Factories Act 1948

Under modern industrial jurisprudence, maintaining physical workplace safety is both a statutory mandate and an economic necessity. Industrial accidents destroy employee health, reduce workforce morale, trigger costly workers' compensation claims, and damage corporate reputation.

### Heinrich's Domino Theory of Accident Causation

H.W. Heinrich formulated the famous **Domino Theory**, positing that 88% of all industrial accidents are caused by unsafe acts committed by workers (e.g., removing machinery guards, operating without

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goggles, horseplay), 10% by unsafe mechanical or physical conditions (faulty wiring, defective scaffolds, slippery floors), and only 2% by unavoidable natural acts. Heinrich modeled accident sequences as five falling dominoes:

1. Domino 1: Social Environment and Ancestry (inherited character flaws, background).
2. Domino 2: Fault of the Person (carelessness, bad temper, nervous habits).
3. Domino 3: Unsafe Act or Mechanical / Physical Hazard (the central domino).
4. Domino 4: The Accident (falls, mechanical collisions, chemical splash).
5. Domino 5: The Injury (lacerations, fractures, disability, fatality).

Heinrich demonstrated that safety engineering must focus relentlessly on removing the middle domino—the Unsafe Act or Unsafe Condition—thereby preventing the subsequent fall of the injury dominoes.

### Statutory Health and Safety Provisions Under the Factories Act 1948

Indian industrial legislation under the Factories Act 1948 enforces stringent statutory requirements across manufacturing establishments:

- **Health Provisions (Sections 11 to 20):** Mandatory daily floor sweeping and chemical washing; disposal of industrial trade wastes and effluents; adequate natural ventilation and temperature control; prevention of toxic dust and fumes; prohibition of artificial humidification exceeding standards; prevention of overcrowding (mandating 14.2 cubic meters of space per worker); adequate glare-free lighting; wholesome drinking water (situated at least 6 meters away from urinals); separate sanitary latrines and urinals for male and female workers; and mandatory spittoons.
- **Safety Provisions (Sections 21 to 41):** Strict fencing of prime movers, heavy transmission machinery, and dangerous machinery parts; restriction on women and young persons cleaning machinery in motion; encasing of new machinery gearings; testing and maximum safe working load marking on hoists, cranes, and lifting tackles; safety guards on revolving vessels; pressure plant safety certifications; fire escapes and fire-fighting drills; protective eye goggles against sparks and metal chips; and precautions against dangerous fumes and explosive gases.

## 9. Grievance Redressal Machinery and the Model Grievance Procedure

A grievance is any genuine or imagined feeling of dissatisfaction or injustice which an employee experiences regarding their employment conditions, managerial treatment, or contractual rights. When left unresolved, minor grievances fester into widespread workplace discontent, labor turnover, absenteeism, and shop-floor unrest. The National Commission on Labour emphasized that an effective grievance procedure must be prompt, well-defined, simple, and transparent.

### The Model Grievance Procedure (Indian Labour Conference)

In India, the tripartite Indian Labour Conference formulated the standard five-tier **Model Grievance Procedure** to ensure orderly, time-bound grievance adjudication:

1. **Step 1: Informal Approach to Line Officer:** The aggrieved workman presents their grievance verbally to the designated departmental line officer. The officer must investigate and provide a verbal response within 48 hours.
2. **Step 2: Formal Submission to Department Head:** If dissatisfied with the verbal response, the employee submits the grievance in writing to the Head of the Department (HOD). The HOD must record findings and deliver a written decision within 3 days.
3. **Step 3: Referral to Grievance Redressal Committee:** If the decision is unsatisfactory, the employee appeals to the joint *Grievance Redressal Committee* comprising equal representatives of management and workers. The committee reviews evidence and must submit formal recommendations to the manager within 7 days.
4. **Step 4: Appeal to Chief Executive / Top Management:** If the committee fails to reach consensus or the employee rejects the recommendation, the case is placed before the chief executive or factory general manager. The top executive reviews the case and issues a final administrative decision within 3 days.
5. **Step 5: Voluntary Arbitration:** In the event of continued impasse regarding contractual interpretations, management and the recognized union may agree to refer the grievance to an impartial voluntary arbitrator whose award is binding.

