

BSBHRM501

Manage human resources services

Release 1

Learner guide

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Aspire Version 1.1

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Level 1, 464 St Kilda Road
MELBOURNE VIC 3004 AUSTRALIA
Phone: (03) 9820 1300

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Contact details

Participant
Name:
Start date:
Phone number:
Email:
Work location
Name:
Address:
Postal address:
Workplace supervisor name:
Phone number:
Fax:
Email:
Registered Training Organisation (RTO)
Name:
Address:
Postal address (if different):
Phone number:
Fax:
RTO contact name:
Mobile:
Email:

Contents

Before you begin	vii
Topic 1: Determine strategies to deliver human resource services	1
1A Analyse the business strategy and operational plan	2
1B Review the impact of the external business environment on human resource needs	23
1C Consult managers to identify human resource needs	29
1D Review the organisation's requirements for diversity in the workforce	31
1E Develop compliant human resource service options	42
1F Develop agreed human resource strategies and action plans	58
1G Document agreed roles and responsibilities	71
Summary	80
Learning checkpoint 1: Determine strategies to deliver human resource services	81
Topic 2: Manage human resource service delivery	85
2A Communicate human resource information to stakeholders	86
2B Develop and negotiate service agreements	94
2C Document and communicate service specifications, performance standards and time frames	105
2D Identify and arrange training support	110
2E Negotiate and monitor quality assurance processes	120
2F Ensure services are delivered by appropriate providers	125
2G Identify and rectify underperformance of human resource staff	131
2H Identify the return on investment of human resource services	136
Summary	138
Learning checkpoint 2: Manage human resource service delivery	139
Topic 3: Evaluate human resource service delivery	143
3A Establish human resource information systems	144
3B Survey clients to determine level of satisfaction	149
3C Capture ongoing client feedback for the review processes	159
3D Analyse feedback and surveys and make recommendations	163
3E Obtain approvals for variations to service delivery	170
3F Support organisational change	172
Summary	179
Learning checkpoint 3: Evaluate human resource service delivery	180

Topic 4: Integrate business ethics into human resource practices	183
4A Ensure that personal behaviour is ethical and reflects organisational values	184
4B Ensure the organisational code of conduct is observed and incorporated in human resource policies and practices	188
4C Maintain confidentiality of human resource information	195
4D Deal promptly with unethical behaviour	200
4E Ensure human resource staff understand ethical behaviour obligations	204
Summary	207
Learning checkpoint 4: Integrate business ethics into human resource practices	208

Before you begin

This learner guide is based on the unit of competency *BSBHRM501 Manage human resource services*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this learner guide

This learner guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the learner guide you need to read, and which practice tasks and learning checkpoints you need to complete. The features of this learner guide are detailed in the following table.

Feature of the learner guide	How you can use each feature
Learning content	Read each topic in this learner guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples and case studies	Examples of completed documents that may be used in a workplace are included in this learner guide. You can use these examples as models to help you complete practice tasks and learning checkpoints. Case studies highlight learning points and provide realistic examples of workplace situations.
Practice tasks	Practice tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Video clips	Where QR codes appear, learners can use smartphones and other devices to access video clips relating to the content. For information about how to download a QR reader app or accessing video on your device, please visit our website: www.aspirelr.com.au/help
Summary	Key learning points are provided at the end of each topic.
Learning checkpoints	There is a learning checkpoint at the end of each topic. Your trainer will tell you which learning checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.



Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table outlines specific foundation skills noted for your learning in this learner guide.

Foundation skill area	Foundation skill description
Reading	<ul style="list-style-type: none">• Critically evaluates and applies content from a range of structurally complex texts
Writing	<ul style="list-style-type: none">• Develops a range of documentation using tone, structure and language suited to context and audience
Oral communication	<ul style="list-style-type: none">• Asks questions to gather information and listens carefully to evaluate information• Uses appropriate vocabulary and tone in negotiations
Numeracy	<ul style="list-style-type: none">• Makes basic calculations to ensure work output meets predetermined timeframes• Selects from an expanding range of mathematical strategies when analysing investment policies
Navigate the world of work	<ul style="list-style-type: none">• Considers and adheres to organisational policies and procedures when developing plans and strategies• Monitors adherence to legislative and organisational requirements• Appreciates the implications of ethical, legal and regulatory responsibilities related to own work• Considers own role in terms of its contribution to broader goals of the work environment
Interact with others	<ul style="list-style-type: none">• Recognises the importance of taking audience, purpose and contextual factors into account when making decisions about what to communicate to whom, why and how• Collaborates with others to achieve joint outcomes, playing an active role in facilitating effective group interaction
Get the work done	<ul style="list-style-type: none">• Develops plans for complex, high-impact activities with organisational implications• Uses systematic, analytical processes to solve problems in complex, non-routine situations• Uses analytical processes to decide on a course of action, establishing criteria for deciding between options, and seeking input and advice from others• Uses digital technologies and systems safely, legally and ethically when gathering, storing and accessing information

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome	Rate your confidence in each section
Topic 1: Determine strategies to deliver human resource services	1A Analyse the business strategy and operational plan	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1B Review the impact of the external business environment on human resource needs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1C Consult managers to identify human resource needs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1D Review the organisation's requirements for diversity in the workforce	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1E Develop compliant human resource service options	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1F Develop agreed human resource strategies and action plans	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1G Document agreed roles and responsibilities	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2: Manage human resource service delivery	2A Communicate human resource information to stakeholders	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2B Develop and negotiate service agreements	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2C Document and communicate service specifications, performance standards and time frames	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2D Identify and arrange training support	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic	Key outcome	Rate your confidence in each section
	2E Negotiate and monitor quality assurance processes	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2F Ensure services are delivered by appropriate providers	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2G Identify and rectify underperformance of human resource staff	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2H Identify the return on investment of human resource services	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 3: Evaluate human resource service delivery	3A Establish human resource information systems	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3B Survey clients to determine level of satisfaction	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3C Capture ongoing client feedback for the review processes	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3D Analyse feedback and surveys and make recommendations	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3E Obtain approvals for variations to service delivery	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3F Support organisational change	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic	Key outcome	Rate your confidence in each section
Topic 4: Integrate business ethics into human resource practices	4A Ensure that personal behaviour is ethical and reflects organisational values	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4B Ensure the organisational code of conduct is observed and incorporated in human resource policies and practices	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4C Maintain confidentiality of human resource information	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4D Deal promptly with unethical behaviour	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4E Ensure human resource staff understand ethical behaviour obligations	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic 1

Determine strategies to deliver human resource services

In today's dynamic economic environment, organisations are continually looking for a competitive advantage. One distinguishing factor in all organisations is its people. Human resource management (HRM) involves the management of these people both to achieve organisational goals and to satisfy individual employee needs. The process of systematically reviewing human resource (HR) requirements ensures that the required number of employees, with the required skills, are available when they are needed.

HR service delivery should be integrated with your organisation's strategic and operational plans. It is your role as an HR manager to determine strategies for the delivery of HR services within your organisation that emphasise employee development, collaboration, participation, trust and informed choice.

In this topic you will learn how to:

- 1A Analyse the business strategy and operational plan
- 1B Review the impact of the external business environment on human resource needs
- 1C Consult managers to identify human resource needs
- 1D Review the organisation's requirements for diversity in the workforce
- 1E Develop compliant human resource service options
- 1F Develop agreed human resource strategies and action plans
- 1G Document agreed roles and responsibilities

1A

Analyse the business strategy and operational plan

To understand and determine the requirements, activities and strategies required for HR service delivery, you first need to understand the organisation's strategic and operational plans. Your organisation is unlikely to achieve its overall objectives if the strategies of its various functions are not aligned. Management theory suggests that organisations typically use similar strategies in developing their businesses.

As an HR manager, it is your role to identify these requirements and determine the most appropriate and cost-effective strategies for delivering HR services.



Role of the human resources manager

As an HR manager, you are responsible for developing a strategy that deliberately uses human resources to gain or maintain a competitive edge in the marketplace.

You have four key roles within your organisation as shown here.

Strategic partner

As an HR manager, you must contribute to the achievement of organisational objectives by translating business strategy into action. It is essential that you learn to collaborate, cooperate and communicate with all managers within your organisation to link business strategy to HR policies and practices, and maintain a competitive advantage in the marketplace.

Administrative expert

As an HR manager, you should plan HR activities and strategies that create value for your business. You should be proficient in the use of technology to increase the efficiency and effectiveness of organisational HR processes.

Employee champion

As an HR manager, you should be able to relate to and meet the needs of all employees within your organisation. You should be the employees' voice in management meetings, and support decisions that are fair, reasonable and in their best interests. Assure your employees that their concerns are being heard and provide tools and resources that enable them to effectively perform in their roles.

Change agent

As an HR manager, you must act as a change agent within your organisation. You can achieve this by learning how to manage change, and providing employees with learning and development opportunities in the areas of problem-solving, communication and negotiation skills. You should ensure your organisation's HR function innovatively deals with emerging challenges by developing new roles and acquiring new competencies.

Business strategies

'Business strategies' are the general umbrella methods your organisation intends to use to fulfil the organisational objectives set out in its strategic plan.

Business strategies for competitive advantage can be divided into four broad categories, as shown below.

Corporate growth

When an organisation chooses to grow, it is seeking to increase the number of products offered and/or its market share. It may do this by expanding operations or through diversification. Growth can be achieved through related diversification, which is when an organisation merges with another in the same industry. Unrelated diversification is when an organisation acquires or merges with an organisation that operates in an industry that has no similarity to the one it currently operates within. For example, a clothing manufacturer may acquire an entertainment company.

Corporate stability

An organisation may pursue a stability strategy to concentrate on utilising existing resources to strengthen its competitive position within its markets. The focus of a stability strategy is to make incremental change to improve performance. These improvements will hopefully lead to competitive advantage. Competitive advantage is what makes an organisation more attractive than its competition to consumers or current and potential customers.

Corporate renewal

To address performance problems as a result of internal issues, an organisation may implement a range of corporate renewal strategies that usually result in significant change to organisational structure, people and processes. A retrenchment strategy is one where an organisation reduces the size of operations to overcome weaknesses and improve cashflow. An organisation may also try to restructure or streamline operations to focus on its primary reason for being in business. A turnaround strategy may be pursued to arrest declining performance, and often involves some form of initial retrenchment, followed by restructuring to ensure effective leadership and achieve operational efficiencies.

Generic competitive

In developing a competitive strategy to increase competitive advantage, managers can select a generic competitive strategy. Leading economist and strategy specialist Michael Porter has identified three generic strategies:

- A cost leadership strategy where organisations compete with others in the industry on the basis of having the lowest cost.
- A differentiation strategy where an organisation offers unique and valued products.
- A focus strategy when an organisation implements a cost or differentiation advantage strategy in an industry segment.

The selection of one or a combination of strategies depends on the organisation's strengths and the competition's weaknesses.

Competitive advantage

To support your learning, watch the following Harvard Business Review video in which Michael Porter discusses development of the concept of competitive advantage: 'The five competitive forces that shape strategy' which can be found at: www.youtube.com/watch?v=mYF2_FBCvXw.

In this video, Porter discusses his model for developing a strategy to achieve competitive advantage over other organisations.

The five industry forces

1**Rivalry**

Existing organisations within an industry will often be part of an ongoing battle for market share. The goal to be the market leader causes rivalry among competitors in an industry. The greater the number of competitors, the higher the rivalry. This can be seen in the ongoing price wars between major supermarket chains in Australia, often at the expense of the smaller players.

2**New entrants**

Profitable industries often attract new entrants. Their goal is to gain market share which, in a defined market, means existing organisations will need to share the current market or are threatened with having it taken from them. This means new entrants may cause your organisation to experience reduced sales and revenue.

3**Buyer power**

Buyer bargaining power is the ability of customers to force a reduction in prices.

4

Supplier power

Suppliers can also have bargaining power. This refers to their ability to force an increase in the price of the materials and services.

5

Substitutes

This refers to products or services introduced into the market that may be different but can satisfy the same customer need.

Align human resources with business strategy

To support your learning, you might like to listen to this Chartered Institute of Personnel and Development podcast at: <https://soundcloud.com/cipd/podcast-63-business-savvy-hr> in which a panel of senior HR professionals from around the world discuss the need for HR practitioners to have a strong understanding the organisation's strategies and operations.

Strategic and operational plans

As an HR manager, it is your responsibility to ensure your organisation meets its strategic and operational goals by attracting, retaining and effectively managing a valuable workforce.

Strategic plans incorporate the mission, vision, values and long-term objectives of the organisation, and detail the strategies, actions and resources required to achieve business goals. Operational plans contain the finer details for executing and implementing the strategic plan in everyday activities.

An explanation of the differences between strategic and operational plans is described below.

Strategic plan

A strategic plan determines the overall organisational purposes and goals, and identifies the resources needed to achieve them. Strategic plans also identify the skills required by employees to meet organisational objectives.

Strategic plans:

- cover a large span of time (several years)
- are stated in a general manner that is non-specific and less detailed
- affect an extensive range of organisational activities, such as financial goals
- are developed by higher-level management to meet broad-based goals
- define the metrics the organisation will use to track and evaluate its overall performance.

Operational plans

The information contained in the strategic plan is used to develop operational plans. Operational plans focus on short-term goals, outlining exactly what needs to be done by each work group or department in the organisation to achieve those goals. Operational plans may also be termed action plans, annual plans, management plans or tactical plans.

Operational plans:

- usually cover one year
- provide finer details on how tasks should be carried out on a day-to-day basis
- have a more restricted scope, such as the operations of a single department
- are developed by middle- and lower-level management to meet short-range objectives.

Align HR with strategic and operational plans

Analysing your organisation's strategic and operational plans is essential to determine the HR requirements of your business. The HR strategies you develop must accurately reflect the strategic direction of your organisation to ensure an appropriate fit.

The following elements of your organisation's strategic and operational plans should be analysed.

Mission statement

The mission statement is the overarching, timeless expression of your organisation's purpose and direction, addressing both what you aim to achieve and the manner in which the organisation seeks to achieve it. The mission statement declares the reason your organisation exists.

Vision statement

The vision statement is a short, succinct statement of your organisation's future and describes what the business aims to look like in five or more years.

Values statement

The values statement describes your organisation's distinctive core beliefs. They are the guiding principles that never change and form part of the organisation's strategic foundation.

SWOT analysis

A SWOT analysis is a summarised view of your organisation's current position, specifically relating to your strengths, weaknesses, opportunities and threats.

Long-term objectives

Long-term objectives are the measurable targets to be achieved within a certain time frame, usually within three to five years.

Short-term goals

Short-term goals convert your organisation's long-term objectives into specific performance targets spanning a one- to two-year time frame.

Action plans

Action plans are specific statements explaining how short-term goals will be achieved. Action plans will be contained in your organisation's operational plans and are usually executed by work teams or individual employees within one to two years.

Scorecard

Depending on the type of organisation, you may use a scorecard to report the data measuring your key performance indicators (KPIs) and measure your performance against monthly, bi-annual or annual targets.

Financial position

An assessment of your organisation's financial position will be based on historical records and future projections. It can be used to help you plan and predict future HRM strategies and allow you to gain better control over HR budget requirements and the organisation's overall financial performance.

Analyse organisational structure

Key components and interrelationships of the organisation's structure together identify how HR services will be integrated into the overall goals and policy framework. Organisational structure is illustrated by an organisational chart that indicates the links between functional groups and roles within your organisation.

Your organisation's design can provide an insight into important aspects of the HRM system. However, existing policies and standard procedures may provide a far deeper understanding of integrated HR requirements.

Here are several factors to consider when analysing an organisational chart.

Reporting lines

Identify reporting lines to determine who is responsible for performance reporting and the subordinate job roles for each supervisory role.

Interrelationships

Identify cross-functional connections where jobs report to more than a single functional manager; the performance processes must provide relevant information within each functional group and avoid possible 'political' or other HR issues.

Culture

Determine the overall culture of the organisation; for example, an organisation with many levels of reporting will tend to be more bureaucratic and need detailed HR processes to cope with reporting requirements, while organisations with few reporting lines are generally more flexible, but may lack a reporting structure.

Analyse human resource plans

Your organisation may already have an HR plan in place. HR plans are developed from the strategic and operational plans and outline the organisation's strategic, long-term approach to managing HR service delivery and labour requirements. To determine your organisation's HR requirements you should analyse the HR plan to identify where improvements could be made, or where new strategies are needed to replace existing services.

HR plans include the following components.

Labour demand forecasting

Demand forecasting looks beyond the current situation within the organisation and estimates future production levels. The purpose of demand forecasting is to work out how different initiatives will affect workforce size and skills requirements during the next one to five years.

Labour supply forecasting

Forecasting labour supply involves projecting the present workforce profile into the future. The purpose of supply forecasting is to quantify numbers of people and positions expected to be available in the future to enable plans and objectives to be met. Labour supply forecasting also allows the organisation to identify potentially advantageous skill sets, and training and development needs.

Balance supply and demand

The HR planner must compare current skills and roles with the future demand to determine gaps. These gaps may be shortfalls where roles will need to be created or expanded, or excesses where roles need to be restructured, redeployed or cut.

HR strategies

HR strategies and action plans must be developed to position the organisation as the employer of choice to attract skilled employees from other organisations. In order to do so, the HR team will need to develop a range of further strategies, including training existing employees and recruiting.

Human resource requirements

HRM involves the procurement, development, motivation, retention and departure of your organisation's human resources. You must determine the key HR services required by your organisation to satisfy each of these aims. Each HR service is interrelated and together they represent the core of your organisation's HR services delivery model.

There are requirements to consider when analysing strategic and operational plans.

HR requirements to consider:

- Assessment and development centres
- Competency development processes
- Discrimination advice
- Education and training programs
- Flexible working arrangements
- Payroll
- Rehabilitation and return-to-work schemes
- Self-evaluations
- Work health and safety
- Career management and development
- Counselling
- Diversity management
- Employee recruitment and selection feedback
- Induction and orientation programs
- Performance management
- Remuneration and benefits advice
- Succession planning
- Workers compensation

Assessment and development centres

Assessment and development centres are contemporary selection techniques that use interviews, tests, simulations, games and observations to evaluate an individual's potential.

You can use assessment and development centres to identify and assess individual and organisational strengths and weaknesses after a merger, downsizing or restructuring to determine where the workforce lies for succession planning. Assessment and development centres are used to determine which employees have the potential to be promoted into management positions.

After each assessment or development activity, candidates are evaluated by a group of assessors who combine their final evaluations to determine the suitability of each candidate.

Assessment and development centres are most suitable for assessing team leaders as they focus on group activities and problem solving.

Assessment and development centre activities may include:

- in-basket exercises, where candidates are required to deal with a series of written documents relating to organisational activities
- group discussions, where candidates participate in at least one group discussion to resolve a workplace issue
- psychological tests, where candidates undergo intelligence, aptitude, personality and leadership style tests
- interviews, where applicants are interviewed by a number of line or senior managers, HRM specialists and industrial psychologists
- business games, where candidates engage in role-playing, demonstration or group decision-making.

Career planning, development and management

Career planning and development is a process aligning the interests and skills of employees with the needs of your organisation. As an HR manager, you are responsible for helping employees develop realistic career goals, and providing them with opportunities to realise their goals.

Implementing an effective career planning and development program will ensure your organisation maintains a knowledgeable and competitive workforce. Employees who invest time in their own development find increased job satisfaction. Career planning, development and management options are shown here.

Career planning and development

Career planning and development is employee-centred. Employees benefit by gaining a better self-understanding and having their individual career goals identified. Realistic career planning and development ensure employees become proactive and anticipate problems and opportunities relating to their role.

Career planning and development activities include:

- self-assessment
- career counselling
- choice of job role
- choice of workplace.

Career management

Career management is organisation-centred. Organisations benefit from matching employee career goals with organisational opportunities, as well as the achievement of equal employment opportunity (EEO) requirements.

Career management activities include:

- recruitment and selection
- performance appraisals
- training and development
- assessment and development centres
- succession planning.

Competency development processes

Competence relates to the extent that HRM policies attract, retain, motivate and develop employees with the skills, knowledge, abilities and competencies to achieve business goals. Competencies are the demonstrable and assessable skills that distinguish effective from ineffective job performance. Competency development processes, or competency-based training, help employees perform tasks and duties to the organisation's expected standard.

Depending on your industry, there are pre-determined performance standards that set out the skills, knowledge and attitudes required by employees to function effectively in employment. Competency standards are endorsed components of government-accredited training packages. The steps involved with competency development are shown here.

Competency development processes

1

Conduct capability profiling to identify and rank the competencies needed to perform a particular role, as well as evaluate the employee against the competency standards, and identify strengths and areas needing remedial attention.

2

Select training programs or other learning or professional development activities (on- or off-the-job) to develop the desired skills and/or knowledge.

3

Produce individual training and development plans for each employee.

4

Assess the competency of each employee.

Employee Assistance Programs and counselling

As an HR manager, you may need to take action over an employee's unsatisfactory work performance, inappropriate conduct or unethical behaviour. Where dismissal is not justified, the options may include counselling, discipline, a warning, suspension, fine, withholding pay or referral to an Employee Assistance Program (EAP). You should select an action that is appropriate to the circumstances of each case and ensure that any action taken improves the employee's performance, or prevents a recurrence of the conduct or behaviour.

Counselling usually involves a discussion with the employee that discovers the root cause of the issue and outlines what is required of the individual moving forward. There may be situations where you are required to instigate remedial action, such as extra assistance, or the appointment of a workplace mentor or coach.

Counselling is suitable in situations where an issue is unlikely to result in serious consequences.

Counselling and EAPs can help employees to:

- improve work performance
- adjust to organisational change
- deal with interpersonal conflict
- manage grief and loss
- eliminate emotional stress
- manage relationships, or personal and family issues
- alleviate financial stress
- deal with psychological trauma
- respond to critical workplace incidents.

Discrimination, vilification and harassment advice

HR professionals are responsible for providing advice relating to claims of discrimination, vilification or harassment in the workplace. Federal, state and territory legislation relating to anti-discrimination and equal opportunity contains prohibitions designed to protect people from discrimination, vilification and harassment on the grounds of their individual differences.

If the situation is outside your scope or experience, you may need to take action at the Fair Work Commission or contact your state or territory's health and safety authority for assistance.

Discrimination, vilification and harassment are explained below.

Discrimination

Discrimination refers to any practice that makes distinctions between different groups based on individual characteristics, such as age or race, which results in particular individuals or groups being advantaged and others being disadvantaged.

Direct discrimination is any overt bias towards a person and is often the product of stereotypes formed about a particular group of people. Direct discrimination can be expressed in the workplace through a refusal to hire; dismissal; providing unfavourable working conditions; and limiting a person's opportunities.

Discrimination occurs when there is adverse action, such as demoting or terminating the employment of an employee, on the grounds of a person's individual characteristics.

Vilification

It is unlawful to incite hatred towards, serious contempt for, or severe ridicule of a person or group of people, because of their individual differences, by a public act.

Vilification can take many forms, including hate-speech, graffiti, online postings, or other types of written material.

Harassment

Harassment refers to any behaviour that is designed to make a person feel unwelcome, offended, humiliated and/or intimidated. An employee may be bullied at work if a person or group of people repeatedly act unreasonably towards them or a group they are part of. Harassment and bullying creates a risk to the health and safety of employees.

Examples of workplace bullying include aggressive behaviour, teasing or practical jokes, pressuring someone to behave inappropriately, excluding someone from work-related events, or unreasonable work demands. A manager can make decisions about poor performance, take disciplinary action and control the way work tasks are carried out in a reasonable way that is not considered bullying.

Education and training programs

Education and training programs are designed to improve the knowledge, understanding and abilities of your employees. While training activities teach employees how to better perform in their existing roles, development activities aim to prepare the employee for future job responsibilities through the acquisition of new skills, knowledge, attitudes and experiences.

As an HR manager, you must identify and select education, training and development activities to overcome weaknesses, build on strengths and develop new skills, knowledge and abilities in your workforce.

You should make reasonable adjustments to your training methods and learning principles to ensure all employees, with a broad range of abilities, can equally access and benefit from education and training programs.

Education, training and development activities may include:

- classroom activities, where formal teaching is required
- simulations, to provide learning in a risk-controlled environment
- 'real-life' training techniques, such as case studies, demonstrations or role-plays
- on-the-job experience, using 'real work' as a basis for learning through coaching, shadowing, mentoring, job rotation or secondments
- behaviour modelling, or observational learning, providing opportunities for employees to learn from the experience of others
- action learning, by applying skills and knowledge to 'real-time' organisational problems
- competency-based training, taking a skills approach to employee development.

Employee recruitment and selection

Your analysis of your organisation's strategic and operational plans may have revealed gaps in employee competency and the workforce. Recruitment may be part of your strategy to overcome these shortfalls.

Recruitment is the process of seeking and attracting a pool of applicants from which qualified candidates for job vacancies can be selected. You can fill a job vacancy from within or outside your organisation. Methods you might use to recruit employees including online job postings, advertising or social networking.

Selection involves choosing, from the available candidates, the individual who is most likely to perform successfully in the role. The selection process may require you to review application documentation, conduct psychological testing, conduct interviews, check references and produce a selection report.



Flexible working arrangements

Providing employees with flexible working arrangements can benefit your organisation in several ways. With a satisfactory work-life balance, employees often work more productively because they are happier and more focused and committed to their roles. Flexible working arrangements may also save your organisation money by increasing efficiency and reducing the cost of employee recruitment and induction processes.

As an HR manager, you are required to plan and communicate different types of flexible working arrangements relevant to your workplace and employees' needs. For example, employees switching from full-time to part-time hours may require you to make other changes to staffing requirements.

Flexible working arrangements may include:

- part-time work
- job sharing, where two employees share one position and its workload
- flexible working hours, such as staggered start and finish times, or accrued time
- teleworking, which means working from home or some other location, instead of in the office
- a compressed working schedule, such as four-day weeks
- special arrangements for mature-aged workers, such as phased retirement options or long-service leave.

Induction and orientation programs

As an HR manager, you are responsible for introducing newly appointed employees to your organisation and their role. This process is called a staff induction or orientation program.

Induction and orientation programs help new employees to feel comfortable and quickly understand their role, responsibilities and organisational expectations. Preparing an induction or orientation program will help you to retain staff and avoid having to frequently repeat the recruitment and selection process.

Induction and orientation programs also benefit existing employees who have changed roles or are returning to work after a long absence (such as maternity or long-service leave). It is essential that your induction or orientation programs cover essential work health and safety information.

A first-day induction or orientation program for a new employee may include:

- an introduction to their team members, managers or supervisors
- a tour of the organisation's premises; for example, locating the toilets and break rooms
- the provision of general information about the organisation; for example, code of conduct or business plan
- recording essential information from the employee; for example, bank account details, emergency contacts
- an explanation of employment conditions, policies and procedures; for example, leave entitlements
- the provision of any necessary work health and safety information; for example, fire evacuation instructions.

Payroll

An organisation's payroll function ensures that all employees receive remuneration for their work. While payroll deals with compensating employees, HR takes care of employee relations; however, the two groups share functions that are essential for organisational success.

Payroll functions are covered by either the finance or HR group in most organisations. Employees who manage payroll must have sufficient knowledge of tax laws and accounting procedures. Following are the payroll functions and the coordinated functions of payroll and HR.

Payroll functions

Payroll functions include:

- balancing and reconciling payroll data
- depositing and reporting payroll tax.

The payroll department is responsible for:

- managing wage deductions
- record keeping
- verifying the reliability of pay data
- delivering payroll checks
- maintaining compliance with tax laws
- calculating reimbursements, bonuses, overtime and holiday pay.

Coordinated functions of payroll and HR

Coordinated functions of payroll and HR include:

- recruitment
- salary increases or promotions
- bonus payments
- benefit deductions
- leave entitlements
- employee termination.

Performance management

Establishing a performance management system is one way an organisation can translate its strategic and operational objectives into practical individual actions.

The performance management process is a continuous cycle of monitoring, developing and rewarding employee behaviour when it meets performance standards. As an HR manager, you can help line managers put this process in place by establishing an ongoing feedback mechanism to monitor employee performance.

The following details some of the measures for assessing the effectiveness of a performance management system.

Track training

This involves verifying that all users of the performance management system have been trained before it is implemented.

Track activities

In most organisations, copies of completed performance management forms are submitted to HR following formal performance evaluations. If the system is automated, the forms can be signed electronically and stored automatically. These strategies enable the organisation to ensure that performance management activities are being conducted for each employee.

Track HR decisions

If a performance management system links evaluations to rewards, the system should monitor the internal consistency of the evaluations and rewards. People who receive good evaluations may receive higher levels of compensation, more frequent promotions or other desirable outcomes more readily than those who perform less effectively. Tracking the alignment of evaluation information and decisions is made easier by having automated processes in place.

Gather feedback

Surveys or focus group information can be collected periodically to assess user reactions to the performance management process and to modify the system in ways that contribute to increased effectiveness.

One strategy that gathers useful information and promotes feedback is surveying managers and employees on the extent to which they are seeking, giving and receiving quality feedback. Experienced practitioners have found that reporting these results to individual managers and employees can increase the frequency and quality of the performance feedback over time.

Rehabilitation and return-to-work schemes

The HR team is responsible for assisting injured employees to return to safe and sustainable work as soon as possible, to meet organisational legal obligations. Enabling an injured worker to return to work is beneficial both to the employee and the organisation as it can help increase productivity, reduce the cost of WorkCover insurance premiums, and lessen any financial, health or emotional impacts on the employee or their family.

As an HR manager, you should collaborate with the employee and their treating health practitioner to determine the kind of work and activities that best suit the employee's recovery, such as reduced hours or modified duties. If you are not the appointed Return to Work Coordinator, nominate someone who has an appropriate level of seniority and is competent ensuring the organisation meets its return-to-work obligations.

Consider the following to plan for an employee's return to work.

Things to consider when an employee returns to work

- The employee's capacity for work
- Reasonable workplace support, aids or modifications to assist the employee's return to work
- Options for suitable or pre-injury employment
- How to communicate clear, accurate and current details of the employee's return to work arrangements
- How to monitor the employee's progress

Remuneration and benefits advice

Remuneration refers to the cash rewards employees receive for working in your organisation, including the base salary, bonuses, incentive payments and allowances. Benefits are the indirect or non-cash compensation offered to employees to reinforce the attractiveness of an organisation as a place to work. Benefits include superannuation, life or health insurance, leave entitlements or tuition refund programs.

As an HR manager, you are responsible for determining the level of salary and benefits for a position or employee within your organisation. You should make decisions and implement HR strategies that attract, engage, motivate and retain employees.

The responsibilities of HR managers and professionals relating to remuneration and benefits are described below.

Remuneration

HR professionals are responsible for setting salaries within an organisation, including salary packaging and finding and utilising salary surveys. You should be familiar with the minimum wages and conditions an employee is entitled to under modern awards or enterprise agreements.

Benefits

HR professionals are responsible for setting non-salary rewards and benefits that may be offered to employees to recognise the contribution they make in their role. This might include tangible rewards, such as bonuses, technology or vehicles; or intangible benefits, such as flexible working arrangements or a positive work culture. Benefits and rewards contribute to employee motivation, engagement and retention.

Motivation

Other features outside of salary, benefits and rewards may be important to employees, helping them to engage with an organisation, and motivating them to perform well in their role. HR service delivery should be carried out in a way that promotes an inclusive work environment where employees are encouraged to contribute to decision-making, as well as to create positive workplace relationships.

Retention

HR professionals are responsible for implementing HR strategies to retain employees in their role or within the wider organisation. You play a pivotal role in ensuring the right employees are retained to meet the current and future needs of your organisation.

Self-evaluations

As an HR manager, you should include employee self-evaluations as part of your performance management process to ensure employees have an active role in the performance feedback process. Employees should be encouraged to evaluate, assess or analyse their skills and performance in line with competencies developed to address organisational objectives.

There are many benefits of self-evaluation.

Self-evaluations:

- allow employees to actively participate and engage more with their performance review process overall
- provide managers and supervisors with better insight into an employee's performance and perceptions
- expose different perceptions between a manager and an employee about an employee's performance
- promote two-way discussions about employee performance, priorities, challenges, strengths and opportunities.

Succession planning

Succession planning refers to the filling of key professional and management vacancies within your organisation. The process emphasises the development of high-potential employees and takes a long-term view of your organisation's HR needs. Succession planning is a key driver for management commitment to HR development and performance management.

As an HR manager, you may be responsible for developing sophisticated succession plans that identify the essential competencies required for effective performance. Information on current performance may include promotability, development needs and long-term growth potential.

Due to a rapidly changing business environment and access to technology, many organisations have become less interested in formal succession planning and more willing to recruit potential managers externally. Nevertheless, your role is to ensure that succession planning provides your organisation's future managers with the necessary preparation to successfully fill potential vacancies.

You can contribute to succession planning by providing:

- an effective performance appraisal system
- needs-oriented training and development programs
- an organisational culture that encourages individual growth and promotion from within.

Work health and safety procedures

All employers and employees are subject to work health and safety (WHS) legislation, regulations, policies, procedures and codes. The purpose of WHS law in Australia is to provide a legislative framework for employers and business owners to take the necessary steps to ensure the health, safety and wellbeing of the people they employ, and others affected by the business.



It is the responsibility of HR professionals to consider employees' overall wellbeing and to develop health and wellbeing programs to improve job satisfaction. You must ensure WHS processes and procedures are documented, reviewed and communicated effectively to all employees. Adopt a risk management approach to identify hazards and implement risk control measures in your workplace.

There are significant indirect costs when WHS systems fail. Poor safety performance can greatly affect your organisation's performance and operation, often as a result of reduced productivity and low morale. Make sure you identify any model codes of practice that relate to your organisation. Codes of practice are developed by Safe Work Australia and set out methods of best practice to ensure that work is carried out in a safe manner.

Workers compensation

Workers compensation is a form of insurance payment made to eligible employees who have been injured at work or become sick as a result of their work.

All organisations in Australia are legally required to have workers' insurance in place. Workers compensation focuses on prevention and rehabilitation. Compensation can be paid due to a work-related injury, illness, fatality or, in some cases, property or environmental damage.

Legislation in each state and territory requires all Australian employers to take out a workers compensation insurance policy within a specified time frame after employing people. If a policy is not taken out, penalties may apply.

Employer responsibilities relating to workers compensation includes:

- ensuring employees understand and have access to workers compensation systems
- ensuring employees are aware of their rights and responsibilities under workers compensation legislation
- ensuring compliant reporting and record keeping of workplace incidents, accidents, injuries and damage
- providing official claim forms available to all employees
- processing all reports accurately and promptly
- ensuring that the system is managed by qualified personnel.

Workplace relations advice

Workplace relations focus on the entire employment relationship between management and employees, especially where groups of employees are represented by a union.

The Fair Work system is the name used for the minimum employment laws and agency bodies that were created by the *Fair Work Act 2009* (Cth). It is the national workplace relations system that applies to most employees and employers in Australia.

Awards, National Employment Standards and the national minimum wages make up a safety net of entitlements for employees covered by the Fair Work system.

As an HR manager, you are responsible for managing the work-related obligations and entitlements relevant to your organisation and its employees.

Workplace relations are concerned with issues relating to:

- National Employment Standards
- workplace conflict
- awards that apply nationally for specific industries and occupations

- the national minimum wage
- protection from unfair dismissal
- the role of trade unions
- the safety net of entitlements for employees covered by the Fair Work system.

Changes to HR requirements

The HR requirements of your organisation should align with its strategic goals. For example, your organisation may decide it wants to grow the business by diversifying both its product base and its geographic location; thus the approach taken by HR will be to grow the available workforce. This may be accomplished either by identifying what skill sets are required and developing these internally, or by looking at where in the labour market people with these skills can be sourced.

Organisational strategy and HR requirements, and their effect on policies and procedures, are discussed below.

Organisational strategy and HR requirements

Should an organisation decide to adopt a growth strategy by acquiring another business, the strategic direction for HR might be to identify ways to integrate and adapt two HR systems and manage the employees of two organisations. That is, the focus would be on redeploying people, minimising resistance to change and avoiding the duplication of job roles.

Effect on policies and practices

A change in the organisation's strategic direction, and subsequently human resources, may also require new policies and practices, such as increased training for existing employees to upskill, graduate programs to develop future leaders and succession planning to ensure access to sufficient skilled labour in the future or a redundancy program.

Example: analyse the business strategy and operational plan to determine HR requirements

Charlotte is the HR manager at a large financial services organisation. New compliance regulations, banking reform, restructuring, mergers and acquisitions and economic uncertainty have seen some seismic shifts in the financial services industry during the past ten years. The organisation has had to develop its products and workforce to meet the demands of its large customer base, as well as prepare to serve a technologically adept group. Senior management has developed a business strategy identifying the need for employees to possess a practical application of skills involving strategic thinking, personal leadership, team collaboration, influence and communication.

Charlotte has been tasked with aligning corporate training and development with the business strategy. To be effective, Charlotte must learn to recognise change and respond rapidly to meet the needs that it generates. She understands that the best vehicle for sustainable organisational development is to engage training participants in real work with live strategic issues. This enables training to achieve development goals; increases participant commitment to organisational strategic goals; and actually produces innovative ideas, solutions and strategies to meet the needs of the business.

Charlotte uses the business strategy as the framework for people development in terms of program objectives, solution design and content. As a result, she delivers a strategy-based program, underpinned by experiential learning methodologies that enable participants to readily draw a connection between training and their real lives at work.

Practice task 1

1. Describe two differences between strategic and operational plans.

2. Identify and briefly describe two HR requirements.

1B

Review the impact of the external business environment on human resource needs

External factors, such as the economy in which your organisation operates and legal and political influences, will affect the way your organisation does business. What your organisation does and how it does it can be influenced by new and emerging technologies, international environments and social and industrial expectations. Changes to industrial relations, the labour market and community expectations, for example, may mean that the policies and procedures currently in place become irrelevant. Internal factors such as the organisation's strategy, structure and culture can also influence the delivery of HR services.

While it is important to understand the environment in which the organisation operates to ensure it can operate effectively, it is also critical for HRM, both strategically and operationally, to review and understand the practices and trends in the external business environment that directly affect the management of people in the organisation, and HR service delivery.

PEST framework

PEST is an external analysis framework commonly used in organisational development. This framework identifies Political/legal, Economic, Sociocultural and Technological factors, as outlined below.



Political/legal

Changes to workplace relations legislation and new workplace health and safety regulations can have a direct and immediate impact on how people work and are managed in the organisation.

- What are the political and regulatory constraints affecting operations or performance?
- What current or pending consumer, corporations and taxation laws will affect the organisation?
- What existing or pending workplace relations laws will affect the management of the workforce?
- Will a new government bring change to legislation?

Sources of information:

- Australian government agency sites, including ComLaw, the Australian Taxation Office, SafeWork Australia and Austrade
- State law societies

Economic

- What is the impact of a change in the Australian and/or US dollar?
- When and how will inflation rates change?
- Will there be an increase in spending power?
- Are we in a recession? At what point are we in the general business cycle?
- What is happening in the global marketplace?

Sources of information:

- Economic, industry and trade publications such as the Australian Financial Review
- Australian Bureau of Statistics (ABS)
- Australian government agency sites, including the Reserve Bank's site
- Banking institutions

Social-cultural

- Is there an anticipated change in the values and beliefs in society?
- What are the demographic shifts in age, education, religion etc.?
- How will demographic trends or shifts affect labour supply?
- What are the cultural groups, and what are their needs and demands?
- What do changes mean for the workforce?

Sources of information:

- Industry studies such as IBISWorld reports
- Australian Bureau of Statistics (ABS)
- Australian government agency sites
- Research papers from universities

Technological

- What is the uptake of social media and e-commerce, and their impact on operations; what skills do people need to keep up?
- What is in the process of development and how will this product affect performance?
- What is the rate of technological change?
- What technology will affect the organisation's processes, and therefore required knowledge and skills?
- How will the trend for electronic delivery of products, such as books, affect roles and responsibilities?

Sources of information:

- Scientific and information technology publications
- Australian government agency sites
- Research papers from universities and conferences

Understand the labour market and current workforce

Demographic labour market data and characteristics (for example, the average age and gender of labour market participants, occupational groups, skills and competency profiles), as well as internal trends (for example, the number of employees eligible for retirement, job vacancy rates, staff turnover), need to be considered when analysing the workforce.

Demographics, labour statistics and community expectations all influence the labour market, as shown below.

Demographics

Changing patterns in labour market demographics may require a new approach to recruitment and selection. Skills shortages may mean the organisation needs to look at different ways of acquiring or developing the skill sets it needs. An understanding of the labour market will inform how and where an organisation might recruit suitable candidates for jobs. Recognition of skills shortages can provide the organisation with an insight into the steps to take to ensure it can access the skill sets it needs, when it needs them.

Labour statistics

The ABS releases regular reports on the make-up of the labour market in Australia, which are available at: www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts.
The Australian Government periodically releases information on skills shortages in the Australian workforce. As an example, see the Department of Employment website at: <https://employment.gov.au/occupational-skill-shortages-information>.

Community expectations

The expectations of the community (for example, that an organisation will maintain a diverse workforce) may require changes to recruitment and training practices. Managers may need additional training to ensure that employees are not subject to harassment or discrimination. Further information on harassment and discrimination is available from the Australian Human Rights Commission's site at: www.humanrights.gov.au/.

Gap analysis

It is useful for you to analyse the information gathered to determine how to proceed. The following is an example of a gap analysis for an organisation wanting to address a new business objective. The information will allow HR professionals to identify and implement strategies to meet this objective.

Business objectives	HR requirements to meet objectives	Gap – does the organisation have what it needs?	Outcome of not addressing the gap	Potential solutions to address the gap
Implement a sustainability plan	Employees with specialised training and experience in sustainability	No	<ul style="list-style-type: none"> Plan not effectively implemented High impact on development of corporate responsibility 	<ul style="list-style-type: none"> Explore graduate programs and develop internships. Build relationships with TAFEs, universities and other organisations to source graduates. Improve the working environment. Restructure business units. Redesign processes. Develop new position descriptions to incorporate social responsibilities. Introduce a rewards and recognition system.

Identify emerging trends and practices in human resource management

While it is essential to understand the environment in which the organisation operates, it is also important to understand any emerging trends and practices in HRM.

Some key issues and global trends follow.

Key issues

The Chartered Institute of Personnel and Development in the UK (www.cipd.co.uk/) provides research reports on key issues for the HR function, highlighting current issues and emerging trends within HR such as managing employee engagement, change and cultural transformation, employee performance and organisation design/restructuring.

Global trends

Latest research suggests the key global trends in HRM include:

- a change in the role of HR practitioners from employee relations managers to workforce and organisational development leaders
- new partnerships and relationships with government and the community
- globalisation and dealing with expatriates and adapting head office HR for operations in other countries
- workplace flexibility
- generational diversity to respond to the ageing workforce
- managing the impacts of acquisitions, mergers and downsizing.

Impact of recent trends and practices

The ageing population, casualisation of the workforce (including the use of contractors) and the outsourcing of operational activities are examples of trends that HR needs to be aware of. How other organisations are managing these trends, including the development and implementation of new policies, can provide insights into how your organisation might proceed. Many organisations look for best practice as a means of informing their own practice. For example, an insight into how another top-performing organisation has addressed the recruitment and induction of older employees can be a useful starting point when an organisation determines that it also needs to address this issue.

Example: review the impact of the external business environment on human resources needs

Many organisations are becoming increasingly concerned about how they will manage an ageing workforce. One public service organisation has dealt with the challenge by doing the following:

- Created equal employment opportunities (EEO) for all employees
- Introduced a recruitment strategy to draw from the widest-possible talent pool across all age groups
- Introduced an age-balanced skills development program
- Created an environment that encourages employees to balance their work and personal responsibilities
- Encouraged employees to be more flexible about their careers in a changing work environment
- Implemented redundancy policies that do not discriminate



Practice task 2

Use the internet to research and identify two emerging trends and practices in HRM. How might an organisation go about addressing these trends?



1C

Consult managers to identify human resource needs

You and your HR team members are responsible for providing services to employees, senior managers and line managers within your organisation. You should not make decisions about HR strategies and services without consulting your internal clients.

Continuing consultation and communication with individual managers, employees and teams in your organisation is essential if relevant HR services are to be established and maintained. Consultation is the key means available to your HR team to enable the development of cooperative and productive partnerships in operational areas. Undertaking consultation with managers throughout the organisation will establish how HR responsibilities can be distributed. Consultation and communication will enable you to identify client needs and to promote what HR can do to support the business in achieving its objectives.

To build effective relationships that encourage and promote partnerships with line and senior managers, you need to ensure they have appropriate training and development options, the tools they need to manage their teams, and the support and respect of HR in listening and acting on their feedback and ideas.



Human resource needs

The involvement and commitment of line and senior managers in identifying the HR services they require is essential to the effectiveness of an organisation's HR strategy.

Consultation with line and senior managers will establish how HR responsibilities can be divided; for example, the development of a position description and person specification could be the responsibility of a line manager with the final product reviewed and any amendments undertaken by an HR specialist. Alternatively, the HR specialist might develop the position description and person specification by observing the job and interviewing the job holder and line manager and then having the associated documentation signed off by the line manager.

Consultation will also determine what the parties are capable of and what constitutes a realistic basis for defining responsibilities for HR tasks. To be effective, HR initiatives need to be owned by managers and aligned with the organisation's needs. As an HR manager, you need to encourage the involvement of line and senior managers in the planning and design of HR initiatives intended to change the way they manage their teams.

Best practice consultation

The Australian Government's Fair Work Ombudsman offers an excellent best practice guide to consultation and cooperation in the workplace. To support your learning, you might like to review the guide for a comprehensive discussion on consultation. The website also includes a useful flow chart that can be used as a job aid in the workplace. The information is available at: www.fairwork.gov.au/about-us/policies-and-guides/best-practice-guides/consultation-and-cooperation-in-the-workplace.

Changes to HR requirements

It is essential to consult with managers when organisational plans require HR strategies to change. Planned changes to HR service delivery will affect the achievement of individual and team work objectives. The information gained from consultation will enable the HR team to develop HR strategies, services and policies that meet the identified needs and requirements.

It is important to consult with managers to determine certain requirements. Some examples of requirements are listed below.

Requirements to determine with managers

- How the changes will affect the work team, department or section of the organisation
- The impact of the changes on HR service delivery
- The time frame in which HR services will need to be delivered
- Any costs associated with the changes
- Whether the changes are mandatory
- The impact of the changes on organisational objectives

Example: consult managers to identify human resources needs

The A Plus Office Furniture company employs 110 people in two states of Australia. Due to rapid initial growth, the owners are seeking investment from three external organisations, including state government investment. During a recent review and overhaul of management systems, the HR manager decided to review HR service delivery strategies and policies. Before developing the new strategies and policies, the HR manager met with the five unit managers and organised a Skype call with the Victorian state manager to determine their requirements. The HR manager then incorporated this feedback into the development of the new strategies and policies and circulated the documents to the managers for their information.



Practice task 3

1. Explain why it is important to consult with line and senior managers to determine strategies for HR service delivery.

2. Explain how HR managers can build effective relationships in the workplace.

1D

Review the organisation's requirements for diversity in the workforce

A diverse workforce is made up of people with individual differences. It involves employing people from a wide range of backgrounds with different ages, gender, ethnicity, physical ability, sexual orientation, religious beliefs, educational background and work experience.

Research by Deloitte and the Victorian Equal Opportunity and Human Rights Commission (2012) reported that business performance improved when employees felt highly included and thought their workplace was strongly committed to supporting diversity. Organisations that value and capitalise on diverse perspectives, experiences and abilities are better able to attract and retain staff, increase workplace innovation and creativity, and compete in a global marketplace.

As an HR manager, you should review your organisation's requirements for diversity in the workforce to ensure you have a discrimination-free workplace and adhere to best practice guidelines for equitable and cross-cultural employment.



Equal employment opportunity

EEO refers to employment practices designed to ensure that existing and potential employees are able to compete for, or be awarded, employment promotions, transfers, training and other related benefits on their merit, without reference to individual differences.

In Australia, it is unlawful to discriminate against a person on the basis of a particular personal characteristic. Organisations must meet their legal obligations under EEO legislation by providing everyone with a fair and equitable chance to obtain employment and gain promotion according to their abilities and qualifications.

Individual characteristics may include but are not limited to:

- gender
- gender identity
- religion
- colour
- marital status
- pregnancy or potential pregnancy
- national origin
- political belief/activity
- trade union membership or industrial activity
- sexual preference
- age
- race
- physical or mental disability
- family, carer and/or parental responsibilities
- breastfeeding
- social origin
- personal association
- physical features.

Employ a diverse workforce

Attracting, recruiting and retaining a diverse workforce will enable your organisation to benefit from the different skills, experiences and perspectives offered by the following groups of people.

People to employ in a diverse workforce:

- Mature-aged workers
- Young people
- People with disability
- Women
- Apprentices and trainees
- People from overseas
- Indigenous Australians
- People from culturally and linguistically diverse backgrounds

Mature-aged workers

Mature-aged workers can bring many years of knowledge and experience into your workforce and provide training or mentoring to less-experienced employees. As the Australian population ages, an increasing number of older workers will be staying in the workforce. It makes good business sense for your organisation to hire matured-aged workers, as you will gain a reputation for being an attractive employer to a growing proportion of the workforce.

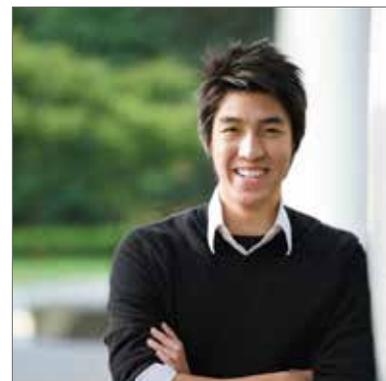


It is unlawful to discriminate against employees or job applicants because of their age. Your organisation must adhere to equal employment opportunity and anti-discrimination legislation and adapt business processes to the needs of the ageing workforce.

A range of tools and programs is available to help you attract and recruit mature-aged workers. Your organisation may also be eligible for financial support from the government.

Young workers

Young workers may enter the workforce with little experience or less than that of older workers. However, employing people from a young age will allow your organisation to equip the young worker with a positive attitude from the moment they enter the workforce; help them to become valuable, loyal and resourceful employees; and improve your organisation's ability to attract and retain quality young workers.



The minimum age you can employ young workers varies depending on your state or territory. As an HR manager you must be able to access and accurately apply the minimum pay rates for junior employees (under 21 years of age).

People with disability

People with disability can offer a range of skills, knowledge and experience to your workforce. People with disability are employed in all industries, in a variety of roles, and possess a broad range of qualifications that enable them to make a meaningful contribution.

Premises Standards set out the minimum requirements for building work to ensure that people with disability can access your organisation in a dignified way. As an HR manager it is your duty to ensure changes are made to your workplace that allow people with disability to safely and equally carry out their roles.

It is unlawful to discriminate against employees and job applicants because of their disability.

You can make your workplace accessible for people with disability by:

- modifying the physical environment or installing special equipment
- providing accessible car parking
- providing accessible sanitary facilities, such as bathrooms and toilets
- making work arrangements more flexible
- training employees to ensure they feel confident and comfortable communicating and working with people with disability.

Women in the workplace

Engaging a diverse workplace that employs both men and women provides a range of benefits to your organisation and enables you to attract and keep high performers, as they are more likely to work for fair and equitable organisations.