## 10. Executive Compensation Architecture and Agency Governance

Designing executive remuneration packages introduces unique governance challenges. Under **Agency Theory** (Jensen and Meckling), corporate shareholders (principals) delegate executive control to managers (agents). However, managers may pursue personal self-interest (e.g., empire building, excessive perks) rather than maximizing long-term shareholder value. Modern executive compensation architectures deploy balanced multi-tiered components to align managerial incentives with shareholder interests:

- **Fixed Base Salary:** Reflects the executive's market value, domain expertise, and scope of strategic responsibility, established through competitive executive compensation benchmarking surveys.
- **Short-Term Incentives (STIs):** Annual cash bonuses tied mathematically to meeting annual operating budget targets, EBITDA margins, and strategic milestone deliveries.
- **Long-Term Incentives (LTIs):** Designed to encourage multi-year strategic focus and executive retention. Predominant instruments include:
  - *Executive Stock Option Plans (ESOPs):* Grants the right to purchase company shares at a fixed strike price after a defined multi-year vesting period.
  - *Restricted Stock Units (RSUs):* Outright grants of shares that vest upon achieving longitudinal corporate performance targets or tenure milestones.
- **Clawback Provisions:** Legal clauses empowering the Board of Directors to recoup previously disbursed bonuses in the event of subsequent financial restatements or executive misconduct.

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### Cafeteria-Style Fringe Benefit Systems

Traditional one-size-fits-all employee benefit packages often fail to satisfy diverse multi-generational workforces. Progressive corporations deploy **Flexible Benefit Plans (Cafeteria-Style Plans)**. The enterprise allocates an annual flexible credit allowance to each employee based on grade and tenure. The employee then customizes their own benefit menu—allocating credits between health insurance tiers, child education subsidies, fitness memberships, retirement annuities, or additional paid vacation days—maximizing perceived reward utility and cost-efficiency.

## 11. Advanced Incentive Formulations: Merrick and Emerson Systems

To overcome the punitive harshness of Taylor's differential piece rate system (which penalized workers failing to reach 100% efficiency with a drastic 20% wage cut), industrial engineers developed more progressive, multi-tier incentive plans:

- **Merrick's Multiple Piece Rate System:** Introduces three graduated piece rates to encourage developing workers:
  - Up to 83% of standard output: Normal basic piece rate.
  - From 83% to 100% of standard output: 110% of normal piece rate.
  - Above 100% of standard output: 120% of normal piece rate.

  By establishing the first incentive threshold at 83% efficiency, Merrick prevented beginner despair while preserving strong rewards for exceptional producers.
- **Emerson's Efficiency Plan:** Guarantees a minimum daily time wage for all workers. An efficiency standard is scientifically established. A worker receives only the day wage up to 66.67% efficiency. Beyond 66.67%, an incremental bonus scale begins, reaching a 20% bonus at 100% efficiency. Above 100% efficiency, the worker receives their day wage, plus the 20% bonus, plus a 1% additional wage for every 1% gain in efficiency above 100%.

### Pay Secrecy Versus Pay Transparency

A major contemporary debate in total rewards strategy centers on **Pay Transparency**. While traditional corporations enforced strict pay secrecy policies (threatening disciplinary termination for sharing salary details), modern research demonstrates that pay secrecy fosters perceived unfairness, rumors of favoritism, and masks demographic gender pay gaps. Progressive organizations publish standardized salary bands, clear job levels, and objective progression criteria, building organizational trust and employer brand prestige.

## 12. Executive Retention Strategies: Golden Handcuffs and Separation Protections

In high-stakes corporate leadership markets, enterprises deploy specialized financial instruments to insulate against competitive executive raiding and align senior leadership with long-term enterprise health:

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- **Golden Handcuffs:** Financial incentives and deferred executive bonuses designed to encourage executives to remain with the company for extended tenures. Examples include deferred compensation trusts, retention bonuses vesting strictly after five continuous years of service, and low-interest executive housing loans that are forgiven progressively over longitudinal employment milestones. If the executive leaves voluntarily before the vesting date, all accumulated benefits are forfeited.
- **Golden Parachutes:** Substantial contractual severance guarantees promised to top-tier executives in the event that the corporation is acquired in a hostile takeover or merger, and the executive is subsequently terminated. While criticized by governance activists for rewarding executive departure, proponents argue they allow executives to evaluate merger proposals objectively without fearing personal financial ruin.
- **Golden Hellos:** Upfront lump-sum sign-on bonuses offered to lure superstar executives away from competitors, compensating them for forfeited unvested stock options or bonuses at their prior firm.

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