It is unlawful to disadvantage employees or job applicants in any way because of their sex or marital status, pregnancy or plans to become pregnant or family responsibilities. Flexible working practices that allow women to fully participate in the workplace include options to work part-time or from home, or to salary sacrifice child care expenses. To help you diversify your workforce and employ more women, a range of government tools and programs is available.

Here is some more information and ideas.

Paid Parental Leave Scheme

The Paid Parental Leave Scheme can help your organisation keep staff in the workforce when they become parents. The scheme gives eligible working parents up to 18 weeks of government-funded parental leave pay at the national minimum wage.

Women in male-dominated industries

Organisational managers are encouraged to develop and implement constructive and sustainable strategies to increase the representation of woman in non-traditional roles in male-dominated industries. You will need to consider strategies and mechanisms that are appropriate for your workplace, staff and organisational needs.

People from overseas

Situations may arise whereby the skills your organisation requires are in short supply and you need to employ people from overseas to discover new ideas and technologies. If you cannot source the required skills locally, and you cannot train existing employees to meet the demands of your organisation, employing people from overseas is a great solution.

Anyone you employ in your organisation must have the right to work in Australia. You can employ workers who are living overseas but want to work in Australia by sponsoring a worker on a permanent or temporary basis, and by entering into a formal labour agreement with the Australian Government.

The types of workers from overseas who may be included are shown here.

Workers from overseas
International students – subject to restrictions as to when students can work and the number of hours.
Visitors on a working holiday visa – for short-term or casual work in specific industries.
Refugees – people holding a protection, refugee or humanitarian visa and have the right to work and live as permanent residents in Australia.
Skilled migrants – people who come to Australia on a skilled visa because they have skills that are in demand in Australia.

Indigenous Australians

Employing Indigenous Australians allows you to develop your organisation with the different knowledge, experience and perspectives of Indigenous employees. They can contribute to the improvement of cross-cultural awareness in your organisation, which is essential for communicating with suppliers, clients and others from diverse backgrounds.

As an employer, your organisation can access grants and support programs to help you employ Indigenous Australians.



People from culturally and linguistically diverse backgrounds

Australia is a multicultural society and is continuing to grow its international business networks. With the increase of Australian trade partnerships with Asian countries, such as China and Japan, it makes good business sense to employ people from culturally and linguistically diverse (CALD) backgrounds. They will possess the skills and experience to help your organisation understand multicultural consumers, improve customer service delivery by using different language and cultural skills, and access new networks and market segments.

CALD employees are people who:

- are from different countries, including English-speaking countries such as the United Kingdom
- have different cultural backgrounds
- speak languages other than English
- follow different religions
- are from different regions of Australia.

Review organisational requirements

Depending on your organisation, you will need to consider the diversity of your employees' values, beliefs and cultural expectations when delivering HR services. It is important to incorporate culturally inclusive practices into HR policies and procedures to ensure the specific needs of individuals are addressed.

HR managers need to recognise the value of individual differences and manage them appropriately in the workplace. HR strategies should remove barriers to ensure all employees enjoy full participation in the workplace, supporting the development and achievement of well-informed and culturally appropriate business outcomes.

HR service delivery strategies should ensure that:

- all existing and potential employees have access to a culturally appropriate, safe, equitable and inclusive working environment
- all existing and potential employees are treated fairly, equitably and with respect
- all members of the organisation understand they are responsible for workplace diversity and inclusion
- the organisation is able to monitor, measure and report on diversity and inclusion performance
- the organisation is free from discrimination and harassment.

Develop culturally inclusive work practices

You can overcome organisational issues relating to cultural diversity by acknowledging the possible differences in work practices, and seeking clarification before taking action. See the examples below.

Physical contact

While it is common practice in Australian culture to shake hands or to pat someone on the back for a job well done, other cultures can be different. For example, it may be taboo in some cultural groups to touch a person's head, or to be touched by someone of the opposite sex.

In reviewing your organisation's cultural diversity requirements, consider the following questions:

- When is touching appropriate?
- Which part of the body should not be touched?
- Is it appropriate to touch or be touched by the opposite sex?

Eye contact

It is common practice in Australian culture to look someone in the eye when communicating with them; however, in some cultures, not having direct eye contact shows respect. You must consider when it is appropriate to make direct eye contact and identify situations when it may cause offence.

Emotional expression

In some cultures it is not always appropriate to smile or to overtly express emotions such as grief and loss. For example, in some Asian cultures, people sometimes use smiles to cover sadness, worry or anger, in order to be polite.

Personal appearance

A fundamental policy developed by HR is your organisation's dress code. To ensure you meet the culturally diverse needs of your workforce you must determine what is considered appropriate clothing, and identify the varying definitions of 'clean and tidy'.

Greetings

You should identify the different forms of address or greetings expected or practised by your organisation's employees. Find out what is the most appropriate way to address others and make sure you pronounce their name correctly. In some cultures there may be differences in addressing people who are older or younger than you.

Behaviours

Your employees may behave in ways that are attributed to their cultural differences. Do not make assumptions about a person's behaviour based on what would make sense in your own culture. Discover the reasons behind a person's behaviour and ensure work practices allow that person to express themselves in a way that makes them comfortable, while adhering to WHS procedures.

Overcome potential barriers to communication

There may be a range of potential barriers to effective communication present in your workplace. You can overcome practical concerns by adjusting your own interpersonal communication style, and ensuring HR service delivery strategies meet the needs of a culturally diverse workforce.

Some potential barriers may relate to legislative requirements and breaches may be punishable by law. It is essential that cultural diversity is embedded into organisational policies, procedures and systems to ensure you meet your legislative obligations when interacting with others in your organisation.

Here are examples of potential barriers to effective workplace communication.

Manage closely

Educational barriers include acting on stereotypes or false assumptions, literacy and numeracy deficiencies, or lack of knowledge about the subject. You should clarify employees' level of understanding before furthering your interaction by asking open questions. Communicate with employees on their level and encourage them to ask questions when they don't understand.

Do not assume an individual has a particular level of competency as you may inadvertently discourage further communication if the employee does not want to admit their lack of knowledge. Conversely, try not to over-explain concepts that the employee has already grasped as this could indicate a lack of respect for their knowledge base.

Psychological and physical barriers

Psychological barriers include fear of rejection or failure, an inability to self-motivate, anxiety, lack of confidence, failure to follow through, or a fear of public speaking. Psychological barriers are often overcome with professional intervention.

Physical barriers may include issues relating to an employee's physical abilities, such as hearing loss, stuttering, blindness, or neurological disorders such as Tourette Syndrome, aphasia, dyslexia, attention deficit hyperactivity disorder (ADHD) or Autism Spectrum. You should ensure your organisation has the tools and resources necessary to communicate effectively with employees and clients who have physical disabilities.

Cultural barriers

Cultural barriers may include cognitive, behavioural or emotional constraints. Cognitive constraints may include differences in the way we frame our world or perceive our environment. Role assumptions based on physical, personal, gender or age differences vary between cultures. Unless these assumptions are addressed, the professional relationship may suffer.

Behavioural constraints may include differences between verbal and nonverbal approaches to communication. Different cultures interact in different ways. Make sure you use words and nonverbal cues that aren't going to be misunderstood or considered offensive to another person. Learn what is acceptable and what is not before you begin interacting with an individual.

Emotional constraints may include differences in what we perceive to be acceptable levels of emotional display based on culture. While some cultures find certain displays of emotion unacceptable, other cultures will consider it to be a natural part of their communication process. Again, learn what is acceptable and what is not before you begin interacting with a particular person and make sure you adjust your own communication style accordingly.

Encoding barriers

Encoding relates to the process of selecting and organising symbols to convey meaning. If you are trying to communicate with an employee who is preoccupied, emotional or distracted, you must recognise the ineffectiveness of the interaction. You might need to consider changing your approach, or mirroring some of the employee's positive behaviours so that they can relate to you, and to what you are saying. During the establishment phase of a relationship, it is essential that you build rapport before you start giving out information.

Information barriers

Providing too much or too little information about a subject can lead to difficulties in communicating with employees. You should be well informed and equipped to answer employee questions, or at least know where to source the information requested. Don't try to present information that you do not fully understand yourself. This will be detrimental to the working relationship as the employee will be less likely to trust what you say from then on. Confusing an employee will cause them to shut down and stop listening.

Physical distractions

Physical distractions relate to the environment in which you and others within your organisation are interacting. For example, if the environment is too noisy, caused internally or externally, the information you are trying to present may be lost, misunderstood or not fully received. Consider moving to a quieter and more suitable environment to ensure you can give and receive full attention.

Technological barriers

Technological barriers occur when equipment that is necessary for successful interaction between you and employees of your organisation, either malfunctions, is not available, is not used properly, or is not compatible with other equipment being utilised. Interruptions to information technology (IT) can cause information to be lost or distorted. Practise using any electronic equipment and ensure it is available before meeting with or training employees.

Geographical barriers

Geographical issues such as differing time zones, formations or weather conditions can create misunderstandings in relation to deadlines or meeting times, or discrepancies in anticipated delivery times. Try to anticipate (if possible) any geographical barriers that may impede successful communication in all areas of your organisation. You should make arrangements to work around these barriers, or reschedule your communication to a time when the issues will not be present.

Organisational barriers

Organisational barriers relate to communication systems and processes in place within your organisation. You must ensure that all personal information is gathered and recorded correctly in an electronic database. Calendars should be organised so that appointments do not need to be changed or cancelled.

Manage cultural diversity

You can access a workplace cultural diversity tool from the Australian Human Rights Commission. This will help you find out practical ways to manage cultural diversity in your organisation, discover best practice for cultural diversity in the workplace, and find out how your organisation rates against best practice standards. The tool can be used to monitor how your organisation is progressing in managing cultural diversity.

You can access the workplace cultural diversity tool at: <http://culturaldiversity.humanrights.gov.au/home.html>.

Provide diversity training

Diversity training is an important part of building awareness and an inclusive work environment. Cultural awareness serves as a bridge between employees and training programs serve to inspire sensitivity towards religion, ethnicity, gender, background, disability, age and sexual orientation.

As an HR manager, you should incorporate diversity training into your induction and orientation training program, as well as your broader training and development strategy, to prevent workplace discrimination and harassment from occurring, build healthy work relationships, and promote a culturally inclusive workplace.

Make sure that all line and senior managers fully understand and are committed to diversity in the workforce and ensure that instances of resistance are addressed immediately and effectively.



Example: review organisation's requirements for diversity in the workforce

Mary is the HR manager at a large construction company where she is responsible for recruiting and selecting skilled tradespeople and engineers. During a recent senior management meeting, Mary expresses her concern about the number of women the company employs. Due to a national skills shortage, she is finding it difficult to fill key positions within the organisation. She discusses the possibility of implementing an HR strategy to attract more women into non-traditional roles, in a male-dominated industry. The aims of Mary's HR strategy are to:

- create positive perceptions of the building and construction industry that would make the organisation attractive to potential female employees and their influencers
- promote the benefits and career opportunities that exist within the construction industry.

Mary reviews her organisation's requirements for diversity and develops the following attraction strategies.

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Strategy	Action
Create job advertisements that attract women to apply	<ul style="list-style-type: none">• Display diverse images and use inclusive language.• Locate advertisements broadly and where women will notice them.• Advertise to the key influencers on the career decisions of young women, including mothers, friends and teachers.• Use women's voices for radio, television and internet advertising.• Focus on the organisation's brand and career opportunities to create a value proposition that is attractive to women.• Offer a female contact for questions and inquiries.
Develop engagement activities that broaden the pool of potential applicants	<ul style="list-style-type: none">• Engage with schools to raise awareness of opportunities for girls by creating teaching aids, sponsoring competitions, and providing work experience opportunities.• Engage with local TAFEs, colleges and universities to provide career guidance, scholarships, internships and vacation work for women.• Partner with local communities, clubs and skills-based networks to market opportunities and non-traditional career paths to women.• Sponsor and offer traineeship or apprenticeship programs to young women.

Activity adapted from 'Women in male-dominated industries: a toolkit of strategies' (2013), www.humanrights.gov.au/publications/women-male-dominated-industries-toolkit-strategies-2013/chapter-2-attraction

Practice task 4

1. Explain what is meant by diversity in the workforce.

2. Describe two changes you could make to your workplace to ensure it is accessible for people with disability.

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3. Explain what you must consider when developing your organisation's dress code.

4. Explain the importance of workplace diversity training.

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Develop compliant human resource service options

As a manager, you are responsible for developing options for HR service delivery that comply with legislative requirements, organisational policies and business goals. It is essential that you understand the different HR service delivery models available to ensure you develop options that benefit your organisation.



Human resource service delivery models

HR provides many functions to the organisation, such as payroll processing, employee benefits and career advice. These services must be delivered to large workforces and be cost effective. The ways these are delivered are based on what is known as the HR service delivery model.

To support your learning, you might want to access further options in the Human Capital Institute's video 'HR Service Delivery for the New HR Agenda' at: www.youtube.com/watch?v=POgkFh8exUI#t=52.

Here are the three main types of HR service delivery models.

Traditional model

The traditional model of 'generalist' HR staff revolves around a central team of generalists, specialists and administration that provide key services and handle the needs of line managers, employees and senior staff at decentralised locations across the organisation. This is the most common type of service delivery model.

HR business partners

This model places HR business partners within the business and introduces HR centres of expertise, as well as a shared HR services group that is often a call centre, centrally located and administrative in nature. Commonly cited benefits for this three-tiered model include a greater ability for HR to be strategic. Leading HR academic and practitioner David Ulrich has developed this model. Read the Harvard Business Review, 'HR's New Mandate: Be a Strategic Player', to gain an overview of the Ulrich approach. This article is available at: www.sahrp.ca/news/209714/HRs-New-Mandate-Be-a-Strategic-Player.htm.

Self-service model

One of the latest developments in HR resulting from advancements in technology is the self-service model, where employees use portals to directly access and input the information they need, such as completing time sheets, pay status and annual leave applications. A common way to facilitate self-service delivery is to include in-depth FAQs (Frequently Asked Questions) hosted on company intranets so that employees can find answers to their questions related to conditions. Outsourced HR services may also involve a different model in that the internal HR function can re-focus on delivering strategic value rather than administrative value.

Cost–benefit analysis

Consultation is important in selecting the most appropriate HR services for the organisation and is just as important as the cost of the delivery option and the benefits that can be realised. Your organisation will need to undertake a cost–benefit analysis of each available option to determine which will deliver the best outcome for the organisation. Cost–benefit analysis is a decision-making technique that looks at the positive and negative outcomes of different alternatives – providing decision-makers with potentially more accurate information on which to base decisions, as shown below.



Identify costs

Analyse the costs involved in the implementation. This includes HR and equipment and cost of materials. It may also include use of office space, rent or utilities. The chief financial officer or finance manager must be involved in this step. This maximises efficiencies and ensures accuracy. Remember to include costs incurred in communicating and marketing the implementation.

Identify benefits

Benefits are determined based on their alignment with organisation development objectives.

Qualitative and quantitative measures should be used to identify benefits. For your organisation, benefits might be evidenced in improved customer satisfaction levels, improved behaviours, reduced operational costs, and the impact of these improvements on the organisation's competitive advantage or market reputation. The CFO or finance manager should be consulted to help assign values to these benefits.

Benefits are generally forecasts and their accuracy is subject to changing circumstances.

Compare costs and benefits

The total costs need to be compared with the predicted benefits. Calculate total costs and total benefits for comparison and compare them by dividing the total costs by the benefits. Use your analysis to determine what strategies can be applied to manage the costs and realise the benefits.

Determine break-even point

The cost-benefit analysis findings are used to calculate how long it will take to repay the costs and achieve a break-even point. This is calculated by dividing total costs by the total, quantified benefits.

Risk analysis

When making any major decisions within an organisation, it is good practice to identify the possible risks involved, the likelihood of them occurring and the consequences should they occur. This is called risk analysis. Many large organisations will have risk management strategies in place to help with this process and these should be followed before you implement your HR service delivery model.

Here are some aspects of risk management that need to be considered.

What is a risk?

Risk is defined generally as exposure to the threat of danger, harm or loss. In business, risk is the probability of threat and loss that exists within an organisation's operations and environment. Examples of this risk might include loss of revenue, change in demand and changing external environmental factors. Risk is embedded in every aspect of every business and all risks cannot be eliminated or controlled. It is the organisation's ability to manage those risks that is important.

Risk management

Risk management refers to processes for identifying, assessing and prioritising risks so that they can be eliminated, minimised or controlled with minimal impact to the organisation. All new projects, changes and major decisions should undergo risk analysis and risk management planning before implementation.

There are risk management standards that have been set by various bodies, such as the Project Management Institute, the National Institute of Standards and Technology and ISO Standards. These are intended as benchmarks to be used to guide individual implementation. They have been adopted and adapted by many organisations as standard practice and you may find that your own organisation has a very specific risk management procedure, including templates and guidelines to follow.

Risk management planning

As an HR manager, you may be required to undertake risk management planning before you finalise your service delivery model. Even if it is not a requirement, it is good practice regardless. Failure to do so may result in you encountering an unplanned-for risk and its consequences. Already having risk management strategies in place will either prevent the risk from occurring or allow you to deal with it in an efficient and cost-effective way when it does occur.

The risk management process

All decision-making in your organisation carries a measure of risk that must be managed if the organisation is to achieve its objectives. Your organisation's risk management procedures can ensure that any decision-making process has included consideration of the risks involved and how those risks will be managed.



The risk management process is a continuous cycle, involving the following steps.

Identify risks	<ul style="list-style-type: none"> • What are the possible risks? • How many risks are there?
Assess risks	<ul style="list-style-type: none"> • How serious are the risks? • How likely are they to occur? • What are the possible impacts or consequences? That is, what is their risk level? • What priority should be placed on controlling these risks, given the above?
Control the risks	<ul style="list-style-type: none"> • What strategies can we use to control the risks; that is, accept, transfer, avoid and reduce? • What is involved in this? • How much will it cost? • How long will it take? • What is the desired outcome? • Implementation of control
Review controls	<ul style="list-style-type: none"> • Did the controls work? • How effective were they? • Could they be improved? • What else can we do?

Identify and analyse risks

The following provides an outline of how risks can be identified and analysed.

Identifying risks	<p>Risks can be identified through brainstorming and consulting with teams, specialists and other managers about likely risk scenarios and issues. The team or group can also review documentation related to previous projects or change initiatives to identify indicators of risk, which may include:</p> <ul style="list-style-type: none"> • budget overruns • impact on service delivery and loss of production capability • loss of key HR members.
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Analysing risks

You need to determine a risk's likelihood and impact. The likelihood of the risk occurring may be very likely, likely or unlikely. Some organisations may use different words such as 'expected' instead of 'very likely', 'probable' for 'likely' and 'improbable' for 'unlikely'. The consequences of the risk may be major, moderate or minor. Other rating terms commonly used are 'disastrous', 'severe', 'extreme', 'minimal' and 'negligible'.

Evaluate risks

A risk assessment matrix can be used to evaluate a risk, where likelihood and impact is identified to determine the level of the risk where these intersect on the matrix. High risks become the priorities for treatment, and may require the development of contingency plans. Moderate risks will need attention. Some low-level risks may be seen as a low priority because they can be resolved through routine procedures or practices. Consider the likelihood and impact of an activity you have been involved with and use the matrix below to estimate the risk level.

LIKELIHOOD	VERY LIKELY	Acceptable risk Medium	Unacceptable risk High	Unacceptable risk Extreme
	LIKELY	Acceptable risk Low	Acceptable risk Medium	Unacceptable risk High
	UNLIKELY	Acceptable risk Low	Acceptable risk Low	Acceptable risk Medium
IMPACT		MINOR	MODERATE	MAJOR

Treat risks

The objective is to eliminate or avoid the risk where possible.

Here are the five options for managing risks.

Avoid the risk

Options to avoid risk include:

- not becoming involved in activities that lead to the possibility of the risk eventuating
- outsourcing risk-related tasks to contractors or specialist providers
- discontinuing practices that may realise the risk.

Change the likelihood

The likelihood of risks can be lowered by removing various stimuli or situations likely to materialise the risk. This may be as simple as:

- reducing exposure to the risk environment
- removing or reducing activities that may lead to the risk being triggered
- using inspection controls and quality assurance measures
- ensuring time lines are realistic.

Change the consequences

Contingency plans are a valuable tool for helping reduce the impact or consequence of a risk event and may include:

- establishing measures to control or minimise damage if the risk is realised, such as fraud control planning and disaster recovery planning
- developing administrative measures, controls, policy or procedures to provide guidance.

Share the risk

If a risk is too high to take on alone (for example, expanding the business into a new industry), partnerships and strategic alliances allow for risks to be shared. Sharing the risk may also commonly involve external investors, such as venture capitalists, or insurers and underwriters, and may include insuring against an event occurring.

Retain the risk

Some negative risks may be at an acceptable level when the likelihood and consequences can be adequately managed internally within the organisation. Others may have such a low level as to not warrant any effort. For example, occasional staff absences may not have a huge impact on meeting time lines, so this low-level risk can be accepted.

Review the risk management plan

A risk management plan is a tool used to record in detail all of the steps described above. Risk management templates and guides are widely available on the internet and in HRM software. Their purpose and elements are shown below.

Plan purpose

Your organisation may have its own templates and documentation relating to risk management plans. When completed, a plan summarises the proposed risk management approach that has been undertaken. It might be used to:

- assist decision-making
- plan at the start of a project
- support overall business and strategic planning
- demonstrate capability when vying for business; for example, tenders and expressions of interest.

Plan elements

The risk management plan may form part of a larger document, such as a business plan, project plan or strategic plan, or it may be a standalone document. In some organisations, it may be added to a risk register for future reference. Whatever its form or purpose, a risk management plan should include:

- the process for identifying, analysing, evaluating and controlling risks
- personnel responsible
- costs
- actions to be taken
- required resources
- reporting requirements.

Legislative requirements

The options you develop for HR service delivery must comply with the relevant legislative requirements. Organisations that operate in Australia are obliged to meet a number of industrial and legal requirements and you need to be familiar with these to ensure compliance. Compliance benefits your organisation by minimising the risk of penalties and loss of income that can occur if the organisation fails to meet its obligations. It is good practice to develop review processes and audit checklists to directly manage the legislation that is related to the nature of your business.

Legislation applicable to the delivery of HR services includes:

- workplace relations law
- work health and safety (WHS) law
- laws relating to anti-discrimination
- laws relating to privacy and confidentiality
- superannuation laws
- taxation laws.

Workplace relations

Workplace relations are governed by the *Fair Work Act 2009* (Cth) and the *Fair Work Regulations 2009*. This legislation sets out the obligations and entitlements relating to work conditions and the relationship between employers and their workers.

The legislation sets out key elements of Australia's workplace relations framework, including:

- a safety net of minimum terms and conditions of employment
- a system of enterprise-level collective bargaining underpinned by bargaining obligations and rules governing industrial action
- provision for flexible working arrangements that meet the genuine needs of an individual employee
- protections against unfair or unlawful termination of employment
- protection of the freedom of both employers and employees to choose whether or not to be represented by a third party, such as a union.



The Fair Work Ombudsman administers the Acts, and further information is available from its website at: www.fairwork.gov.au/.

Workplace relations law: modern awards

Modern awards apply to all employees covered by the national workplace relations system. Modern awards are industry or occupation-based and applicable to employers and employees who perform work covered by the award. Manager or higher income employees may not be covered by a modern award even if one applies to their particular industry.

Workplace relations law: National Employment Standards (NES)

The NES applies to all employees covered by the national workplace relations system. The *Fair Work Act 2009* (Cth) sets out 10 minimum standards of employment relating to the following aspects.

Minimum entitlements of the Standards

- Maximum weekly hours of work
- Requests for additional working arrangements
- Parental leave and related entitlements
- Annual leave
- Personal/carer's leave and compassionate leave
- Community service leave
- Long-service leave
- Public holidays
- Notice of termination and redundancy pay
- Provision of a Fair Work Information Statement

Workplace relations law: enterprise agreements

Enterprise and other registered agreements set out minimum employment terms and conditions. They are developed in consultation with unions who act as employee representatives. When a workplace has an enterprise agreement, the award does not apply. However, the pay rate in the agreement cannot be less than the pay rate in the award. The NES and any terms about outworkers in the award still apply.

Enterprise agreements can apply to one business, a group of businesses, or an individual employee (however, these types of agreements, known as Australian Workplace Agreements, cannot be made anymore).

Enterprise agreements include terms relating to:

- rates of pay
- penalty rates and overtime
- allowances
- personal and annual leave
- deductions from wages for any authorised purpose
- matters pertaining to the employer/employee relationship
- how the agreement will operate
- consultation methods
- dispute resolution processes.

Workplace relations law: employment contracts

An employment contract is an agreement between an employer and employee that outlines the terms and conditions of employment that are not covered by an award or enterprise agreement. Employment contracts can be in writing or verbal. An employment contract cannot provide for less than the legal minimum set out in the NES, awards, enterprise agreements, or other applicable registered agreements.

The rule is that employment contracts cannot make employees worse off than their minimum legal entitlements. Employment contracts may include the aspects shown below.



Employment contracts may include:

- duties and responsibilities of the employee
- codes of conduct that must be followed
- relevant organisational policies and procedures
- the grounds on which termination can occur without notice
- the period of notice that must be provided when an employee is terminated
- details relating to performance appraisal processes
- remuneration and benefits.

Workplace relations law: record keeping

Workplace relations legislation sets out provisions relating to record keeping. All employee records must be kept for seven years, regardless of whether the employee is covered by the national workplace relations system. Records must be made available to employees and other authorised people, such as auditors or government officers.

Workplace relations law: unfair dismissal

Unfair dismissal occurs when an employee is dismissed from their job in a harsh, unjust or unreasonable manner. Applications for unfair dismissal must be lodged with Fair Work Australia within 14 days of the unfair dismissal taking effect.

A determination as to whether or not a dismissal has been unfair is based on:

- the existence of a valid reason for the dismissal
- whether the employee was notified of the reason and provided with an opportunity to respond
- unreasonable refusal to allow the employee to have a support person present
- insufficient warning of the employee's unsatisfactory performance
- the impact on the type of organisation involved
- other matters deemed relevant by Fair Work Australia.

Workplace relations law: leave

Employees can take leave for many reasons. Leave entitlements vary according to the particular award, agreement or contract. Current legislation allows employees the following leave entitlements.

Annual leave

Full-time and part-time employees get four weeks of paid annual leave based on their ordinary hours of work.

Sick and carer's leave

An employee can take sick, personal or carer's leave to deal with personal illness, caring responsibilities or family emergencies.

Compassionate leave

An employee can take compassionate (or bereavement) leave when a member of their immediate family or household dies or suffers a life-threatening illness or injury.

Public holidays

Public holidays vary depending on the state or territory.

Maternity and parental leave

An employee who has worked for their employer for at least 12 months is entitled to take maternity or parental leave when a child is born or adopted. Employees are entitled to 12 months' unpaid parental leave.

Long-service leave

An employee who has worked for the same employer for a long period of time (for example, seven to 10 years) is entitled to take an agreed extended amount of leave as a reward for long service.

Community service leave

An employee can take community service leave for certain activities such as voluntary emergency management activities or jury duty.

Workers compensation

Employees who have claimed workers compensation are entitled to take leave until they are able to return to safe and sustainable work.

Work health and safety

WHS legislation in Australia aims to prevent injury and disease in the workplace. Commonwealth, state or territory legislation applies. WHS legislation includes work health and safety Acts, regulations, and codes of practice.

There is also a national compliance and enforcement policy to ensure the health and safety of employees and visitors to organisational sites. At the time of publication, the *Work Health and Safety Act 2011* (Cth) applies to all states except Victoria and Western Australia, which each have their own Acts.

Information relating to WHS requirements is available from Safe Work Australia at: www.safeworkaustralia.gov.au/sites/SWA.

Provisions included in WHS legislation

- Duties to provide a safe and healthy workplace for all employees and other people attending the workplace
- Safe work systems that do not pose a health risk
- Workplace training to ensure employees work in a safe and competent manner
- Requirements to take steps to prevent injury, illness and disease
- Requirements to consult with employees and their representatives about WHS matters
- Provisions for workplace inspectors to visit workplaces, investigate accidents and enforce legislation

Anti-discrimination

Commonwealth and state laws cover equal employment opportunity (EEO) and anti-discrimination in the workplace. All employees should be able to participate in and comply with a workplace free from discrimination and harassment. It is important that as a leader, you understand your rights and responsibilities under human rights and anti-discrimination law. By putting effective anti-discrimination and anti-harassment procedures in place in your team, you can ensure compliance with the law.

The Australian Human Rights Commission can provide information and advice for workplaces, while the Fair Work Ombudsman provides resources about how to prevent discrimination in the workplace. Relevant legislation can be accessed at: www.business.gov.au/business-topics/employing-people/Pages/equal-employment-opportunity-and-anti-discrimination.aspx.

Federal anti-discrimination legislation

Age Discrimination Act 2004 (Cth)
Australian Human Rights Commission Act 1986 (Cth)
Disability Discrimination Act 1992 (Cth)
Racial Discrimination Act 1975 (Cth)
Sex Discrimination Act 1984 (Cth)

Privacy legislation

The *Privacy Act 1988* (Cth) is an Australian law that regulates the handling of personal information about individuals.

There are 13 Australian Privacy Principles that regulate how personal information is handled and are listed below.

Australian Privacy Principles

1. Open and transparent management of personal information
2. Anonymity and pseudonymity
3. Collection of solicited personal information
4. Dealing with unsolicited personal information
5. Notification of the collection of personal information
6. Use or disclosure of personal information
7. Direct marketing
8. Cross-border disclosure of personal information
9. Adoption, use or disclosure of government related identifiers
10. Quality of personal information
11. Security of personal information
12. Access to personal information
13. Correction of personal information

Further information is available at: www.oaic.gov.au/privacy/privacy-act/australian-privacy-principles.

Superannuation

Superannuation is money set aside over an employee's lifetime to provide funds for retirement. Superannuation payments begin when an employee starts work. The employer pays a portion of the employee's salary or wages into a regulated superannuation fund provider. These payments are known as superannuation guarantee (SG) contributions, or concessional contributions.

Superannuation funds invest employees' money in shares, property or managed funds and offer other services, such as life insurance.



The HR team is responsible for making arrangements for superannuation contributions to be made on behalf of eligible employees under SG laws. At present the minimum employer contribution is 9.5% of an employee's ordinary time earnings. Organisations can claim a tax deduction for superannuation contributions paid by the due dates.

Further information is available at: www.ato.gov.au/super.

Taxation

The Australian Taxation Office (ATO) administers Australia's taxation laws, and applies these laws to all types of organisations. An employer is responsible for deducting tax instalments from employees' wages and paying them to the ATO. The HR team (or finance function) is responsible for issuing employees with group certificates at the end of each financial year.

Managing tax affairs and obligations is an integral part of any business. Tax obligations and entitlements will vary depending on the industry, business and type of work undertaken. You should seek advice when selecting the best legal structure for your organisation.

Your organisation must consider the following taxation requirements and/or obligations.

Taxation requirements and/or obligations

- Goods and services tax (GST) – a broad-based tax of 10% imposed on most goods and services
- Business activity statement (BAS) – these must be lodged with the ATO to report and pay your GST
- Pay As You Go (PAYG) – a system that allows you to pay an expected tax liability in instalments
- SG obligations – employers can pay a set minimum level of superannuation for each eligible employee, or pay a charge to the ATO
- Fringe benefits tax (FBT) – if you provide certain benefits to employees or people associated with employees, your organisation may be liable for FBT
- Payroll tax – employees who pay taxable wages must register for payroll tax under certain circumstances

Keep up to date

It is paramount that you stay up-to-date with legislation and workplace regulations. You can do this by using a variety of platforms. The following websites offer access to social media, such as Twitter, as a means to remain aware of changes that the organisation may need to address in the workplace.

To remain aware of legislative change, you might access the following:

- A search of the Australian Government website ABLIS (<https://ablis.business.gov.au/pages/home.aspx>) provides a detailed description of licences and legal requirements for business in Australia based on industry.
- The Fair Work Ombudsman (www.fairwork.gov.au/) and the Fair Work Commission (www.fwc.gov.au/) provide extensive information on an organisation's obligations under workplace relations legislation, including agreements and pay rates. A news and information section on the Fair Work Ombudsman's website highlights recent changes to legislation.
- The Australian Human Resources Institute's website (www.ahri.com.au/) provides information on the impact of changes on HR practice. Consider also some of the networking and workshop opportunities provided by the Institute to keep up-to-date on developments.



Organisational policies and procedures

The options you develop for HR service delivery must comply with the legislative requirements that apply to your organisation. As an HR manager, you should have a thorough understanding of your legal obligations and create HR policies and procedures that ensure compliance across the organisation.

A policy is a statement underpinning how HR issues will be dealt with in your organisation. Policies communicate the organisation's values and expectations of employee behaviour and performance.

Policies reinforce and clarify standard operating procedures in your workplace and help employers manage staff more effectively by clearly defining workplace behaviours and setting out implications for noncompliance. Workplace policies must comply with legislative requirements and ensure consistency in decision-making and operational procedures.

Workplace policies relating to people include:

- code of conduct
- recruitment, selection and induction policy
- dress code
- internet and email use
- WHS policy
- anti-discrimination and harassment policy
- training and development policy
- discipline and termination policy
- social media use.

Business goals

All HR service delivery options should be evaluated in terms of how they contribute to the achievement of the organisation's strategic business goals. HR objectives must be in harmony with the organisation's overall aims and HR strategies must support the achievement of strategic HR objectives.

For example, if an organisation has set profit improvement as a strategic business goal, HR service delivery options should be developed to reduce labour costs. Options may include performance-based reward systems to promote employee motivation and productivity, or training programs to improve employee competence. The HR team may need to develop an appraisal and exit program to accurately identify and remove poor performers, reducing the organisation's head count.



Example: develop compliant human resources service options

The HR Council of Canada has developed an HR toolkit that includes an example of risk management in an HR context. This information is available at: <http://hrcouncil.ca/hr-toolkit/planning-risk-assessment.cfm>. The article 'Focus on the HR risks that matter most' from HR Daily suggests that there are key areas of risk in HRM that an organisation needs to concentrate on. These areas are meeting strategic objectives, cost management and financial metrics, meeting operational requirements and compliance with legislation and regulations. This article is available at: www.hrdaily.com.au/nl06_news_selected.php?selkey=2363.

Practice task 5

1. What analyses should be undertaken to determine the HR service options that need to be implemented in an organisation?

continued ...

... continued

2. Why is it critical at this stage to undertake cost-benefit analysis for HR service delivery options?

3. Describe two key legislative requirements that options for HR service delivery must comply with.

1F

Develop agreed human resource strategies and action plans

Once you have identified the most appropriate and cost-effective HR service delivery options for your organisation, you should translate your organisation's business strategy into effective and actionable HR strategies.

HR strategies and action plans provide a roadmap for creating a unique competitive advantage by outlining how your organisation will leverage its human resources to address business challenges and achieve organisational objectives.

It is important that you seek agreement with relevant managers on newly proposed or revised HR strategies and action plans to support the implementation of your HR service delivery model.



Differences between HR service delivery models, strategies and action plans

It is important to understand the differences between an HR service delivery model, strategies, and action plans. These are shown below.

HR service delivery model

The HR service delivery model is how an HR team is structured to support the organisation. For example, support may be provided through a traditional approach, HR business partners or a self-service model.

HR strategy

The HR strategy describes how services are managed across the organisation to support the achievement of strategic and operational plans. HR strategies are designed to develop skills, attitudes and behaviours among employees that will help the organisation meet its goals. HR strategies consist of principles for managing the workforce through HR policies and practices. They enable the organisation to measure progress and evaluate outcomes against objectives.

HR action plans

HR action plans detail how the HR strategies are implemented across the organisation. Action plans describe who is responsible for implementing policies and procedures, and detail the activities that must be undertaken to deliver HR services.

Human resource strategies

Different types of organisational strategies produce a need for particular HR service delivery strategies. It is essential that HR strategies accurately reflect your organisation's business strategy to ensure an appropriate fit. This enables HR action plans to support the organisation's strategic direction. A lack of strategic alignment could result in confusion, frustration and inefficiencies.

HR strategies are functional strategies, outlining the organisation's people objectives and guiding the actions to be taken within a specific HR function. HR services such as recruitment and selection, and training and development, should be guided by your organisation's HR strategies.

The aims of such strategies are listed below.

The aims of HR strategies
<ul style="list-style-type: none"> • Ensure that organisational planning processes recognise people as the ultimate source of value. • Ensure that people involved in planning processes appreciate the HR implications of their proposals. • Ensure that people involved in planning processes understand the potential HR constraints if action is not taken. • Align business objectives and HRM objectives. • Design and manage the culture, climate and organisational processes of the business so that all employees can work effectively and efficiently. • Identify the organisation's distinctive competencies and the types of people needed to build and maintain those competencies. • Ensure that the organisation's resourcing activities contribute to the development of competencies in the short and long term. • Assess the performance requirements necessary to achieve organisational objectives and decide how the requirements should be satisfied. • Review levels of commitment and loyalty throughout the organisation, and improve where necessary.

Types of human resource strategies

As an HR manager, you are responsible for developing strategies and action plans to deliver HR resources that support the organisation to achieve its goals.

The type of strategies you select will depend on your organisation's HR requirements. Once a strategy has been developed, HR planning will determine the number and types of jobs to be filled and match human resource availability with job openings in the organisation.

Commonly used strategies are described here.

Recruitment strategies

Recruitment strategies ensure your organisation has the right resources at the right time. This includes workforce planning for forecasting labour and skills requirements, as well as developing a recruitment, selection and induction plan to acquire the necessary resources.

Recruitment strategies include workforce planning, recruitment, selection and induction.

For example, a recruitment strategy might include HR business partners working with third-party recruitment specialists to attract, recruit and select the right people at the right time.

Retention strategies

Retention strategies are the motivational programs designed to manage, reward and recognise employee performance and provide opportunities for professional development. Retention strategies are focused on engaging and retaining employees after they have been hired by your organisation. It also includes the maintenance of employee relations by ensuring the organisation complies with legislative requirements.

Retention strategies include performance management, training and development, WHS, workplace relations, and compensation and benefits.

For example, a retention strategy might be to develop and implement training and development programs to provide employees with an opportunity to increase their skills and knowledge.

Retrenchment strategies

The emphasis on retrenchment is on performance improvement by increasing productivity, downsizing, restructuring, cost cutting, selling, or winding up business operations. Retrenchment strategies provide policies and procedures for managing voluntary and involuntary employee separations.

Retrenchment strategies include termination, redundancy, resignation and retirement.

For example, a retrenchment strategy might include HR staff guiding and supporting supervisors to manage employee terminations according to legislative and organisational requirements.

Develop human resource strategies and action plans

Having effective HR strategies in place is paramount to the success of your organisation. For example, the recruitment and selection function can become a costly and inefficient process if not approached in a systematic and proactive manner.

The planning and development of HR strategies and action plans is made easier when you fully understand your organisation's HR requirements and have the ability to select the most critical HR services. A well-defined HR strategy clarifies the role of the HR team and ensures that all HR activities are aligned to strategic objectives.

The active involvement of line and senior managers should be sought throughout the strategy and planning process. Here is a description of each of the elements that are commonly used to develop HR strategies.

Elements commonly used to develop HR strategies

1

Strategic alignment

Ensure your HR service delivery strategies and action plans align with organisational strategic and operational plans. You can do this by measuring the quality of the existing workforce, its motivation and ability to perform effectively. Identify your organisation's core competencies and where weaknesses or skill gaps exist.

2

HR values

HR policies should be shaped by the core organisational values. These values might be directly related to concepts such as diversity, equal opportunity, mobility, communication, consultation, collaboration or skills development. Many organisations choose to represent their core values in succinct statements or by using action words, while others represent their values as a grid of core actions that employees are expected to adopt.

For example, HR values relating to a workplace diversity strategy may include EEO principles.

3

Legal framework

Identify the legal framework underpinning the requirements and obligations relating to the HR service. Identify specific legislation, regulations or codes that set out the standards of behaviour expected of employees in carrying out HR activities.

For example, legislative requirements relating to a workplace diversity strategy may include anti-discrimination or WHS legislation.

4

Organisational requirements

Identify the existing organisational policies and procedures or other corporate documents that should be read in conjunction with the proposed HR strategy and policy, specifying relevant organisational requirements and commitments.

For example, a workplace diversity strategy may be read in conjunction with a workforce planning strategy.

5

Human resource strategic objectives

HR objectives to implement strategy should be specific, measurable, attainable, realistic and timely (SMART). They should be focused on strategic outcomes and results, not solely on the activities being undertaken. Objectives might make up several key result areas which all come under the particular HR strategy.

For example, key result areas relating to a workplace diversity strategy may include leadership, recruitment and selection, communication and training. A recruitment and selection objective relating to workplace diversity may be to ensure employees and those seeking employment with an organisation are treated fairly and equitably in accessing employment opportunities and in selection and promotion processes.

6

Action plan

The action plan details key HR activities against the strategic objectives, allocates responsibilities and time frames, and outlines monitoring, evaluation and review processes.

For example, an action plan for a workplace diversity strategy may include developing workplace diversity policy and procedures, developing an internal training program, or making a policy accessible on an organisational intranet.

7

Roles and responsibilities

The roles and responsibilities of the employer, management staff, and all other employees in implementing the HR strategy should be clearly defined.

For example, the role of an employee in implementing a workplace diversity strategy could include behaving in ways that actively contribute to the improvement of a culture in which diversity is valued among team members.

8

Monitoring, evaluation and review

KPIs may be developed to evaluate and report on the effectiveness and outcomes of the HR strategy. HR services should have clearly articulated performance measures. Without these, it will be difficult for HR to demonstrate how it contributes positively to business performance. Dates should be set for HR policy reviews.

9

Resources

Sometimes it may be necessary to ensure resources are made available to support managers and employees in implementing an HR strategy or policy. Resources could include legislation, regulations, codes, standards, government publications or links to websites.

For example, resources relating to a workplace diversity strategy may include a link to the Human Rights Commission website.

Align organisational and HR strategies

The alignment of organisational and HR strategies is critical to the success of an organisation.

The examples described below demonstrate how strategic directions can be translated into HR strategies developed to achieve organisational objectives.

Objective: Pursue quality performance

Strategic directions:

To develop an effective and comprehensive organisation-wide communication strategy.

To enhance a coordinated range of staff health and wellbeing activities that promotes health self-management.

Strategies:

- Develop and implement a range of communication methods relevant to specific issues, sites and staff needs.
- Ensure all communication is inclusive and effective.
- Enhance the range of activities and opportunities that address the needs of specific staff groups.
- Assist staff to develop the knowledge and skills to identify and manage their own individual health and wellbeing needs.
- Ensure all staff are able to access the range of support services available.

Objective: Attain sustainability

Strategic direction:

To manage workforce planning, ensuring associated risks are reduced so that the organisation continues to meet its goals and delivers services within contemporary best practice standards.

Strategies:

- Systematically monitor and respond to workforce needs/trends.
- Establish clear guidelines for staff that define various responsibilities and decision-making authority.
- Ensure accurate and timely data related to workforce planning is available to support senior clinical managers.

Objective: Create an education culture

Strategic directions:

To create a learning/teaching/research culture.

To build business management acumen and skills in senior clinical management staff.

Strategies:

- Ensure clinical management staff possess the required knowledge and skills that enable them to effectively respond to changing needs and demands.
- Utilise integrated IT systems to manage budgets, performance and accountability.
- Establish a multidisciplinary/inter-professional teaching and research unit.
- Ensure a coordinated approach to student placements.

Determine human resource objectives

In setting objectives, many organisations use the management by objectives (MBO) approach. MBO involves managers coming together to set mutually agreed objectives based on the strategies.

The following is a process to guide you and your team in setting strategic HR strategic objectives.

What to do when setting HR strategic objectives
Discuss with relevant stakeholders ways to implement organisational strategies to meet objectives.
Identify what actions are required to meet strategic objectives.
Identify when actions are required to be completed to meet strategic objectives.
Determine measures to enable the identification of progress towards achievement of the objectives.
Check the objectives are SMART: specific, measurable, attainable, realistic and timely.

Develop SMART objectives

When you define the HR objectives, ensure they are SMART so that clear targets are set for monitoring progress and evaluating outcomes. For example, a SMART objective aligned to a retrenchment strategy to reduce costs might be to reduce production team members by five per cent by the end of the fourth quarter.

Here are the SMART principles.

S	Specific: Target and clearly define a specific area that you want to improve.
M	Measurable: Suggest an indicator of progress; quantify if possible. Determine how you will know the goal has been achieved.
A	Attainable: Agree what the goals should be and keep them achievable in the time frame.
R	Realistic: Identify what results can realistically be achieved given the available resources, knowledge and time.
T	Time framed: Specify when the result can be achieved; make sure there is enough time to achieve the goal, but not too much time.

Develop human resource policies

Once you have developed strategies and action plans for HR service delivery, you can develop the corresponding series of policies that show HR requirements in action and illustrate the kinds of situations that might be encountered in the workplace. Feedback from employees can help refine and solidify these policies and, with senior management review and approval, they can then be implemented and communicated to all employees.

Some aspects of HR policies and compliance are shown below.

Purpose
<p>It is important to note that HR policies are the rules and regulations of the organisation. They provide employees with guidelines on what is expected of them.</p> <p>HR policies:</p> <ul style="list-style-type: none"> • advise employees about the values and expectations of the organisation • communicate compliance requirements • provide information on best practice procedures • guide fair and consistent practices • protect employees and the organisation from unfair and unlawful practices • guide consistent and uniform decision-making.

Compliance

Organisations need to be sure that any policies introduced are necessary and relevant to the organisation, and that managers have the capacity and capability to work within the policy framework.

Policies need to address compliance issues as well as guide the behaviours of managers and employees. Regular and thorough review of legislation and industry regulations will ensure the organisation meets its compliance requirements.

Areas

HR policies traditionally cover topics such as:

- an employee code of conduct
- confidentiality requirements
- conflict of interest
- termination of employment (voluntary and involuntary)
- recruitment, selection and induction
- compensation and benefits
- performance management
- learning and development
- privacy of information requirements
- leave arrangements and management
- grievance and conflict resolution
- informal and formal complaint processes
- discipline procedures
- diversity, including anti-discrimination and harassment
- workplace health and safety.

Determine performance measures

Here is a comparison of two HR service performance measures, HR scorecards and HR metrics.

HR scorecards

Research and development in the area of HR metrics and performance measures has provided HR practitioners with key performance indicators (KPIs) and HR scorecards that allow HR to calculate its worth to the organisation across a number of areas, such as profitability, the attractiveness of the organisation to external candidates, leadership and a skilled workforce. Examples of KPIs for a profitability objective of reducing labour costs might be to:

- decrease training costs
- increase the promotions rate to decrease recruitment costs
- increase the participation of employees in internal career development workshops.

HR metrics

As HR becomes more strategic, performance measures should focus on how HR influences the business not just on operational efficiencies. Examples of metrics include the following:

- The external hire rate to monitor the rate at which new employees are joining the organisation.
 - The formula is: external hires / average headcount x 100, with a target of 20 per cent per year.
- Measuring the promotion rate using the career path ratio.
 - The formula is: promotions / transfers, with a target of 0.5 or 1 promotion for every two transfers.

A dictionary of HR metrics has been developed by the Victorian Public Sector Commission. The People Metrics Dictionary provides information on the use of 47 measures. The dictionary is available at: <http://vpssc.vic.gov.au/resources/a-dictionary-of-people-metrics/>.

Seek agreement

The HR strategies and action plans adopted by your organisation will be influenced by the needs of relevant managers as well as the organisational strategy.

The responses you receive will highlight the most appropriate set of HR strategies to enable the organisation to achieve its strategic goals. These responses will also generate agreement and commitment to the proposed strategy and action plans. Ways to seek agreement are shown below.

Questionnaires

To gain the agreement and commitment of managers, you may like to develop and circulate a questionnaire stating what HR is currently doing; outlining the proposed set of strategies, action plans and policies; and requesting additional information with questions such as:

- Do you want us to continue doing this?
- If so, do you want the same or more or less?
- Are we doing well?
- Could we do better?
- What are the things we are not doing that you think we ought to be doing?

Focus groups

Focus groups and open sessions invite managers to give their views on HR strategies and action plans. This allows HR to be proactive in reducing duplication and delays in HR services and promoting the empowerment of line managers.

Presentations

Your organisation may have a pre-formed presentation template for introducing and obtaining agreement on HR strategies and action plans to managers within your organisation. Make sure you are well-prepared before giving a presentation by clearly outlining HR objectives, strategic KPIs, how the strategy aligns with organisational strategic and operational plans, and an action plan for implementation.

Presentations should be succinct and professional, providing managers with sufficient detail to make an informed decision.

Example: develop agreed human resources strategies and action plans

The example below sets out an HR strategy and action plan for recruitment and selection in an organisation.

HR strategy and action plan	
Strategy:	Recruitment and selection
Objective:	HR team to work with third-party recruitment specialists and organisational managers to recruit and select the right people at the right time.
Legal framework:	<i>Privacy Act 1988 (Cth), Work Health and Safety Act 2011 (Cth), Safety, Rehabilitation and Compensation Act 1988 (Cth), Fair Work Act 2009 (Cth),</i> Equal employment and anti-discrimination legislation.
Developer:	Sally Armstrong, HR Manager

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Item	Action	Costs/ resources	Person responsible	Deadline
1	Identify and select third-party recruitment specialist(s)		Sally	1 Oct
2	Develop and sign service agreement with third-party recruitment specialist(s)	Service Agreement template	Sally	10 Oct
3	Agree, document and communicate recruitment and selection policy and procedures	Computer	Lance (HR consultant)	15 Oct
4	Provide training to third-party recruitment specialist(s) on the organisation's business strategy, operational plans, and recruitment and selection policy and procedures	Access to organisational plans, policies and procedures	Sally and Lance	22 Oct
5	Provide training to line and senior managers on recruitment and selection policy and procedures	Access to policy and procedures	Lance	25 Oct
6	Send email to all employees advising of revised recruitment and selection policy and procedures available on company intranet	Computer, access to intranet	Lance	25 Oct
7	Begin implementation of recruitment and selection policy and procedures in organisational operations		HR team	1 Nov
8	Gather feedback and conduct detailed review on the effectiveness of the recruitment and selection policy and procedures		Sally and Lance	1 Dec
9	Implement ongoing monitoring process for recruitment and selection policy and procedure		Lance	5 Dec

Practice task 6

An HR service delivery strategy should describe how HR services are managed across the organisation to support the achievement of strategic and operational plans. HR action plans describe who is responsible for implementing the relevant policies and procedures, and detail the activities that must be undertaken to deliver the HR service.

Use this table to develop a workplace diversity strategy and action plan that provides all employees with the skills and knowledge to prevent and deal with any harassment or bullying behaviours in the workplace. You can use your own workplace, or a fictitious workplace in an industry you are familiar with.

continued ...

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HR strategy and action plan				
Strategy:		Workplace diversity		
Objective:		HR team to provide all employees with the skills and knowledge to prevent and deal with any harassment or bullying behaviours in the workplace.		
Legal framework:				
Developer:				
Item	Action	Costs/ resources	Person responsible	Deadline
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

1G

Document agreed roles and responsibilities

It is important that the delivery of HR services is managed and carried out effectively by all relevant members of the organisation. This includes the HR team, HR manager, line managers and external contractors.

When planning and developing strategies for the delivery of HR services it is critical that you clearly define, document and agree on the roles and responsibilities within the organisation.



Roles and responsibilities of the HR managers

HR managers must maintain and improve an organisation's HR function by planning, implementing and evaluating workplace relations and HR policies, procedures and practices.

The key responsibilities of HR managers include but are not limited to:

- maintaining work structure by updating job requirements and descriptions
- maintaining a pay plan and recommending pay structure revisions
- hearing and managing employee grievances
- designing, directing and maintaining employee benefits programs
- maintaining management guidelines
- maintaining professional and technical knowledge by attending professional development activities, networking or training
- maintaining staff
- planning, monitoring and appraisal of employee performance
- counselling employees and supervisors
- ensuring legal compliance by conducting investigations and maintaining records
- developing and maintaining a records management system
- contributing to team effort by accomplishing related outcomes as necessary.

Roles and responsibilities of the HR team

The role of the HR team is to assist and support the development of employees within the organisation and provide guidance to managers so they can improve their own, and their team's performance.

The HR team is responsible for developing, implementing and delivering all HR services across the organisation.

The responsibilities of HR team members include, but are not limited to:

- implementing HR programs by providing HR services
- developing HR solutions by researching, collecting and analysing information and recommending courses of action
- improving manager and employee performance by identifying, clarifying and solving work-related issues
- completing special projects

- managing client expectations by communicating issues, resolving concerns, analysing time and cost issues, and preparing reports
- preparing reports by collecting, analysing, summarising and presenting data
- protecting organisational value by keeping information confidential
- ensuring compliance with federal, state and local legal requirements
- updating job knowledge by participating in educational and professional development opportunities, maintaining networks and participating in professional associations
- enhancing organisational reputation by taking ownership of workplace issues and exploring opportunities to add value to the business.

Roles and responsibilities of line managers

Organisations should establish a balance between line managers and HR service delivery in their shared accountability for people management. This balance is achieved by ensuring the right HR service delivery model is in place. Line managers should take an active role in dealing with people performance issues.

Line managers are responsible for improving HR functionality by:

- reassigning people to new roles within the HR team
- conducting induction and orientation training with team members
- filling roles externally or internally with skill sets the HR team does not currently possess or have the time to develop
- targeting skill development in specific areas, such as project management
- developing new technical skills relevant to an area of work
- providing sessions that develop knowledge about the organisation's strategic HR objectives
- monitoring and improving employee performance
- engaging external contractors or consultants to provide HR advice, or outsourcing the delivery of HR functions.

Roles and responsibilities of external contractors

HR consulting services, external contractors or agencies can be engaged by an organisation to fill interim HR management positions. Outsourcing some or all of an organisation's HR functions has the benefit of gaining access to best practice HR services, skills and knowledge not available within the business. External contractors may include recruitment agencies, training providers, lawyers, health and safety consultants, or change management specialists. The roles and responsibilities of external contractors are shown below.

How external contractors can help with HR service delivery

Recruitment

External contractors may provide advice on what an organisation should do to attract qualified candidates, or the best recruitment strategies to implement.

Litigation

External contractors may assist the organisation to handle workplace relations matters, such as investigating complaints filed by employees alleging the organisation has engaged in unfair employment practices.

Mediation

Trained consultants can mediate workplace disputes, saving the organisation costs related to litigation.

Expertise

Specialist HR consultants can provide expertise on the day-to-day operations of HR service delivery and sustainable HR functions that will increase employee engagement and productivity.

Outsourcing

An organisation might outsource HR functions that it is not qualified to handle, such as processing payroll, or handling benefits administration.

Strategy development

External contractors may advise on HR tactical functions so that an organisation's internal HR team can devote its time to designing and implementing workforce planning strategies.

Document roles and responsibilities

A roles and responsibilities statement outlines the scope of a particular position within an organisation. It is essential that roles and responsibilities statements contain relevant information to ensure existing and potential employees are fully informed about their specific roles, duties, obligations and level of authority. Roles and responsibilities statements are usually documented in job or position descriptions.

Document roles and responsibilities by following these steps.

Steps for documenting roles and responsibilities

1

Define the role

Get a clear understanding of the role you want to fill and the tasks and duties you need completed. Talk to the applicable line manager to whom the employee will be reporting, and other employees who are part of the same team.

Consider the following:

- What tasks or duties will the candidate undertake?
- What skills, knowledge and abilities are necessary to perform the role?
- Does the candidate need any particular qualifications or experience?
- What responsibilities will the candidate have?

2

Decide on the type of employment

Decide on the type of employment required by the particular role. The position could be full-time, part-time, fixed-term or casual. This is critical as it determines the employee's compensation, benefits and conditions.

Determine the following:

- The number of hours needed to perform the role
- The period of employment (for example, permanent, for a fixed-term, or until the completion of a project)
- Whether the employee is a junior, apprentice, trainee or skilled worker

3

Develop a position description

Once you have defined the role and decided on the type of employment, you can use the information to develop a position description.

Include the following elements:

- Job title and type/hours
- Location
- Reporting lines and working relationships
- Salary
- Purpose of the position
- Main duties and responsibilities
- Academic and trades qualifications
- Work experience and skills
- Competencies, or personal qualities and behavioural traits
- Work and/or service conditions
- Performance goals

Develop position descriptions

A job or position description outlines the skills and competencies necessary to perform a particular role. It defines how the role fits within the overall organisational structure and is used as the basis for the employment contract or agreement. Position descriptions are valuable performance management tools. A position description can help clarify what you need from the role and can be used as the basis for a position advertisement.

Position descriptions usually include the elements listed in the following table.

Element	Description
Job title and type of employment	<p>A job title should accurately reflect the nature of the role and the duties being performed. It will reflect its ranking order with other roles within the organisation. A job title must be free of inferences relating to gender or age, and be generic enough that it can be compared with similar jobs in the industry for the purposes of equity in pay conditions.</p> <p>Job titles should be self-explanatory for recruitment purposes; for example, using keywords to search for jobs online.</p>
Job type/hours	<p>The job type or hours required: may be full-time, part-time, fixed, casual, contract, seasonal or other type relevant to your organisation.</p>

Location	<p>The position description should include the physical address that the employee will work at. If the job requires travel, you should state the primary location and identify where to and how often the employee will be required to travel.</p> <p>Flexible working arrangements can be made for people who wish to work full- or part-time from home. The position description should notify the employee of their options regarding teleworking opportunities.</p>
Relationships	<p>It is essential that you include reporting lines and working relationships in position descriptions. Reporting lines clarify the responsibilities of the role by identifying who the candidate reports to and who reports to them. This is important in relation to compliance issues, and also shows the candidate how they fit into the organisational structure.</p>
Salary	<p>Rather than assigning a particular salary to a position, it is now common practice to work out a salary range that is competitive with similar positions in other organisations, and include it in the position description. This allows for variations in education and experience. The HR team would need to update salary ranges in line with changing pay scales.</p>
Purpose of the position	<p>A description of the purpose(s) of the role should be included. If the role has more than one purpose, the details should be listed in order of priority.</p>
Main duties and responsibilities	<p>The position description should contain a list of responsibilities and duties associated with the role, as well as the expected amount of time dedicated to each task. Duties should be outcome-based, containing an action, object and purpose. For example: 'conducts monthly WHS audits to allow monitoring of the organisation's compliance with WHS legislation'.</p> <p>The list of duties and responsibilities will vary in length depending on the role. Try to keep the list as short and succinct as possible to ensure the position description is not mistaken for an operational manual.</p>
Academic and trades qualifications	<p>A position description should include the essential academic or trades qualifications required to perform in a role. It could also include 'desired but not essential' qualifications that would give the candidate a competitive advantage in securing a role.</p>
Experience and skills	<p>Skills include the activities the candidate can perform based on their past experience, or from qualifications they have completed. Experience may include a requisite number of years working in the same or similar role with another organisation.</p>

Competencies	Competencies (personal qualities and behavioural traits) are sometimes provided for in a separate document called a person specification. Competencies are the attributes or qualities you expect the candidate to display in the role. Extra weight could be given to behavioural competencies such as communication, leadership, teamwork, initiative and flexibility.
Working relationships	Working relationships are the people and departments the candidate must work closely with in performing their role. An organisational chart is an effective way to represent important workplace relationships in a position description.
Work/service conditions (optional)	Work conditions outline the environmental demands of a particular role. For example, health and safety aspects such as working from heights, excessive noise, or exposure to heat, must be communicated to a candidate before a position is accepted. Service conditions include any special requirements necessary to perform a role such as travel, working outside of business hours, award conditions, or industry-specific employee benefits.
Performance goals (optional)	Sometimes position descriptions will include specific performance goals or key result areas that determine the level of performance you expect from the employee. Performance goals help the employee understand how their assigned activities advance strategic and operational goals. Position descriptions may include indicators that specifically outline how an employee can achieve outcomes related to their role.

Agree on roles and responsibilities

The development of roles and responsibilities is rarely based on one person's decision. You need to seek and gain the agreement of the organisation as a whole to create position descriptions that meet the needs of the business.

Part of the process of documenting roles and responsibilities that meet all the needs of the organisation is to consult widely and gain the support of relevant stakeholders.

You need to consider who needs to agree on roles and responsibilities from both within and outside the organisation.

You may need to seek agreement from the following stakeholders:

- Senior management
- Line managers and supervisors
- Employees
- Union representatives
- External agencies



Example: document agreed roles and responsibilities

This example is a basic position description for an HR manager.

Position description	
Job title:	Human Resources Manager
Reporting to:	Operations Manager
Salary/Award:	\$100K including superannuation
Hours:	Permanent, Full-time
Location:	Head office, Melbourne CBD
Purpose:	To provide management direction and counselling, and supervise all permanent and temporary staffing as required.
Main duties/ responsibilities:	<ul style="list-style-type: none"> • Manage recruitment, selection and induction processes • Update job requirements and position descriptions for all positions • Establish and conducts training and development programs • Manage career development, including succession planning, retention and incentives • Establish and implements employee performance management systems • Hear and resolve employee grievances • Maintain employee benefits programs • Ensure legal compliance by monitoring and implementing applicable HR Commonwealth and state requirements • Prepare, update and recommend HR policies and procedures • Maintain HR recordkeeping system • Maintain professional and technical knowledge • Complete HR operational requirements • Maintain HR staff and job results by recruiting, selecting, orienting, training and counselling employees
Qualifications:	Essential: Bachelor degree in Human Resources, or equivalent Desirable: Certificate IV in Training and Assessment

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<p>Skills and experience:</p>	<p>Minimum five years' experience in a human resources management role, with the ability to demonstrate the following skills:</p> <ul style="list-style-type: none"> • Management of HR service delivery, including recruitment and selection, benefits administration, performance management, learning and development, compensation and wage structure, diversity management, termination and redundancy, and career management and planning • Sound understanding of HR practices and laws in Australia • Strong administrative and organisational skills • Excellent interpersonal communication skills • Strong analytical skills
<p>Competencies/ personal attributes:</p>	<ul style="list-style-type: none"> • Emotional intelligence – the ability to practise self-awareness, self-regulation, self-motivation and social awareness • Strategic thinking – the ability to analyse the organisation's competitive position by considering market and industry trends • Motivational support – the ability to enhance others' commitment to their work • Teamwork – the ability to demonstrate interest, skills and success in getting groups to work collaboratively • Managing performance – the ability to take responsibility for one's own performance, and the performance of team members • Managing change – the ability to demonstrate support for innovation and for the organisational changes needed to improve organisational effectiveness
<p>Relationships:</p>	<ul style="list-style-type: none"> • Ongoing contact with finance department in relation to employee remuneration, compensation and benefits • Daily supervision of HR team members • Implementation of HR policies relating to EEO, WHS, performance management and flexible work arrangements

Practice task 7

1. Describe two key responsibilities of HR managers.

2. What is the overall role of the HR team?

3. Describe two ways that line managers can improve HR functionality.

4. How could external contractors assist the HR team to handle workplace relations matters?

5. What is the purpose of a position description?

Summary

1. As an HR manager, you are responsible for developing a strategy that deliberately uses human resources to gain or maintain a competitive edge in the marketplace.
2. The HR strategies you develop must accurately reflect the strategic direction of your organisation to ensure an appropriate fit.
3. While it is important to understand the environment in which the organisation operates to ensure it can operate effectively, it is also critical for HRM, both strategically and operationally, to review and understand the practices and trends in the external business environment that directly affect the management of people in the organisation, and HR service delivery.
4. You should not make decisions about HR strategies and services without consulting your internal clients.
5. Attracting, recruiting and retaining a diverse workforce will enable your organisation to benefit from the various skills, experiences and perspectives offered by different groups of people.
6. HR strategies and action plans provide a roadmap for creating a unique competitive advantage by outlining how your organisation will leverage its human resources to address business challenges and achieve organisational objectives.
7. When planning and developing strategies for the delivery of HR services, it is critical that you clearly define, document and agree on the roles and responsibilities within the organisation.

Learning checkpoint 1

Determine strategies to deliver human resource services

This learning checkpoint allows you to review your skills and knowledge in determining strategies for the delivery of human resource services.

Part A

1. Provide two examples of business strategies affecting HR service delivery.

2. Why is it important to align HR strategies with an organisation's strategic and operational plans?

3. Describe how the PEST framework can be used to review the impact of external business environment on HR needs.

4. Why it is important to consult line and senior managers to identify HR needs in their areas?

5. How does Equal Employment Opportunity (EEO) legislation affect an organisation's requirements for diversity in the workforce?

6. Why does an organisation need to undertake a cost-benefit analysis of HR service delivery options?

7. Identify the key provision of two legal requirements to consider when developing options for HR service delivery.

Part B

Read the case study, then answer the questions that follow.

Case study

Chloe is the HR manager at an organisation operating a large chain of department stores. The organisation's strategic and operational plans call for the organisational structure to change with many employees being divided into new departments and store locations. This is likely to cause significant disruption to work flow and it is expected that some employees will be dissatisfied with the restructure. In consultation with the HR team, department managers and a selection of employees, Chloe agrees to work towards a number of objectives to allow for the delivery of the required HR services. One of the key objectives is to assist existing employees to adjust to the restructuring program.

As a result of the restructure, Chloe must also re-develop all existing job descriptions within the organisation to ensure details relating to job location, reporting lines, duties and work conditions are up to date. Chloe must also develop a job description for a number of newly created roles, including three assistant department managers.

1. Develop workforce adjustment strategies that Chloe could use to achieve the organisation's objective of assisting existing employees to adjust to the restructuring program.

2. Describe two performance indicators that Chloe could use to measure whether or not workforce adjustment strategies have been effective.

3. Describe one way that Chloe could gain the agreement of relevant managers in implementing her workforce adjustment strategies.

4. Describe how Chloe could plan HR service delivery strategies according to organisational requirements for workforce diversity.

5. List three key responsibilities of Chloe as an HR manager, relating to the organisational restructuring program.

6. Identify four items that Chloe must include in the newly developed job description for Assistant Department Manager.

Topic 2

Manage human resource service delivery

HR service delivery management is the coordination across the functions, processes and systems necessary to manage the full life cycle of HR services.

It is the responsibility of the in-house or external HR service provider to add value to an organisation by incorporating HR practices that strengthen business performance, encourage collaboration and empower employees. Service providers must do this at a low cost to the client (departments or sections of an organisation) while fulfilling the obligations set out in stringent service level agreements (or service agreements).

Aligning all areas of a business at the same level of efficiency and scope can be difficult. Selecting an appropriate HR service provider is critical to ensure that HR services meet the needs and objectives of the organisation, and that the business gains from its investment by receiving quality processes and training.

In this topic you will learn how to:

- 2A Communicate human resource information to stakeholders
- 2B Develop and negotiate service agreements
- 2C Document and communicate service specifications, performance standards and time frames
- 2D Identify and arrange training support
- 2E Negotiate and monitor quality assurance processes
- 2F Ensure services are delivered by appropriate providers
- 2G Identify and rectify underperformance of human resource staff
- 2H Identify the return on investment of human resource services

2A Communicate human resource information to stakeholders

Once HR strategies have been developed, these strategies must be communicated throughout the organisation and to external partners and contractors.

Effective communication is critical to the successful management of HR service delivery and implementation of change initiatives. Communication strategies that allow for stakeholder consultation enable HR service providers to implement quality, inclusive HR practices.

Regular, clear communication about HR service delivery is essential. Information should be easy to read, user-friendly, informative and relevant to the audience. Developing an effective communications strategy will ensure that you involve the relevant people to gain approval for HR services, and obtain meaningful feedback for improvement.



Identify internal and external stakeholders

A range of stakeholders, internal and external to your organisation, will need to be informed and consulted about HR services and strategies.

External stakeholders are groups outside an organisation or people who do not directly work within the business, but are affected in some way by the decisions of the business, including HR service delivery. For example, external customers may be affected by HR services and strategies if the number of staff in an organisation is reduced.

Internal stakeholders are groups within an organisation or people who work directly within the business, who are affected by HR strategies and services. For example, business owners are interested in maximising profit and earning income from their investment in HR service delivery.

See below for some examples of internal and external stakeholders.

Internal stakeholders	External stakeholders
<ul style="list-style-type: none">• Business owners• Board members• Management• Employees• Volunteers• Contractors	<ul style="list-style-type: none">• Shareholders• Customers• Suppliers• Creditors• Unions• Government authorities

Develop a communications strategy

An effective communications strategy will identify who needs the information relating to HR services and strategies, why they need it, when they need it, and how to access it.

A communications strategy should include the following components.

Purpose

The key to a successful communications strategy starts with a clearly defined purpose. Your communications strategy should be driven by the needs of the organisation. Aligning your communications and organisational objectives will reinforce the importance and relevance of the information and make a convincing case for the proper resourcing of HR services within your organisation.

Audiences

You should identify the audiences with whom you need to communicate to achieve organisational objectives. Adapting your communications strategy to target key stakeholders is critical to achieving a wider impact. Communications that appear to be self-serving can have a negative effect. Make sure information relating to HR services and strategies reveals the benefits gained by the audiences.

Messages

The key to your messaging is strategic targeting and consistency. Create a comprehensive case addressing key information relating to HR services and strategies, and emphasise the different aspects of the case for different audiences. Maximise the impact of your message by summarising the information into a number of key points. Use interesting narratives as examples. For example, describe how a similar organisation significantly saved costs by implementing the same HR services or strategies.

Tools and activities

Identify and describe the tools and activities that are most appropriate for communicating information relating to HR services and strategies to particular stakeholders. For example, a strategic plan or annual report is a useful tool in corporate communications, whereas an email or staff meeting works well for internal communications. Tailor the tools and activities you use to the amount of time, finances and human resources available.

Time frames

Make sure you use realistic time frames to set out legitimate levels of expectation. Communications planning should include a schedule to ensure the development and distribution of information relating to HR services and strategies will achieve the sender's desired outcomes.

Evaluation and amendment

Evaluate the effectiveness of your communications strategy with both internal and external audiences by performing a communications audit or assessment. Use open questions to ascertain audience understanding of the information. Develop benchmarks to gain a sense of stakeholder commitment to HR services and strategies.

Select communication channels

For a communications strategy to be successful, you must decide what communication channels you will use to inform key audiences about HR services and strategies.

Communication is conveyed in several forms, including verbal and written methods. It is important that the method used to convey the information can be understood by its intended audience.

Details of internal and external communication channels follow.

Internal communication channels

Internal communication channels may include:

- face-to-face meetings
- internal emails
- newsletters
- memos
- the organisation's intranet
- on the organisation's Human Resource Information System (HRIS)
- information sheets
- noticeboards
- reports.

External communication channels

External communication channels may include:

- annual general meetings (AGMs)
- shareholder meetings
- company reports
- public relations statements
- press releases
- marketing materials
- government reports
- articles
- emails to shareholders.

Written communication

While verbal communication methods are effective channels for distributing information, the significance and complexity of HR services requires the support of written forms of communication. Written communication may be paper-based or electronic, and includes printed materials, electronic mail, internal memos, faxes, general correspondence, brochures, letters, forms and fact sheets.

The attributes of effective communication are given here.

Components of effective written communication

1

Accuracy

Plan, draft and validate the information to be communicated, ensuring that facts, figures and guarantees are accurate and authorised in advance.

2

Clarity

Write clearly, using short paragraphs and sentences, so that the audience will not be confused by the information.

3

Conciseness

Clarify and explain complex subjects using as few words as possible, avoid repetition and leaving out unnecessary information.

4

Purposeful

Use a direct and straightforward approach so that the reason for the communication is clear to the audience.

5

Correctness

Follow the organisation's specific style guidelines for written communications so that it aligns with all other documents presented by the organisation.

6

Written in plain English

Avoid using academic, jargonistic or colloquial language to ensure the information is easily understood by all stakeholders.

7

Courteousness

Use polite and respectful language and address specific stakeholders appropriately.

8

Cultural sensitivity

Build rapport by considering the cultural differences of the audiences, using language that is sensitive and respectful towards individual differences.

9

Currency

Due to the changing needs of HR services, communications will need to be updated regularly and redistributed to all stakeholders notifying them of any changes.

9

Appropriate format

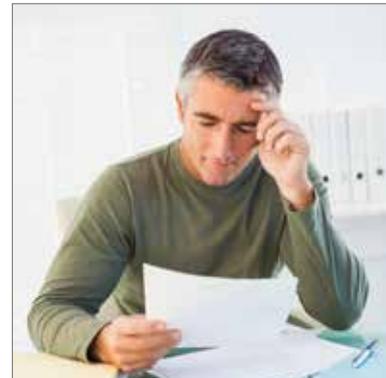
Consider the length, style, tone and flow of information; use a logical structure and correct language conventions and spelling and grammar to give credibility to the information.

Visual presentation

The visual presentation of a written document is just as important as the information contained within it. Much like an advertising professional would develop marketing materials to grab the attention and hold the focus of customers, so too must HR documentation be appealing to a specific audience.

Headings should be brief, informative and attract the reader's eye. The font size and type should be carefully selected so that information does not become confusing or overwhelming.

Your organisation may have a particular style guide or template used for communicating HR services and strategies. Make yourself familiar with any such templates and follow the guidelines relating to version control for all organisational documentation.



Communicate relevant information

Having HR policies and procedures alone is not enough. If the intent and meaning of these documents is not clearly communicated to all relevant stakeholders, the HR services and strategies will lose effectiveness.

When developing a communications strategy it is important to consider the audience, purpose and contextual factors when making decisions about what to communicate.

Tips for effective communication of HR services and strategies:

- Make sure written information can be understood by the total population of the workforce.
- Have a sign-off process that provides employees with a reasonable time to read the information.
- Ensure managers are properly trained to understand and explain the information.
- Ensure employees are briefed on the content of the information by their line managers or HR.
- Ensure employees, their representatives and other stakeholders are consulted on the content of the information at the time of development, and any updates made.

- Ensure that managers and staff are properly trained in relation to implementing the HR services and strategies.
- Ensure there is a regular, ongoing communication strategy on HR services.

Type of information

The communications strategy should fully inform internal and external stakeholders about all aspects of HR services and strategies to ensure the comprehensive distribution of information is achieved. Of particular importance is the need to identify and describe the benefits that HR services and strategies will bring to specific stakeholders. This is the key to gaining acceptance, approval of and commitment to HR objectives.

HR service and strategy information may include:

- HR philosophies, values and objectives
- the objectives of HR services and strategies
- reasons for change initiatives
- benefits of HR services and strategies
- details of consultative processes
- the desired results of HR services and strategies
- the legal rights of stakeholders
- feedback mechanisms
- the aim of HR planning processes
- alignment of HR services with business goals
- implications of organisational change
- impact on roles and responsibilities
- any action to be taken by stakeholders
- a timeline for implementation
- who stakeholders should contact with queries
- the ethical obligations of stakeholders
- requests for contributions.

Develop the communication document

Once you have identified the relevant stakeholders who will receive the information, selected the most appropriate communication channel, and identified the HR service and strategy information to be provided, you should develop the document to be distributed.

Documents may be paper-based or electronic. Either way, the same principles of effective written communication and visual presentation apply.

Here is a process for developing a document to communicate HR services and strategies to relevant stakeholders.

Process for developing the communication document

1. Collect and organise the relevant information about the HR service and strategy you wish to communicate.
2. Plan the document using a communication strategy that assists you to identify the correct channels, methods and forms to present the information.
3. Draft the document and seek approval from the relevant line or senior manager.
4. Proofread and edit the document to ensure the information is accurate and up-to-date.
5. Produce the final copy and prepare for manual or electronic distribution.

Example: communicate human resources information to stakeholders

Sandra Sneldon is the HR manager at Sustain-Able Cloth Pty Ltd, an organisation that runs a chain of retail outlet stores selling fair trade and ethically made clothing. As one of its services and strategies, the internal HR department is partnering with an external registered training organisation to run a nationally recognised sales training program for all employees to participate in. Sandra is responsible for producing a written document that communicates to internal stakeholders the details, benefits and importance of the program. Sandra knows that an internal learning and development program needs to be marketed correctly in order to change behaviour and company culture.

Sandra develops the following document communicating the HR service and strategy.

Exciting On-The-Job Sales Training Opportunity!

This sales training program has been specifically designed for Sustain-Able Cloth employees and explores the skills, tools and frameworks that our sales professionals require to provide customers with a memorable shopping experience.

Program details:

Course type: Short course
Duration: Two days
CPD Hours: 14 hours
States: Vic & NSW
Course contact: sandra.sneldon@sustain-ablecloth.com.au

Course dates:

Victoria – 26 April, 9.00 am start – 27 April, 5.00 pm finish | [Click here to enrol](#)
 NSW – 1 May, 9.00 am start – 2 May, 5.00 pm finish | [Click here to enrol](#)

Course overview:

Retail businesses are experiencing unprecedented levels of change in an uncertain economic environment. Competitors are global and becoming more aggressive, markets are changing, customers are more demanding, and regulation and compliance requirements are increasing. The rise of e-commerce is having a significant impact on the success of retail shopping outlets across the country.

The way in which Sustain-Able Cloth sales staff interact with customers has a profound impact on customer retention and loyalty rates. This training program will shift from focusing on profit-driven sales techniques to a person-centred approach, with the aim of making the Sustain-Able Cloth customer service experience a more unique and memorable experience than that of our competitors.

This training program explores the skills, tools and frameworks that sales professionals require to effectively embrace the customer service experience with customer loyalty as the primary objective.

Participants:

This training program is for all Sustain-Able Cloth retail outlet staff wanting to move from a transactional sales role into an effective customer consultant.

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Course content:
<ul style="list-style-type: none">• Understanding customers• Creating a memorable customer service experience• Building rapport• Identifying customer needs• Using customer centric questioning strategies• Presenting unique selling propositions• Modern ethical clothing of sale
Format and duration:
Workshop format is inclusive of interactive sessions, group discussion, supporting textbook, case study and skills practice. Duration: Two days
In-house training:
To ensure a cost-effective training program, this course has been customised for in-house delivery for up to 20 people per workshop. For more information contact our customised training consultant: Freida Friday, S-Train Consulting freida.friday@s-train.com.au 1600 026 621
Further information:
Contact Sandra Sneldon, HR Manager sandra.sneldon@sustain-ablecloth.com.au

Practice task 8

1. Identify two internal stakeholders and two external stakeholders that HR services and strategies should be communicated to.

2. How should audiences be considered when developing a communications strategy?

3. Provide two tips for effectively communicating information relating to HR services and strategies.

2B

Develop and negotiate service agreements

Service agreements, or service level agreements, are formal contracts between two parties documenting the type of HR service one party will provide to the other in the workplace environment. Service agreements are legally enforceable documents. They identify the requirements of services to be delivered, priorities, obligations and the level of service, as well as performance standards or measures and how the agreement will be monitored and evaluated for its effectiveness.

Service agreements are developed and negotiated between in-house HR departments and internal client groups (departments of an organisation), or between an organisation and an external service provider.



HR team, service providers and client groups

It is important to understand the differences between the HR team, external service providers, and client groups receiving HR services. These have been described below.

Internal HR consultants

Internal HR consultants are employed by an organisation to provide specialist HR advice, recommendations and assistance to other staff (line or senior managers) to help them achieve their business area goals and objectives.

Internal HR consultants have long-term working relationships with the client group as they form part of the organisation. They have a comprehensive understanding of the business strategy which enables them to identify specific organisational needs.

Due to the ongoing nature of their working relationships, it is critical that internal HR consultants build rapport with line and senior managers by promoting a consultative organisational culture.

External HR consultants

External HR consultants, agencies or service providers are appointed from other organisations to help line and senior managers achieve their business area goals and objectives.

External HR consultants must work hard to establish rapport with their clients in an organisation. Without the cooperation and assistance of the people they need to work with, they will not be able to achieve their objectives. External HR consultants must quickly understand how an organisation works, its business strategy and operational plans, to ensure any recommendations align with what the organisation is trying to achieve.

The advantage of external HR consultants is that they bring a fresh perspective on issues relating to HR services and strategies and may have a better chance of convincing clients to agree to their recommendations.

Client groups

Client groups include the line and senior managers within an organisation receiving HR services from internal or external HR consultants. Client groups could represent departments, sections or regions of a business, all with varying HR needs and requirements.

Line and senior managers should collaborate with HR consultants to identify and develop HR services and strategies that meet their particular business area objectives.

While line and senior managers may have already established positive working relationships with internal HR consultants, these people may not have the skills or expertise to deliver a particular HR service. It is for this reason that client groups may outsource a particular HR service to an external service provider to ensure the level of service is appropriate, cost-effective and beneficial to the organisation.

Consultative process

Depending on the nature of the HR service being provided to a client group, the processes of consulting may vary and some parts may be more complex than others.

Most consulting projects should be approached in a structured way. The key to developing a good plan is to take the time to ensure you (the HR consultant) have considered as much information as possible in developing specific HR services and strategies, including time frames, resources required, and the people responsible for different tasks.

A wide range of consulting models are used in today's business environment. Most models include the process described below.

HR consulting process

1

Contracting

Contracting describes the broad scope of the project. Expectations and roles of both the HR consultants and members of the client group are clarified and the working arrangements are negotiated.

2

Assessment

The HR consultant gathers all the necessary information and data required to fully understand the project, specific tasks and associated outcomes.

3

Planning

The HR consultant develops the action plan for implementation of the HR service and strategy. Planning includes the determination of time lines, and making decisions about which people within the organisation the HR consultants need to liaise with.

4

Implementation

The HR consultant implements their action plan to deliver HR services and strategies to the client group.

5

Evaluation

The HR consultant should regularly evaluate the project throughout all stages; however, a final evaluation should be conducted at the project's completion to reflect on what aspects of the HR service and strategy implementation were successful, and consider what could be done differently in the future.

Develop service agreements

In the context of HR services, contract management refers to the process of managing service agreement creation, execution and analysis to maximise operational and financial performance of an organisation, as well as reducing financial risk.

The following considerations must be taken into account when developing an HR service agreement.

Client requirements

Identify the HR needs and expectations of the client group by collecting relevant information. This could be gathered during meetings, focus group sessions, using client questionnaires, or conducting a needs analysis.

Service levels

A service level is an agreed measure used to determine the required level of performance. Service levels are usually expressed as a percentage of a goal. Metrics might include quantity, quality, cost or efficiency.

Performance indicators

Performance indicators determine how service levels will be measured. For example, quality might be measured by the volume and types of inquiries resolved by HR consultants.

Service provider capabilities

The client group must select service providers that have the skills, experience and capabilities to perform the required HR services and strategies to an expected standard, according to the organisation's operational plans.

Format and content

The format, style and content of the service agreement must be determined and include a description of service specifications, associated costs and relevant contact information. The roles and responsibilities of everyone involved should be clearly defined.

Monitor and review process

The service agreement should clearly set out the monitoring and review processes to be used once service delivery has begun.

Finalisation

The service agreement draft should be distributed to the appropriate people to approve and sign. Any suggestions for amendments to the agreement must be considered and actioned.

The final service agreement should be signed by both the client group and HR service provider.

Distribution

The final service agreement should be distributed to the relevant parties and its existence communicated to all those affected by it. The service agreement may require employees to undergo education or training to enable the implementation of service delivery.

Negotiate service agreements

Before a service agreement can be drawn up, signed and finalised, the HR service provider and client group must negotiate and agree on the specifications and obligations within it.

There are several things that should be discussed, negotiated and agreed to by both parties to the agreement.

Things to consider when negotiating service agreements:

- Develop service agreement objectives
- Identify the broad needs of the client group
- Ascertain the service provider's operational capabilities
- Formulate performance indicators
- Develop dispute resolution processes
- Agree to payment terms and conditions
- Develop service review processes and dates
- Approve the draft service agreement
- Determine a cost base
- Determine the time frame to which the agreement applies
- Identify the HR services to be provided
- Define service levels and standards
- Define client and service provider responsibilities and obligations
- Identify how service agreement variations can be made
- Develop a client feedback mechanism
- Sign and authorise final agreement

Tips for negotiating service agreements

Even when service agreements have been rigorously developed, negotiating and then enforcing the agreement can uncover issues with service providers and slow down the project altogether. This occurs more often when HR services have been outsourced to an external service provider.

Service agreements are intricate contractual documents that define an outsourcing project in detail, and can affect an organisation on a daily basis for a number of years. Well-negotiated service agreements should foster a positive working relationship between the service provider and the client group, ensuring both parties meet their needs and objectives.

Here are some tips for negotiating an effective service agreement.

Legal advice

Before you start to negotiate a service agreement, you should seek legal advice to check whether you have missed any critical elements in the agreement. Even if you have the technical expertise to review service agreements, an outsider's perspective can uncover issues that, if left unresolved, could be detrimental to both parties.

Standard agreements

The client may prepare a service agreement with specific performance standards, or the service provider may offer a standard agreement and modify it to suit the client's situation. Service providers will set the terms and conditions in their standard agreements, and the client has little or no ability to negotiate more favourable terms. It is often a good idea to start with the service provider's standard agreement as long as the client understands what to look for when reading through it.

Incentives

Just because a service agreement has been structured in a certain way does not mean the client group has to follow it. In traditional service agreements, when a service provider fails to meet one or more of its obligations in the agreement, the client may be awarded incentives or credits. It would be more beneficial to both parties to include a model that resolves service issues as they arise to provide a direct correlation between issues with the service provider and the client's means of rectifying underperformance.

Performance standards

The service agreement should include a high baseline for performance expectations. Rather than meeting existing levels of service, the client requires a service provider to improve standards at a higher level. Specialist HR consultants should have the knowledge, skills and expertise to make identifiable improvements to HR service delivery and performance levels should be set accordingly.

Underperformance

When a new service agreement is developed, both parties should identify what the client can do if the service provider fails to perform at an expected standard. For example, the agreement might specify that a meeting take place between the service provider and client group representatives to immediately identify causes of performance issues and determine remedial action. Alternatively, the agreement might demand immediate attention from the service provider until a problem is resolved, rather than a reduction in service provider fees.

Options for rectifying underperformance or addressing issues of non-performance should be efficient and effective to ensure the continuation of the HR services.

Leverage

When outsourcing HR services, the client's greatest leverage is being able to select from a range of potential service providers. A service provider should negotiate an agreement based on existing service baseline capabilities, rather than agreeing to perform services beyond its operational capacity. Client groups will outsource to HR service providers who can deliver the service, at a reasonable cost, in the time frame required.

Details

The best thing a client group can do when negotiating a service agreement is to pay careful attention to detail when planning and developing the document and negotiating its terms and conditions. Do not leave any specifications to be discussed later. Cover all the potential issues and negative outcomes, as well as the positive ones. Dispute resolution processes, consequences for underperformance and actions that breach the agreement terms should be clearly identified and laid out at the time service agreements are negotiated between the parties.

Document service agreements

The elements contained in a service agreement will vary depending on the organisation and the HR service requirements.

The following elements will generally be included.

Parties and time frame of the agreement

The front of the service agreement will identify and name the parties involved in the agreement and specify the time frame to which the agreement applies. This section could also refer to any contract extension periods.

Service level objectives

Service level objectives describe the key goals of the service agreement. Service level objectives are the means by which the performance of service providers will be measured and are included as a way of avoiding disputes between the two parties based on misunderstanding.

Service level objectives are specific measurable characteristics of the service agreement, such as availability, frequency, response time or quality. For example, if the purpose of having an external provider is to provide access to technologies which cannot be provided internally, the service agreement should say so.

Service specifications

Service specifications broadly outline the HR services to be included in the agreement. Service specifications are used by the service provider to structure how an HR service will be delivered. They can be used to measure the quality of the service and identify how service providers have, or have not, met their obligations under the agreement. Without service specifications, a provider will not have a clear understanding of what they are required to do and the client will find it difficult to evidence value for money.

Communication arrangements

The service agreement will contain a strategy for communication between the two parties to the agreement. Reporting arrangements and review processes should be clearly outlined so that information about HR service delivery is effectively distributed and clearly understood.

Obligations and responsibilities

Both the service provider and the client group will have specific obligations and responsibilities that must be understood, agreed to and actioned to carry out service specifications. These mutual obligations and responsibilities must be clearly outlined in the service agreement.

Confidentiality provision

The service agreement should clearly outline provisions relating to privacy, confidentiality and disclosure of information pertaining to the agreement. This could include information about organisational policies, procedures and programs relating to confidentiality and guidelines on how to handle employees' personal information. This section of the service agreement will place restrictions on disclosure and consequences for misuse of confidential information.

Schedule of fees and terms of payment

The service agreement will include a schedule of fees, including details about when fees should be paid, the preferred method of payment, and the frequency of payments where applicable. It will also set out payment terms and conditions, including penalties for late payments. The service provider may include incentives for meeting payment terms promptly.

Variations to the service agreement

A variation is required to effect a change to funding, deliverables or requirements contained in the service agreement.

Some service agreements will include processes for requesting and agreeing to service agreement variations. Both parties must accept any changes to the agreement, such as variations in HR service delivery. A specific period of notice will be determined in which the variation requests must be made and changes implemented.

Exclusions and limitations

The service agreement may include exclusions or limitations relating to HR service delivery. For example, the service provider may stipulate that it will not be responsible for obtaining specific resources or equipment necessary to deliver a service.

Ownership of the work product

Where a client requires a service provider to produce a work product, the service agreement must identify who owns the work product at the conclusion of the agreement period. If the service provider owns the product, it can use it again to provide services to other clients without the risk of legal implications or restricted use. If the client group owns the work product, anything which is created for the purpose of the service agreement cannot be used by the provider to service other clients.

Warranties and refunds

There are legal requirements that apply to every transaction between a client and service provider known as statutory conditions and statutory warranties. Sometimes service providers will offer extra (voluntary) warranties detailing what will occur should they fail to deliver an HR service to an expected level. Statutory remedies available to the client for the provider's non-performance may include having the services delivered again, payment of the costs of having the services delivered again, or compensation for any loss suffered.

Termination conditions

The service agreement will describe the circumstances under which the agreement can be terminated. It will set out any penalties for early withdrawal from the agreement by either party, as well as consequences for non-performance. Termination conditions may include:

- termination by default – define those breaches that would be considered default, any rectification requirements, and the process for terminating the agreement following default, failure to rectify, or other causes
- termination on notice – termination during the term of the agreement by either party upon giving a specified notice period of the termination to the other
- effect of termination – the rights of the parties affected by expiration or termination of the agreement.

Develop dispute resolution processes

Even the most carefully developed service agreements will need to include a process for resolving disputes between the parties. A dispute exists when one or more people disagree about something and matters remain unresolved. A fair and balanced dispute resolution process is critical for the effective delivery of HR services under a service agreement.

The potential for disagreement over issues arising from the service agreement should be considered, such as performance, time, cost, delivery and other unforeseen issues.

The creation of a good dispute resolution clause will depend on the intentions and interests of the parties and the outcomes they expect to achieve from the process. Care should be taken when drafting a dispute resolution clause to prevent unforeseen consequences should a dispute arise.

Here are best practice features of dispute resolution processes and outcomes.

Dispute resolution process

Best practice dispute resolution processes are:

- simple
- allow appropriate platforms for matters to be resolved
- encourage parties to agree on a process that suits them.

Dispute resolution outcomes

Best practice dispute resolution outcomes are:

- resolved quickly
- fair and equitable
- handled sensitively and confidentially
- transparent (the procedure is made known to all parties).

Example: develop and negotiate service agreements

Daniel is the HR manager at Neptune IT Pty Ltd. Due to a significant growth period, senior management has asked Daniel to recruit and select 25 new IT support and solution consultants to work in the company's IT support call centre and online help desk. The HR team at Neptune IT consists of Daniel and one other HR generalist, Sophie. Daniel identifies the need to outsource the recruitment and selection of new IT consultants to an external recruitment agency.

A member of Daniel's professional network recommends a recruitment agency called Gates Recruitment to provide the HR service. Daniel arranges a meeting with Desmond, the agency's managing director, to discuss and negotiate a service agreement between the two parties. Desmond explains that Gates Recruitment is a specialist technology recruitment agency with expertise in IT recruitment and selection across the government, financial services and commerce sectors. Desmond has been working for Gates Recruitment for more than 15 years and has a comprehensive understanding of commercial IT HR requirements. Desmond tells Daniel that Gates Recruitment uses a standard service agreement for all clients, including terms and conditions relating to recruitment processes, advertising, schedule of fees for permanent recruitment and temporary recruitment, and work health and safety guidelines.

Daniel seeks advice from Neptune IT's in-house legal team to identify whether anything else should be included in the agreement. The legal team advises Daniel to develop and negotiate specific performance standards and resolution processes with Gates Recruitment before the service agreement is signed and finalised by both parties.



Practice task 9

1. Explain the difference between internal and external HR consultants.

2. What is a service agreement?

3. Describe two considerations that must be taken into account when developing HR service agreements.

4. What are service level objectives?

2C

Document and communicate service specifications, performance standards and time frames

After considering what needs to be included in a service agreement, and negotiating the terms and conditions, the actual document must be developed and communicated to each of the parties. This includes defining service specifications, identifying who they apply to, and determining performance standards for service delivery.

Service providers must make calculations to ensure work output meets predetermined time frames set by the client group.

Service specifications

The service agreement should include a detailed description of the services to be delivered.

Service specifications are a set of documented requirements that must be satisfied by a material, design, product or service. Service specifications outline a structure for service providers to use in delivering an HR service. The documented specifications can be used as a reference to measure the quality of the service and identify where service providers have, or have not, met their obligations.



Without service specifications a provider will not have a clear understanding of what they are required to do and the client may find it difficult to evidence value for money.

Specific details about each service are provided in a service(s) schedule.

Service schedules

Service agreements contain schedules that define each individual service to be provided. This is the most detailed section of the service agreement.

The service schedule should describe what the service is, where it is to be provided, to whom it is to be provided, and the time frame or frequency in which it is required.

The service schedule section of the service agreement should include:

- scope of the services to be delivered
- a list of appropriate definitions not covered elsewhere in the agreement
- a table listing the tasks to be completed and action required to deliver a service
- the time frame in which scheduled tasks should be actioned
- the agreed service level or performance standards
- metrics for measuring service levels
- information about each parties' responsibilities.

Service level/performance management

Service level management (or performance management) is the monitoring and management of the service quality based on a defined set of criteria. It involves comparing actual performance with pre-defined expectations, determining appropriate actions, and producing meaningful reports.

Service agreements should define the service level standards the client expects the service provider to achieve in delivering HR services. The agreement should set out:

- the reporting mechanism for measuring the expected performance standards
- a remedial action and compensation regime where performance standards are not achieved
- a mechanism for review and change to the service levels over the course of the agreement
- the right of the client to terminate the contract where performance standards fall consistently below an acceptable level.



The service provider and the client will need to set performance standards in the context of anticipated workloads. Service levels may require variation in light of any changes to these workloads during the course of the agreement.

Key performance indicators

Service levels are measured using performance indicators.

Key performance indicators (KPIs) are measurable values that demonstrate how effectively a service provider is achieving service level objectives. The standards or KPIs used to measure performance in a service agreement will depend on the type of HR service being provided. Metrics should be negotiated between the client and service provider during development of the agreement.

Performance standards/KPIs are further described below.

Quantitative indicators

Quantitative indicators are raw sets of data that can be calculated and presented numerically. For example, if an organisation uses a survey to measure employee satisfaction with a service, and employees must rank their experiences on a scale of 1 to 10, this would be a quantitative indicator.

Qualitative indicators

Qualitative indicators cannot be presented as a number. For example, if an organisation uses a survey to measure employee satisfaction with a service, and employees provide feedback in the form of written comments, this would be a qualitative indicator.

Leading indicators

Leading indicators have the ability to help an organisation predict the future outcome of a process.

For example, if an organisation uses a survey to measure employee expectations about an upcoming training and development program, this would be a leading indicator.

Lagging indicators

Lagging indicators tell an organisation about its past performance.

For example, if an organisation uses a survey to measure employee satisfaction with a service during the past 12 months, this would be a lagging indicator.

Input indicators

Input indicators measure the amount of resources consumed during a given organisational process.

For example, an organisation might measure the amount of time and money it takes to process external contractor invoices.

Process indicators

Process indicators are a related category to input indicators, representing the efficiency of a given task.

For example, an organisation could measure the productivity of staff in processing external contractor invoices.

Output indicators

Output indicators represent the result of a process. This is about evaluating the outcome of an operation.

For example, if you know the input is two staff members working eight hours a day and the process is handling 80 contractor invoices, then you can then say the output is the sum of 80 invoices processed in eight hours a day by two employees.

Practical indicators

Practical indicators are KPIs that reveal data about existing processes.

For example, an organisation might see that employees are not working in a way that is compliant with a work health and safety process.

Directional indicators

A directional indicator is a KPI that specifies whether an organisation is improving or getting worse at doing something.

For example, an organisation might see a rise in work health and safety incidents over a month.

Actionable indicators

Actionable indicators are KPIs that are within an organisation's control to change.

For example, an organisation might increase work health and safety training in an attempt to change the practical indicator of noncompliance.

Financial indicators

All organisations must keep track of their income and expenditure and carefully manage budgeting to make sure the business is profitable. Thinking of finances in terms of KPIs will help an organisation to envision how HR services contribute to the overall financial wellbeing of the business.

Communicate service agreements

Typically, one person will represent the service provider and one person will represent the client group, for the purposes of discussing and negotiating the service agreement. Each representative has a responsibility to communicate the information contained in the service agreement to the employees or consultants they represent.

The person responsible for managing HR service delivery is responsible for negotiating, maintaining and reporting against the service agreement with the client. That person will also meet regularly with the client representative to discuss performance and any service concerns.

Variations to a service agreement must be also discussed and negotiated between the client and service provider representatives.

Example: document and communicate service specifications, performance standards and time frames

An example of a learning and development service schedule is shown here.

Task	Action	Time frame
Strategy development	Develop the learning and development strategy in consultation with the client, covering a number of areas such as current environment, purpose, audience, drivers, commitments, principles and consultative processes.	Within five days of signing the service agreement
Identify learning and development needs	Analyse the learning and development needs of the organisation by conducting a training needs analysis (TNA).	Within three business days
Develop training plans	Following on from the TNA, develop training plans detailing the specific training requirements and delivery arrangements.	Within three business days

continued ...

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Address learning and development needs	Consider several possible strategies for addressing identified learning and development needs, such as on-the-job learning, self-paced learning or classroom learning.	Within five business days
Value for money	Identify and communicate the value for money for the range of learning and development strategies being considered. Assess the effectiveness of the training at various levels.	Within one business day
Implement the learning and development program	Document roles and responsibilities for implementing the chosen learning and development strategy. Define objectives, actions and performance indicators.	Within three business days
Begin the learning and development program	Assist the client to begin rolling out the learning and development program.	Within seven days of finalising implementation processes

Practice task 10

1. What are service specifications?

2. What is service level management?

3. Explain the difference between quantitative and qualitative indicators. Give an example.

2D

Identify and arrange training support

Where an HR service is being delivered by internal HR consultants, there may be a requirement to train and support employees who are impacted by service delivery.

The effectiveness of training and development is enhanced when training activities are preceded by comprehensive analysis. This allows the HR service provider to demonstrate how training and development contributes to the service level objectives contained in a service agreement.

Training and support initiatives should be as cost-effective as any other functional activity within the organisation.



Assess training needs

The identification of training needs, and the translation of those needs into training objectives, provides direction and purpose for learning and development activities.

A training needs analysis (TNA) is a process used to assess employee capabilities against required competencies. A successful TNA will establish what is needed, by whom, when and where.

It is counter-productive to offer training to employees who do not need it, or to offer the wrong kind of support. A TNA will ensure that training resources are used effectively.

A TNA addresses the following questions:

- What training support is needed and why?
- Where is training needed?
- Who needs training?
- How will training be provided?
- How much will training cost?
- What will be the impact on the organisation?

Conduct a training needs analysis

The HR service provider should conduct a TNA to measure the knowledge and skills currently held by employees who are required to deliver HR services. Learning and development activities can then be specifically designed to target any identified gaps in employees' knowledge or skills.

Here are the steps involved in a TNA.

Training needs analysis

1

Determine desired outcomes

Clarify training goals and expected outcomes. Training goals should align with service level and organisational objectives.

2

Link desired outcomes with employee behaviour

- Identify the existing competencies of employees (behaviours, knowledge, skills, abilities and personal characteristics) and link these to desired outcomes.
- Collect information and consult with employees to determine which competencies are critical to achieving desired outcomes.

3

Identify trainable competencies

Assess the critical competencies and determine if they are abilities an employee should possess before employment or abilities that can be learnt on-the-job.

4

Evaluate competencies and identify performance gaps

- Evaluate existing competencies and identify where there are gaps between the existing and desired abilities of employees.
- Use performance appraisals, self-assessments, one-on-one interviews, surveys, questionnaires, focus groups or psychometric testing to evaluate competencies.

5

Prioritise training needs

- Identify the number of employees who require training on the competencies identified.
- Consider the importance of the competencies to achieving service level and organisational objectives.
- Use identified competency needs to determine training priorities.

6

Select training methods

- Select appropriate training methods and learning and development activities according to the needs of the organisation.
- Consider adult learning principles and best practices for training in particular competencies.

7

Determine the costs

- Consider the costs associated with the training methods, to the extent that the methods selected will address performance gaps and meet service level objectives.
- Costs may include time off for employees to attend training, program development time, training and assessment resources, training evaluation and reporting, travel and logistical expenses or lost productivity from time spent in training.

8

Evaluate training

- Measure how well the learning and development activities met the training and relevant service level objectives.
- Observe employees to identify whether they have retained and applied the information and competencies received.
- Assess whether training improved employee performance, enhanced service delivery, and supported service level and organisational objectives.

Develop a training program

Once training needs and goals have been determined, the service provider must develop a training program by selecting methods and activities that achieve training and service level objectives.

When planning a training program, a range of considerations must be taken into account. Ask yourself the following questions.

Questions to consider when developing a training program

- Who is the target audience, what is their level of competence, and what type of training best suits their needs?
- What are the costs of training and how will they be met?
- When and where will the training take place?
- What training resources are already available and who will develop training materials if they do not exist?
- How will training be delivered? Who will deliver it?
- What are the learning outcomes and performance criteria that must be met?
- What is the length and duration of the training program? When must outcomes be achieved?
- How will the training be structured to meet the needs of a diverse workforce?
- How will learning be assessed?
- What methods will be used to evaluate the effectiveness of the training program?

Select training methods and activities

The methods and activities used to conduct training and assessment must be suited to the individual differences of the participants. Employees required to undergo training should be consulted during the program's development to ensure the learning is relevant, appropriate and accessible by all participants.

Examples of training methods and their benefits are described below.

Mentoring

Mentoring is a developmentally oriented relationship between senior and junior employees that involves advising, role modelling, sharing contacts and giving general support.

Mentoring in the workplace can have long-term benefits as employees become more self-directed and develop strong communication and problem-solving skills. Mentored employees value collaboration and sharing of information.

Coaching

Coaching is an on-the-job approach to management development in which the manager is given an opportunity to teach on a one-to-one basis.

Workplace coaching equips employees with the tools, knowledge and opportunities needed to develop themselves as effective and efficient workers.

Shadowing

Work or job shadowing involves an employee following and spending time with a more-experienced employee, observing everything they do.

Shadowing enables employees to learn what they are expected to do, and how they are expected to behave, when performing a particular role or delivering a service.

E-learning

E-learning is learning conducted via electronic media, such as the internet, intranet, using CD-ROMs, videos, Smartboards or other available media.

E-learning is increasingly becoming the preferred training method in many organisations for its cost-effective and efficient nature. E-learning modules can be easily personalised and tailored to serve a specific purpose and is less intimidating for employees than instructor-led courses.

Job rotation

Job rotation is the process of moving employees between different tasks to promote experience and variety. Job rotation allows employees to gain new skills and knowledge and produces multi-skilled employees who are able to deliver a range of organisational services.

Classroom learning

Classroom learning is the most traditional method for training and involves a large number of employees attending instructor-led sessions on specific topics.

Classroom learning is beneficial and cost-effective when training a large group of employees with limited access to instructors. Classroom learning may be conducted on-site in the workplace, or at an off-site location, such as a Registered Training Organisation's premises.

Self-paced study

Employees who are capable and motivated may benefit from directing their own learning. Self-paced study involves the distribution of training resources to individuals who go away and learn the content in their own time.

Self-paced study allows individual learning needs and training preferences to be met, but is not suitable for the purposes of developing group competencies.

Peer training

Peer training is a process through which two or more professional colleagues work together to reflect on current work practices to build new skills, share ideas and demonstrate to one another how services and systems work.

Peer training is unique to the individuals engaged in it, but generally develops skills in problem solving, team work and collaboration.

Action learning

Action learning is based on learning by experience. It uses real problems from the work situation for trainees to solve.

Action learning provides for the immediate transference of skills and knowledge, bringing about a change of behaviour and thinking processes. It also promotes team learning and problem solving by challenging groups of employees to resolve complex business issues on the spot.

Simulation

Simulation is a training device designed to reproduce a real-world situation in a risk-controlled learning environment.

Simulation includes role-play training activities in which participants assume the roles of specific people in situations, act out the event and then review the implications of their behaviour.

Competency-based training

Competency-based training is a skills approach to employee development. Its focus is on performing specific tasks to a predetermined standard.

Competency-based training establishes a framework for constructive performance assessments by management at scheduled intervals and ensures training programs are cost-effective, goal-oriented and productive.

Document training plans

The learning and development coordinator should develop formal training plans for each employee participating in the training program. Written training plans describe the goals and objectives, actionable strategies, milestones, progress measures and assessment outcomes.

Asking employees to read and agree to their individual training plans encourages them to take active ownership of their learning goals and outcomes.

A formal training plan should include the following sections.

Training goals

This describes the overall results or capabilities the learner hopes to attain by implementing their training plan.

Example:

Become a workplace health and safety officer.

Learning objectives

This describes what the learner will be able to do as a result of the learning activities in their training plan.

Example:

- Demonstrate safe work methods.
- Exhibit interpersonal communication skills.
- Understand work health and safety compliance requirements.

Training methods/activities

This describes what the learner will do in order to achieve their learning objectives.

Example:

- Complete an e-learning course in work health and safety.
- Demonstrate safe work methods using simulation activities.
- Job shadow a work health and safety officer for one day.

Documentation/evidence of learning

This describes the evidence produced during the learning activities to demonstrate the skills and knowledge required by the training program.

Example:

- Certificate for completion of e-learning course
- Assessor's observation of the learner demonstrating safe work methods
- Documented evidence of completing a work health and safety audit in the workplace

Evaluation

This is an assessment and judgment on the quality of evidence to conclude whether the learner has achieved their learning objectives or not. Evidence must be valid, sufficient, authentic and current.

- Valid – the assessor is assured the learner has the skills, knowledge and attributes as described in the training program
- Sufficient – the assessor is assured that the quality, quantity and relevance of the assessment evidence enables a judgment to be made of the learner's competency
- Authentic – the assessor is assured that the evidence presented for assessment is the learner's own work
- Current – the assessor is assured that the assessment evidence demonstrates current competency. This requires the assessment evidence to be from the present or the very recent past

Evaluate training program

Training may contribute to the achievement of organisational objectives. As a result, the HR manager or service provider must include an evaluation phase as part of the learning and development activities within the organisation.

Those who do not undertake an evaluation phase tend to measure training program popularity, which is often a measure of entertainment, not of the transfer of learning.

You must show the client or senior management that the money spent on training was worthwhile and that the program helped improve employee performance and increase profit impact. If management views the training program as adding measurable value, training will be regarded as essential to organisation's success.

HR managers and service providers must be able to assess and communicate the benefits of all HR training and development interventions. To evaluate training, it is necessary to compare the intended outcome with measurements of actual achievement and to analyse any variances.

Professor Donald Kirkpatrick (1983) suggested a structure for measuring training effectiveness, which are described below.

Level 1: Reaction

Reactions can be measured during or after learning and development activities. Reactions include the attitudes and opinions of program participants and identify how much they enjoyed the program, its content, the trainer, the training methods used and the facilities in which the training took place. Reaction data can be gathered by having participants complete a questionnaire.

Level 2: Learning

Learning can also be measured at the end of learning and development activities. Special or standardised tests can be used to measure how well the participants have developed a particular skill or acquired a piece of knowledge.

Level 3: Behaviour

The behaviour measurement involves identifying changes in job behaviours, work relationships and other factors (such as HR service delivery) that can be attributed to the learning and development activities. Evidence of employee performance can be collected via direct observation or performance appraisal records.

Level 4: Results

Results measure how the training program affected organisational objectives. It provides the HR manager or service provider with a cost-benefit analysis of the training effort.

Example: identify and arrange training support

An example of a training program evaluation questionnaire can be seen here.

Training program evaluation					
1. Program objectives How clear were the training program's learning objectives?	1 Unclear	2	3 Fairly clear	4	5 Very clear
2. Program relevance How relevant was the learning material to your job?	1 Irrelevant	2	3 Somewhat relevant	4	5 Highly relevant
3. Instructional design Were the learning objectives designed to lead from the simple to the more complex?	1 Never	2	3 Usually	4	5 Always
4. Training methods How appropriate were the training methods used?	1 Inappropriate	2	3 Somewhat appropriate	4	5 Highly appropriate
5. Trainer's knowledge How well did the trainer know the materials?	1 Minimally	2	3 Satisfactorily	4	5 Expertly
6. Trainer's instructional ability Apart from the trainer's knowledge of the subject, how well did they impart understanding?	1 Poor	2	3 Satisfactory	4	5 Excellent

continued ...

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7. Participant interest How much interest did the training program generate?	1 None	2	3 Some	4	5 A great deal
8. Training value What value will this program be to you in your job?	1 Useless	2	3 Somewhat helpful	4	5 Highly valuable
9. Facilities How would you rate the facilities?	1 Unsatisfactory	2	3 Satisfactory	4	5 Excellent
10. Resources How would you rate the training and assessment resources/materials?	1 Useless	2	3 Somewhat helpful	4	5 Highly valuable
11. Overall How would you rate this training program?	1 Unsatisfactory	2	3 Satisfactory	4	5 Excellent
General comments:					
What did you most enjoy about this training program?					
What did you enjoy the least about this training program?					
What suggestions would you make to improve this training program?					

Practice task 11

1. What is a training needs analysis (TNA)?

2. Describe two types of training methods.

continued ...

... continued

3. Why is it beneficial to develop formal training plans for training participants?

4. Explain how employee reactions to training programs can be measured.

2E

Negotiate and monitor quality assurance processes

Once service agreements have been developed and secured, service delivery must be monitored to ensure the right services are being delivered to the required service level standards.

Quality assurance (QA) is focused on planning, documenting and agreeing on a set of guidelines that are necessary to assure service quality. QA planning is undertaken at the beginning of a project, and draws on legislation, regulations and industry standards.

QA processes help maintain the desired level of service quality, especially by means of paying attention to every stage of the service delivery process. The service provider and client must agree on and arrange the monitoring of QA processes before a service agreement comes into effect.



Quality assurance processes

QA is a combination of procedures designed to constantly check how well a service is working, predict how it can be improved, and make corrections before it actually goes wrong. QA exists in contrast to quality control, which relies on detecting errors in products once they have been made.

Service providers should aim to continually improve QA, while maintaining a systematic approach to quality and ensuring that clients' needs are met and understood.

Any legislative or regulatory requirements that apply to a specific service and its delivery will need to be monitored. For example, if a service provider has been contracted to manage recruitment and selection for a client group, the provider would need to adhere to the applicable national standards for quality management systems (such as ISO 9000:2000).

QA processes should ensure:

- consultation between the service provider and client group
- a regular reporting process
- prompt identification of any issues in service delivery
- a complaints reporting process
- the provision of staff training and appropriate record keeping
- mediation or dispute resolution processes, if required
- the privacy, confidentiality and security of all client data is maintained
- that the service provider strives to achieve continuous improvement by implementing corrective and preventative action.

Quality assurance approach

Service providers must implement basic supporting elements to ensure a total quality approach is used. This ensures that the services provided are reliable and of a consistently high standard.

Supporting elements include:

- well-defined and well-articulated objectives and plans
- the right team of people with clear responsibilities and management
- appropriate techniques and skills to support and continually improve the process
- well-managed communication systems
- the development of strong relationships with suppliers.

A monitoring process

There are four steps that need to be taken when monitoring and reviewing information in a QA program. These steps are outlined here.

Four steps in the monitoring process
Collect information by measuring service delivery quality and other factors.
Analyse the information to find out what is causing the problem or issue. Identify areas where improvement could be made.
Decide on action that will solve the immediate problem and prevent future substandard service delivery quality by making changes to QA processes and systems.
Make sure the changes have had the desired result by further measurement and analysis of data.

Monitor quality assurance processes

QA processes are in place to improve service quality over time and ensure that quality standards are consistently met. QA processes must be investigated and reviewed to ensure that QA efforts meet quality goals effectively and work in the client's best interests.

There is no point implementing QA processes if you are not going to monitor them. It is the only way to determine whether QA processes are working well. Things that need to be considered through the monitoring process are shown below.

What will be monitored?
Determine what elements of the QA process require monitoring. For example: <ul style="list-style-type: none">• Compliance with legislative or regulatory requirements• Service delivery methods• Learning and development materials• Achievement of service level objectives

Who will monitor QA processes?

Consider whether the person responsible for measuring service quality will also be responsible for monitoring the effectiveness of measurement techniques.

How will QA processes be monitored?

Determine how QA processes will be monitored in line with the service agreement, and the policies, procedures and protocols of the organisation. Consider the available resources and amount of time monitoring will take. Service levels, performance indicators and other details in the service agreement could be used as a checklist to monitor QA standards.

When will QA processes be monitored?

Determine how often QA processes will be monitored. The frequency of monitoring depends on the potential issues identified. Frequent monitoring will ensure processes are operating within the required time frame and in accordance with legislative requirements. This will minimise the provision of noncompliant services.

How will results be verified?

Monitoring could be verified by observation, interviews with relevant personnel, reports, service level measures, examining service delivery conditions or reviewing documentation.

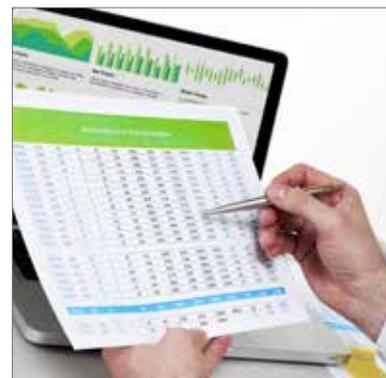
The person responsible for monitoring QA processes should adopt a sampling process that involves selecting samples of data and information sources to analyse the service provider's performance. Documents may be selected randomly, or come from various sections of the organisation.

How will you demonstrate that monitoring has occurred?

Records, samples and other documents used to monitor QA processes should be signed, dated and retained for audit and verification processes.

Measure operational progress

To monitor QA processes successfully, a formal system should be in place that includes processes for data collection, feedback and reporting that prompts employees to engage in activities that regularly monitor and review quality. Using templates, holding meetings, carrying out audits, conducting performance appraisals or generating reports from technology-based systems can ensure that monitoring and review information is accessible and usable.



Audit programs are essential as they help standardise the organisational data collection and evaluation process. Setting out specifics helps with data collection, and the program ensures that auditors collect all the information they need in an efficient and timely manner. The data collected can be used to make useful comparisons between service providers, organisational departments, and previous years' business operations. By having a QA audit program an organisation can identify any problems promptly and report them for immediate action.

Agreement and confirmation

When selecting a method to monitor QA processes, it will be necessary for the service provider, client and any relevant others to agree upon and confirm the nature of the monitoring program.

Relevant members of the client group (receiver of the services) should confirm that they have received the services in accordance with the specifications outlined in the service agreement.

Results and evidence of the monitoring process should be reviewed to identify whether agreed service level standards and objectives have been met.



Example: negotiate and monitor quality assurance processes

Jeremy is the manager at MNO Training Pty Ltd. Jeremy and his team have been contracted by an insurance company (the client) to provide work health and safety training to its employees to minimise health and safety risks in the workplace, and ensure compliance with the relevant legislation. Jeremy and his team are responsible for training 150 employees in work health and safety training over a three-month period. The service agreement is agreed to and secured. Jeremy's goal is to provide a second-to-none service, with appropriate systems, policies and the right people to support the client's organisation to achieve its objectives.

After one month of training, the client representative complains to Jeremy that the service is not being provided in accordance with the service agreement. The client states that the work health and safety trainers provided by MNO Training do not have proven competence in training delivery. As well as making adjustments to service delivery, Jeremy develops a supply specification checklist to monitor MNO's QA processes. By doing so, Jeremy reduces the likelihood that his company will suffer negative consequences as a result of services required by the client not being provided.



Practice task 12

1. What is quality assurance (QA)?

2. What does it mean to monitor QA processes?

3. Provide one example of an element in a QA process that could be monitored.

2F

Ensure services are delivered by appropriate providers

HR services must be delivered by appropriate providers, according to service agreements and operational plans. The client group, or organisational section or department, must decide whether to use internal HR consultants, or an external HR service provider. This will depend on the type of services required and the organisation's capabilities to deliver the required services.

Select a service provider

To select an appropriate service provider, the client group should take the following considerations into account.

Things to consider when selecting a service provider

- Whether to use internal or external service providers
- The associated risks of using an internal or external service provider
- The expertise of internal or external service providers
- The advantages and disadvantages of using internal or external service providers
- Which option offers the best return on investment
- Whether external service providers will operate in a way that is consistent with the organisation's operational plans
- Whether the service can be provided in the required time frame
- Whether the service provider has the capacity and resources to deliver a service
- The loss of control experienced by the client of using an external service provider

Gather information

The client group should be very specific about the services it requires and the way in which it prefers those services to be delivered. It is not until the client identifies its HR service requirements that it can begin looking for a suitable and reliable provider.

The client group must gather, analyse and evaluate information from as many sources as possible to select an appropriate service provider.

Information about internal and external service providers may be sourced from the places listed below.

Information about internal providers	Information about external providers
<ul style="list-style-type: none"> • Skills, experience and qualifications of HR personnel • Length of time working at the organisation • Whether HR personnel have provided similar services for another section of the organisation • Additional resources required by HR personnel to deliver the services • The cost to the organisation of using HR personnel to deliver a specific service • Feedback received from other client groups • Résumés of internal HR personnel 	<ul style="list-style-type: none"> • An approved list of service providers previously used by the organisation • Word-of-mouth from industry contacts • Internet research, including online reviews • HR business associations or other professional associations • HR service or telephone directories • Social media commentary • Online company profiles of external consultants

Meet client service requirements

The appropriate service provider will need to meet the client's specific requirements to deliver a particular service. Once the client has considered all the factors relevant to its HR service requirements, a decision can be made on the most appropriate service provider to suit the client organisation's needs.

After the client has selected an appropriate provider, it will still need to monitor the services to ensure compliance with the service agreement and operational plans of the organisation.

A checklist of service requirements may include the elements identified below.

Accreditation

The appropriate service provider will be able to deliver accredited services in accordance with the relevant standards and regulations.

For example, a service provider selected to deliver accredited training must comply with the standards set by the Australian Quality Training Framework.

The client group must consider whether the service provider has evidence of its accreditation status, and whether a specific service is included in its scope of accreditation.

Capacity

The appropriate service provider will have the capacity, availability and appropriate personnel to deliver a service when the client needs it.

For example, a service provider selected to manage the development of enterprise agreements must be available to deliver the service before employees begin working for the client organisation, and the capacity to develop up-to-date and compliant enterprise agreements.

The client group must consider its service delivery time line, the response times offered by the provider, when specific activities must occur, and whether there are any external factors affecting the timing of service delivery.

Customisation

The appropriate service provider will be able to tailor the services it delivers to each individual client, rather than a set of standard services that do not meet the client's requirements.

For example, a service provider selected to deliver a training program must customise the assessment activities so that the participant can demonstrate how to apply their learning on-the-job.

The client group must consider whether the provider is willing and able to adapt its services, whether any documentation can be customised to the client's work context, or whether the provider offers follow-up services.

Cost

The appropriate service provider will be able to deliver a service within the client's budget. The service provider should reveal any additional costs unforeseen by the client.

For example, a service provider selected to deliver a training program must develop the program, select training methods and acquire learning materials within the client's budget.

The client group must consider whether the price is realistic in relation to the services being delivered, and competitive in relation to other organisations. The client must also consider their available return on investment.

Delivery

The appropriate service provider will be able to deliver a service according to the needs and preferences of the client, and in accordance with legislative and ethical requirements.

For example, a service provider selected to deliver work health and safety training must be able to interpret and explain the client's WHS policies and procedures, and demonstrate safe work practices specific to the client's workplace.

The client group must consider whether the service provider's proposed delivery mode is appropriate to meet service level and organisational objectives.

Documentation

The appropriate service provider will be able to produce the requisite documentation to support the services being delivered.

For example, a service provider selected to deliver a training program must provide learning and assessment materials that address the competencies and outcomes of the program.

The client group must consider whether any specific documents must be produced and whether the service provider can adapt materials to better suit the client's business needs. The client must also identify whether the service provider's price includes the provision of documentation.

Duration

The appropriate service provider will have the time to provide a service for the duration required by the client.

For example, a service provider selected to deliver employee performance management services to a section of an organisation may need to deliver the service on an ongoing basis with an annual review period, rather than for a specified time frame.

The client group must consider how long the service is required, whether a designated person must continually manage the service, and the hours per week to manage it.

Experience

The appropriate service provider will have references or evidence to support its skills, knowledge, experience, performance and reputation to provide a particular service.

For example, a service provider selected to deliver recruitment and selection services may list testimonials from past clients on its website.

The client group must consider whether the provider has experience working with similar organisations, of similar size and in the relevant industry.

Technology

The appropriate service provider will have access to, and knowledge of, the technology required to deliver a particular service to a client.

For example, a service provider selected to manage employee records via an electronic record-keeping system must know how to use the particular system effectively and be able to access the system from their place of work.

The client group must consider whether the provider has used the technology before, whether the provider requires training to use the technology, or whether the client is responsible for providing and paying for the technology itself.

Example: monitor service delivery

Sophia is the HR manager at Kluxon Securities Limited, which is a full-service stockbroking and financial services firm. Sophia is contacted by Christof, the client services manager, to discuss an employee training program. Christof wants members of the client services team who have recently joined the company's graduate program to complete a Graduate Certificate of Finance while on-the-job.

Christof wants the training program to be delivered online and customised to the workplace at Kluxon Securities. Participants will be given four work hours per week to complete online training and assessment at their own pace.

Christof tells Sophia that he isn't sure whether the internal HR team is capable of providing the service, or whether he should contact an external training provider instead. Sophia explains that she has had more than 10 years' experience developing accredited training programs, specifically in the financial services sector. Sophia provides Christof with samples of her work and a list of reputable contacts she can use to develop the online learning modules. Sophia demonstrates to Christof that she understands the course requirements and how to provide the service in line with accreditation requirements and standards.

Sophia and Christof compare the price of using Kluxon's internal HR team with an estimate provided by an external provider and Sophia's team is much more competitively priced for the organisation. Christof selects Sophia and her team as the most appropriate service provider and they begin negotiating the service agreement.



Practice task 13

1. Name two examples of sources to gather information about internal HR service providers.

2. Name two examples of sources to gather information about external HR service providers.

3. Identify three requirements a client must consider when selecting an appropriate service provider.

2G

Identify and rectify underperformance of human resource staff

If an internal or external service provider does not meet agreed service level standards, comply with service specifications or achieve service level objectives, there is a problem with the service provider's performance and the client (or organisation) will need to take action.

Performance problems can arise for many reasons; some, all or none of which may be the service provider's responsibility. Handling performance problems must be driven by the facts of each matter, and there is no particular process to solve all performance issues. However, there are certain principles and approaches that can be applied to all situations.

Any remedial action to be taken should be negotiated between the client and the service provider.

Identify underperformance

The client (or organisation) must define what is considered underperformance by the service provider (or HR staff) to identify when it has occurred.

Underperformance or poor performance can be exhibited by:

- unsatisfactory service delivery, or the failure to deliver a service at all
- noncompliance with relevant legislation, regulations or standards
- noncompliance with organisational policies, procedures or guidelines
- unacceptable behaviour in the workplace
- disruptive or negative behaviour that impacts service delivery
- failure to achieve service level objectives
- failure to meet deadlines
- noncompliance with KPIs
- failure to follow the service agreement schedule
- negative feedback received from employees receiving the service.

Reasons for underperformance

There are many reasons why a service provider may perform poorly, some of which are listed below.

Reasons for underperformance

- The service provider does not understand their obligations in the service agreement
- The service provider does not understand service level standards expected of them
- Interpersonal differences between the service provider and the client
- A mismatch between the service provider's capabilities and the client's requirements
- A lack of feedback provided to the service provider about the quality of service delivery
- A lack of personal motivation, low morale in the workplace or a poor work environment
- Personal issues such as family, stress, physical and/or mental health problems
- Cultural misunderstandings
- Workplace bullying

Deal with underperformance promptly

Underperformance must be dealt with promptly and appropriately by the client. If service providers are unaware that they are not performing well, they are unlikely to change their performance.

Issues that are not dealt with promptly have the potential to become more serious over time. This can have a negative effect on the delivery of services and on the client's organisation as a whole as it can affect the productivity and performance of the entire workplace.

Clients, or organisational managers, need clear procedures, organisational support and the courage and willingness to manage underperformance issues. Not every underperformance issue needs a structured process. Clients should explore other options for improving performance, such as providing continuous feedback to the service provider.

The client should keep a written record of all discussions relating to underperformance in case further action is required. These records may be used as evidence if legal action is taken.



Manage underperformance of external service providers

A consistent approach to performance management provides opportunities for the client and service provider to address issues and collaboratively generate effective solutions.

When dealing with instances of underperformance from external service providers, it is likely that the client will have less control. Service delivery problems should be brought to the attention of the service provider representative to rectify the issue. If this is unsuccessful, the dispute resolution processes outlined in the service agreement should be followed.

Here are some ways in which underperformance of external providers can be managed.

Managing underperformance of external providers
The client should provide the service provider with formal notification of noncompliance with the service agreement.
Accurate details of underperformance must be provided, including specific sections of the service agreement that have been breached.
The client should request that the service provider respond within a reasonable time frame outlining the corrective action it plans to take.
The client can request the service provider take specific remedial action.
The client may ask the service provider to negotiate a solution that eliminates the problem altogether.

Manage underperformance of HR personnel

A clear system for managing underperformance is good for both the client (employer) and the HR personnel responsible for providing a service within the organisation. Ineffective performance management can actually reduce service level standards by demotivating staff to continue to deliver a quality service.

Here is an easy-to-follow process for managing underperformance internally. For the purposes of this process, the 'client' means the organisation where HR personnel are employed.

Performance management process

1

Identify the underperformance problem

- Understand the key drivers of performance or underperformance.
- Accurately specify the problem.

2

Assess and analyse the underperformance problem

- Determine how serious the problem is.
- Determine how long the problem has existed.
- Identify how wide the gap is between service level standards and what is being delivered.
- Organise a meeting with HR personnel to discuss the problem and allow them to prepare for the meeting.

3

Meet with HR personnel to discuss the problem

- Conduct the meeting in a private, non-threatening environment.
- Explain the underperformance problem in specific terms
- Ensure HR personnel understand what the problem is, why it is a problem, how it impacts the service, and why there is a concern.
- Discuss the outcomes the client wishes to achieve from the meeting.
- Listen to the explanations of HR personnel to describe reasons for why underperformance has occurred.

4

Collaboratively negotiate a solution

- It is important that a solution is jointly devised between the client and HR personnel.
- The client should offer assistance to HR personnel, such as further training, mentoring or clarifying the service agreement.
- Develop a clear plan of action with HR personnel to implement the solution.

5

Monitor performance

- The client should monitor the performance of HR personnel and continue to provide feedback and encouragement.
- The client should conduct meetings with HR personnel to review and discuss their performance, even if underperformance is no longer an issue.
- More serious action may need to be taken if the performance of HR personnel does not improve, including further counselling, issuing formal warnings or termination of the service agreement.

Develop an action plan

A clear plan of action should be developed with HR personnel to implement the solution to underperformance issues. This can be in the form of a performance agreement or action plan.

An action plan should:

- reflect an understanding of service level standards/performance expectations, and what is to be achieved over the specified time period
- clarify roles and responsibilities of HR personnel
- include strategies for training and career development
- include time frames for improvement, with the provision of adequate time for HR personnel to improve their performance
- reinforce the value and worth of the service being performed.

Example: identify and rectify underperformance of human resource staff

Clayton is the operations manager at Monty Resources Pty Ltd. Clayton is responsible for contracting a service provider to deliver induction training to the company's fly-in-fly-out (FIFO) workforce. After discussions and negotiations have taken place, Clayton secures a service agreement with the Monty Resources internal HR team to deliver the service. Sakiya is the HR manager and is confident that her team can deliver the induction training program successfully. Three months after implementing the program, Clayton receives reports that the induction training schedule has dramatically fallen behind. Sakiya and the HR team are responsible for inducting new FIFO workers during their first week of employment. Instead, some workers have had to wait up to six weeks before completing induction training. Clayton is immediately concerned given the company has a legal obligation to provide mandatory work health and safety training before any employees start work.

Clayton arranges a meeting with Sakiya to discuss the underperformance issue. Clayton explains the issue to Sakiya, one that she is already aware of. Sakiya tells Clayton that the HR team is currently understaffed and incapable of keeping up with the demanding induction training schedule. Together, Clayton and Sakiya identify that four more HR team members are required, with experience in training and assessment to ensure the successful delivery of the induction training program. They develop an action plan for the prompt recruitment of new HR team members and rearrange the induction training schedule to ensure that Sakiya's HR team can meet service level expectations in the meantime. Clayton sets a date four weeks from the meeting to review the performance of Sakiya and her team.



Practice task 14

1. Provide two examples of underperformance by an HR service provider.

2. Provide two reasons why a service provider may perform poorly.

3. Explain why it is important to deal with service provider underperformance issues promptly.

2H Identify the return on investment of human resource services

Return on investment (ROI) is a common profitability ratio used to evaluate the performance of a business by dividing net profit by net worth. ROI deals with the money an organisation invests in HR services and the return the organisation realises on that money, based on the net profit of the business.

The ROI in HR services is not easily measured as it cannot always provide quantifiable financial data about its workload, and does not typically create revenue either.

Nevertheless, internal HR departments or external service providers should try to determine how HR services directly affect an organisation's bottom line to justify where investment should be increased or continued, or identify where it should be reduced or eliminated.



Calculate return on investment

Calculating ROI provides a way for HR service providers to demonstrate the worth of the profession.

Using quantifiable metrics improves the credibility of HR services and allows senior management to identify specific, measurable ways that HR services benefit the organisation. Some examples of ROI in HR and the way ROI is calculated follow.

Examples of ROI in HR

HR can use ROI metrics to analyse the values of its services. For example:

- If an HR service provider is selected to deliver a new work health and safety program, its effectiveness can be measured by the associated reduction in costs of workplace incidents and workers' compensation claims.
- The ROI of a new employee induction program can be measured by assessing the costs saved by associated reductions in staff turnover.
- The ROI of a diversity program can be measured by assessing the costs saved by increased staff productivity (as a result of increased staff morale or motivation).

Calculate ROI in HR

To calculate the ROI of a particular HR service or program, do the following:

- calculate the value of the specific program itself
- divide it by the costs of implementing the program.

For example, if a training program to improve workplace safety results in a decrease in workers' compensation claims, calculate the value of cost savings and divide that by the costs of providing the training and learning materials.

Example: identify return on investment of human resource services

Ralph is the HR manager at Damsel Engines Pty Ltd. Ralph uses an external service provider to deliver training modules on engine assembly. The objective of the training program is to speed up the productivity levels of factory line workers. The program is successful, and results in an increased amount of engine products. Ralph's supervisor asks him to calculate the ROI of the training program. Ralph calculates the value of the additional product and divides that by the cost of providing the training and learning materials. Because the training program resulted in a general increase in productivity, Ralph must isolate the portion of the increase that was due to the training program, before he can calculate the ROI. Ralph conducts an analysis of employee groups that underwent the training, versus groups who did not, to estimate the effect.



Practice task 15

1. What is return on investment (ROI) in relation to HR services?

2. How could you calculate the ROI of a particular HR service?

Summary

1. It is the responsibility of the in-house or external HR service provider to add value to an organisation by incorporating HR practices that strengthen business performance, encourage collaboration and empower employees.
2. Effective communication is critical to the successful management of HR service delivery and the implementation of change initiatives.
3. Service agreements identify the requirements of services to be delivered, priorities, obligations and the level of service, as well as performance standards or measures and how the agreement will be monitored and evaluated for its effectiveness.
4. Service levels are measured using performance indicators.
5. The identification of training needs, and the translation of those needs into training objectives, provides direction and purpose for learning and development activities.
6. The client group must gather, analyse and evaluate information from as many sources as possible to select an appropriate service provider.
7. Return on investment deals with the money an organisation invests in HR services and the return the organisation realises on that money, based on the net profit of the business.

Learning checkpoint 2 Manage human resource service delivery

This learning checkpoint allows you to review your skills and knowledge in managing the delivery of human resource services.

Part A

1. Provide two examples of information about HR services and strategies that should be communicated to stakeholders.

2. Explain the importance of taking purpose into account when developing a communications strategy.

3. Describe how contracting is part of a consultative process to develop service agreements.

4. What might happen if a service agreement does not contain service specifications?

5. What should a service agreement set out in relation to performance standards?

6. Identify the steps to conducting a training needs analysis.

7. Briefly describe a process for monitoring quality assurance processes.

8. List two considerations that should be taken into account when selecting an appropriate service provider.

9. Identify the steps that could be taken to manage underperformance of internal HR personnel.

10. Explain why it may be difficult to measure the return on investment (ROI) of HR services.

Part B

Read the scenario, then complete the task that follows.

Scenario

You are the HR manager of a car insurance company. You have been asked to contribute to developing, negotiating and documenting a training services agreement between the HR department and the sales department, to deliver an accredited sales training program to 40 members of the company's sales team.

In your discussions with relevant stakeholders, you determine that the agreement should include:

- development of a learning and development strategy
- analysis of specific training needs
- selection of appropriate training methods
- development of individual training plans
- development of customised training and assessment materials
- allocation of roles and responsibilities to HR personnel involved in training
- implementation of the training program.

Develop a service schedule using the following table, describing what the service is, where it is to be provided, to whom it is to be provided, and the time frame or frequency in which it is required.

Task	Action	Time frame

Task	Action	Time frame

Topic 3

Evaluate human resource service delivery

An essential component of human resource (HR) service delivery is to evaluate the quality and effectiveness of the strategies and services that have been implemented to see whether HR and organisational objectives are being achieved. The effectiveness of HR strategies can be evaluated against the data collected as part of the monitoring and review process.

Evaluating HR service delivery identifies whether organisational and HR objectives are being achieved. Building feedback into your evaluation methodology sets up a reliable information network to identify any dissatisfaction with change processes, and triggers the need to make improvements.

The systems and methods you choose to evaluate HR service delivery should provide value-added contributions to the success of your organisation and identify how human resource management (HRM) can work faster, and be more accurate and productive.

In this topic you will learn how to:

- 3A Establish human resource information systems
- 3B Survey clients to determine level of satisfaction
- 3C Capture ongoing client feedback for the review processes
- 3D Analyse feedback and surveys and make recommendations
- 3E Obtain approvals for variations to service delivery
- 3F Support organisational change

3A

Establish human resource information systems

To review the effectiveness of HR service delivery, you need to systematically collect and analyse a range of data in areas such as employee skills development, employee performance, staff satisfaction, productivity and sales, and budget performance.

A plan for evaluation and improvement helps to ensure that a systematic evaluation takes place annually. The results are then used to identify what works well and what needs to be improved.



Gather information

The information that needs to be gathered to evaluate HR service delivery may be taken from a variety of sources. Some examples are provided below.

Primary data

Primary data is information collected directly from first-hand experience and may include:

- eyewitness statements
- answers to survey questions
- data collected during interviews or focus group discussions
- data collected during employee performance appraisals
- data collected in feedback forms
- observational reports
- statistical lists
- written sources, such as emails, memos or faxes.

Secondary data

Secondary data is published data or data collected from the past, or other people. Secondary data may include:

- reports
- employee records
- skills inventories
- financial records
- training records
- expired service agreements
- policies and procedures
- organisational guidelines.

Quantitative data

Quantitative data is verifiable data that is responsive to statistical manipulation and may include:

- lists of occurrences
- surveys where responses are based on a numbered scale
- questionnaires that allow quantifiable results
- staff turnover reports
- absenteeism reports
- remuneration reports
- cost–benefit analysis of HR activities
- skills testing.

Qualitative data

Qualitative data relates to ideas and opinions and does not measure the attributes or characteristics of a particular service. Qualitative data includes:

- records of performance appraisal
- questionnaires that allow open-ended responses
- consultative groups
- focus group discussions.

Information relating to HR service delivery

The information needed to provide HR services can usually be found within the organisation as detailed here.

Types of information

Types of information relating to the provision of HR services may include:

- organisational policies, procedures and protocols
- strategic and operational plans
- values statements
- reports
- employee feedback
- personnel records
- employee performance appraisals
- job/position descriptions
- training records.

Sources of information

Sources of information relating to the provision of HR services may include:

- intranet
- record-keeping system
- human resource information systems (HRIS)
- annual reports
- workplace documents
- personnel records
- role and responsibility statements
- work health and safety audits
- communication records.

Manual information systems

Some organisations prefer to use a simple paper-based information system for gathering and storing information relating to the provision of HR services.

Manual information systems are less expensive to set up than electronic systems, and may be an appropriate and cost-effective option for smaller businesses. Manual systems reduce the risk of data becoming corrupt or lost, especially if contained in a fire-proof environment. The process of manual record keeping is simplified and suits organisations that are not familiar with electronic applications.

Manual systems are certainly not the most efficient system for managing HR service delivery information. It is far less common in today's contemporary marketplace to store and access paper-based documentation on an organisation's premises.

Tips for using a manual information system:

- Sort and store all paperwork by year.
- Keep all original documents and date all correspondence.
- Record all transaction dates and payment amounts.
- Keep records secure and safe to minimise the risk of damage or loss.

Electronic information systems

Most organisations use electronic information systems, which make it easier to capture information, generate reports and meet legal reporting requirements.

Setting up a secure electronic backup system ensures records and information are stored safely. It is recommended that electronic information systems are backed up daily, particularly for important records. Some advantages of using this method are listed here.

Advantages of using electronic information systems

- Helps to record business transactions more accurately
- Efficient way to keep information relating to HR service delivery
- Takes up less storage space
- Allows for real-time data entry
- Makes it easy to generate reports, statements or employee records
- Enables automatic reporting functions
- Keeps up-to-date with latest legislative requirements
- Provides facilities to communicate with other system users
- Allows for the safe and secure backup of records

Human resource information systems

Human resource information systems (HRIS) are computerised systems used to gather, store, analyse and retrieve data in order to provide timely and accurate reports on the management of people and HR service delivery. HRIS is a critical tool for integrating HR information into the organisation's business strategy and for demonstrating the positive contribution that HR can make to business performance through effective and efficient management of HR services.

HR business practices must be strategically analysed to develop a technology plan that truly integrates with the organisation. If used correctly, HRIS can provide your organisation with a powerful competitive edge as it provides HR managers with the ability to analyse and estimate costs, savings or benefits, and evaluates HR service delivery.

Here are some advantages of using this tool.

Advantages of HRIS

Improves productivity of HR personnel by simplifying efforts associated with recruitment and selection, payroll processing and benefits administration

Reduces errors from human oversight that may occur in the provision of highly regulated HR services

Designed to review compliance with specific rules and regulations, making it easier to provide HR services in line with laws and regulations

Performs, analyses and reviews metrics associated with various aspects of HR service delivery, such as recruitment costs or calculating staff turnover

Example: establish human resource information systems

To support your learning, you might like to read the 'Human Resource Management Information Systems: Risk and Controls, Better Practice Guide', published by the Australian National Audit Office. This guide aims to assist HR system managers and practitioners to implement better practices to improve the effectiveness and efficiency of HR services (especially from a security and privacy perspective), as well as strengthen system controls and manage user access to key system functions.

This publication can be viewed at: www.anao.gov.au/~media/Files/Better%20Practice%20Guides/2012%202013/ANAO_BPG_HRMIS.pdf.



Practice task 16

1. List two types of primary data relating to the provision of HR services.

2. Describe two examples of using an electronic information system to gather and store information relating to HR service delivery.

3. What are human resource information systems (HRIS)?

3B

Survey clients to determine level of satisfaction

Keeping the client satisfied is a major priority for most HR service providers. Often, it only takes one mistake for a client to take their business elsewhere.

Quality assurance (QA) in HR service delivery involves encouraging ongoing feedback from clients. The information obtained enables the service provider to adjust and modify its HR service delivery to best meet the needs of its clients.

Positive feedback is easy to absorb, but is not as useful as negative feedback. When a service provider receives negative feedback, it should be used as an opportunity to address weaknesses in HR service delivery performance. If negative feedback is ignored, client satisfaction is likely to decrease.

It is important to regularly monitor and evaluate the effectiveness of decisions affecting HR service delivery to identify and implement necessary improvements.



Look at the end result

One of the fundamental approaches for obtaining feedback is to look at the end result.

There should be a very clear understanding of what is expected from the process.

The goals should be quantified and used as a benchmark to measure the success.

Ask the following questions:

- What exactly do you want to achieve?
- What areas are you seeking feedback from?
- What techniques will you use to obtain feedback (for example, questionnaires, interviews and focus groups)?
- Have these techniques been used before? What were the outcomes?
- What will happen once the information is obtained?
- How will you measure success?

Gather feedback

Measuring client satisfaction involves the collection of data that provides information about how satisfied or dissatisfied clients are with an HR service. The data can be used to understand the reasons for the level of satisfaction that has been recorded.

This information can be collected and analysed in many different ways. The chosen methods will depend on the type of feedback required.

Client feedback mechanisms include:

- client satisfaction surveys and questionnaires
- employee attitude surveys
- client feedback forms
- online HR scorecard surveys
- interviews
- focus groups.

Client surveys and questionnaires

Client satisfaction surveys are a form of research in which service providers ask clients for their views and opinions on issues relating to HR service delivery. Satisfaction surveys or questionnaires are valuable tools for helping a service provider better understand clients' requirements and concerns in order to improve the standard of service provided in line with clients' needs. Data collection methods that can be used to conduct a client satisfaction survey include face-to-face, telephone, post or online.

By monitoring client satisfaction and responding to issues, service providers can improve client loyalty and protect revenue and profitability.

The benefits of using client satisfaction surveys are listed below.

Valuable feedback

The information gathered from client satisfaction surveys provides the internal or external service provider with valuable feedback on the issues that are important to the client.

Surveys can be designed to identify how well HR services meet client requirements or how satisfied they are with different aspects of HR service delivery.

Feedback can highlight issues that service providers were not aware of and provide opportunities to respond and take remedial action to improve service delivery.

Reputation

Client satisfaction surveys provide a channel for clients to express their views and opinions on HR service delivery. This is crucial in an environment where clients frequently share their views and opinions on social networking sites that are outside of the service provider's control.

Requesting clients' opinions and views on HR service delivery performance indicates that the service provider is prepared to listen and rectify any issues of underperformance.

Staff development

Sharing the results of a client satisfaction survey with employees responsible for delivering HR services builds an understanding of organisational operations from the clients' perspective.

HR personnel may not feel as though their work contributes to client satisfaction levels. Including survey questions that ask how satisfied clients are with the quality and professionalism displayed by HR personnel highlights the importance and relevance of their work.

Service provider priorities

Analysing the responses to satisfaction surveys or questionnaires highlights the service provider's strengths and weaknesses from the clients' perspective. The service provider should focus on improving areas that received low client satisfaction scores and prioritise programs and initiatives to rectify issues of underperformance.

Improvement programs may include HR personnel training, or the automation of HR services using technology. Responses that highlight issues with HR employee behaviour indicate a need for training or performance management processes.

Client retention

Client satisfaction levels impact on the service provider's ability to retain clients. If survey results indicate low levels of satisfaction across a range of services, this may result in the client opting to engage the services of competitor providers.

Responding to client satisfaction issues promptly and with courtesy, may allow the service provider to retain the client's business.

Improvement progress

Client satisfaction surveys provide a snapshot of clients' views and opinions at a given point in time. By collecting feedback on an ongoing basis by conducting several surveys over a period of time, the service provider can measure the results of any improvement programs or change initiatives undertaken to enhance service delivery performance.

Clients should be asked the same set of questions in each survey so the results can be analysed to assess service delivery improvement progress.

Employee attitude surveys

One of the most objective and economic methods of obtaining feedback on HR service performance is by conducting employee attitude surveys. Attitudes are a major factor in determining how employees feel towards the HR services and activities available to them.

Well-planned and administered attitude surveys can provide HR managers with invaluable insight into employee satisfaction levels with HR services. They can also be used as drivers for change and to specifically address issues associated with HR service delivery.

Guidelines for conducting employee attitude surveys:

- Use repeated surveys to measure trends and changes in direction.
- Consider sampling methods to cut the costs associated with feedback collection.
- Attempt to relate attitude scores with specific HR services.
- Respect the privacy of employees wishing to remain anonymous.

- Show employees how attitude scale results have been used to effect HR service improvements.
- Consult with employees and managers to plan the feedback process.
- Verify recommendations for change.
- Report recommendations to management for follow-up activities.

Feedback forms

Feedback may be collected on the performance of the HR service provider using generic client feedback forms. These can be used to collect client suggestions for service improvement, compliments, complaints, questions or comments.

The challenge with feedback forms is ensuring the client returns the form to the service provider.

Here are tips that may be useful when using client feedback forms.

Tips for using client feedback forms

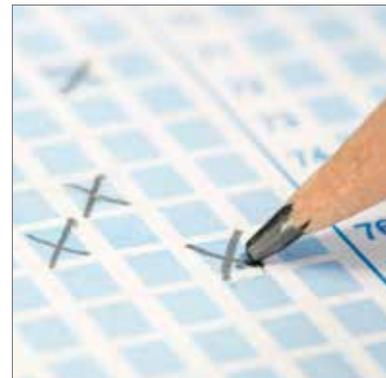
- Develop a well-defined goal for collecting feedback so that clients can see the results.
- Take immediate decisive action when a client's response to feedback questions requires attention.
- Make the feedback form user-friendly by making it short and the questions easy to understand.
- Design relevant questions for feedback forms that will elicit meaningful responses.
- Use scored questions, such as numerical scales, and text questions appropriately.
- Use feedback as independent reviews or testimonials to differentiate from competitors.
- Send feedback requests as soon as possible after a service has been provided.
- Share client feedback with all employees involved in the provision of HR services.
- Identify cost savings and efficiency improvements to HR service delivery.

HR scorecard surveys

HR scorecard surveys measure the performance of HR service providers in delivering a wide range of services and advice. HR scorecard surveys determine how well HR is aligned with organisational business strategy and identify what the service provider needs to do to enhance client satisfaction and HR service performance.

HR scorecards should include 'hard' measurements, such as employee turnover rates, number of training courses available, or the competency levels of employees. HR scorecards should also include a range of 'soft' measurement data that can only be gathered by asking service users about their opinions and suggestions on HR services.

Conducting anonymous online HR scorecard surveys is a useful, efficient and cost-effective way of gathering information and insight into the effectiveness of HR services and strategies. The assessment identifies the strengths of HR services and areas in which the service provider needs to make improvements.



HR scorecard surveys offer the following benefits:

- Reinforce the distinction between technical HR (outcomes focused on HR efficiency) and strategic HR (outcomes that serve to achieve organisational objectives).
- Focus on leading indicators that drive the implementation of the organisation's business objectives.
- Assess the HR service provider's contribution to strategic implementation and bottom line impact.
- Promote flexibility and change.

Interviews

Service providers can obtain client feedback by asking a respondent questions in an interview. Using this method, you can clarify any questions or answers all at the same time.

Interviews can be carried out face-to-face, over the telephone or through an online discussion forum. In highly controlled interviews, questions should be designed to elicit short and specific responses. In less controlled interviews, questions can be designed to elicit detailed answers and encourage discussion about associated issues.

The person being interviewed must give permission for their answers to be recorded and should be provided with a copy of the interview to confirm their answers are true and correct.



Focus groups

Focus groups can be useful in uncovering information and suggestions that HR service users may be reluctant to disclose. The focus group interview is loosely structured and designed to encourage free-flowing discussion.

Employee focus groups are confidential and HR management should not be involved. Each focus group is usually made up of eight to 12 participants and led by a trained external consultant. Focus group sessions last between one to two hours.

For example, the consultant may introduce a topic to the group, such as 'What do employees think of the company's performance management system?' Participants are asked to give their views and reactions.

A good focus group leader can obtain a thorough understanding of HR service issues and prepare a summary of the group's comments and suggestions for the service provider and/or senior management. Here are a few of the benefits associated with the use of focus groups.

Benefits of using focus groups

Allows for broader and deeper insights into client views and opinions on HR services

Allows for interactive research with small groups as opposed to individual survey responses

Requires little to no technology and can be completed in one to two hours, making it a cost-effective feedback option

Manage feedback process

To manage the collection of feedback relating to client satisfaction with HR service delivery, there are several issues to consider.

Service providers, or employees responsible for gathering feedback, should think about the information they would like to gather and how they are going to do it.

Here are some aspects to consider in managing the client feedback process.

Historical data

Decide whether the information required has been collected and analysed in the past, in order to compare previous information with the latest service performance results. If it has, design a survey or structure interview questions based on the existing information or old surveys so the data can be easily compared.

Number of responses

When surveying clients or potential clients, service providers must decide how many responses are required in order to gather enough meaningful data. Some clients won't have the time or inclination to participate, so expect to approach more clients than is necessary.

Respondent selection

Data collected from all feedback methods must be obtained from appropriate sources. Where it is possible to gather feedback from a large number of employees affected by an HR service, it might be appropriate to use population samples to represent the group as a whole. Respondents should be selected based on their ability to provide meaningful information about the direct impact of HR services on their job performance.

Hard copies

If information is going to be sent out in hard copy, such as with a survey or feedback form, the service provider should also send a letter explaining what it is for. It may also be necessary to offer clients something in return for their opinion and time.

Monitoring feedback

If a service provider plans on monitoring feedback over time (for example, each quarter) it must decide whether to contact a different group of clients every time or whether surveys will be sent out to the same clients over and over again. Depending on what is being measured, this could affect the results.

Formulated questions

Design questions for each specific area of service delivery. The service provider should test whether the questions will provide information needed by giving a sample survey to a colleague for their opinion.

Performance criteria

The service provider must decide whether it wants clients to rate service performance against pre-determined criteria, such as the competence of staff, knowledge of legislative requirements, or complaint resolution processes. If so, the service provider should consider having clients' rate HR services on a scale from 1 to 5 (1 being poor, 5 being excellent). This type of feedback is a good way to monitor service delivery over a period of time against criteria that reflect the key responsibilities of the service provider's team or specific HR service areas.

General feedback

The service provider must decide whether to collect general feedback from clients about service delivery. This involves asking open-ended questions, such as 'What aspects of our service delivery do you believe we could improve?' or 'Please comment on how our client service levels compared with other organisations you do business with'. This type of feedback can be valuable to find out which aspects of service delivery are below the expected service level standards or to work out where improvements can still be made.

Collecting and analysing

Decisions should be made about how results will be captured, recorded and analysed in the early stages of the review process. For instance, it may be necessary to set up a database or spreadsheet that allows results to be compared over time or to write up a report on the general feedback provided. The best way to store the data for analysis and review purposes should also be considered.

Motivate clients

Motivating clients to respond to requests for feedback is often difficult, possibly because they do not believe their complaints will be taken seriously. Also, many clients only contact the service provider if they are upset and have a complaint to make, and many clients don't have time to complete a feedback form or survey.

Example: survey clients to determine level of satisfaction

A client feedback form might look like the following example.

Client feedback form	
Thank you for taking the time to complete this feedback form. Your comments are very important and will assist us to improve our service.	
Contact name:	Organisation:
Questions	Write your response
What was the primary purpose of your interaction with HR services?	
Were HR employees professional and courteous in the provision of HR services? If not, please describe your experience.	
Did you receive the information you needed? If not, what would have been helpful?	
Were HR employees effective in planning, organising and efficiently handling activities and eliminating unnecessary activities? If not, please describe your experience.	
Did HR respond to you or process your request in a timely manner? If not, please provide details.	

continued ...

... continued

Questions	Write your response
How satisfied were you with the services you received? If not, how could we have better met your needs?	
Did HR employees understand your service issues and make timely practical decisions? If not, describe your experience.	
Did HR employees adapt to necessary changes to service delivery when requested? If not, describe your experience.	
Were HR employees responsive in dealing with your enquiries? If not, provide details.	
Did HR employees comply with service specifications? If not, describe your experience.	
In which services are we doing well?	
Which service areas or aspects of service delivery could be improved?	
Do you know who to contact with HR inquiries, issues or complaints?	
What can we do to improve our service in the future?	

Practice task 17

1. What are client satisfaction surveys?

2. Provide one benefit of using HR scorecard surveys.

continued ...

... continued

3. Describe one benefit of using focus groups to obtain client feedback.

4. How should the selection of respondents be managed?

3C

Capture ongoing client feedback for the review processes

Many service providers regularly track client satisfaction levels to monitor performance over time and measure the impact of HR service improvement activities. Ongoing client satisfaction measurement allows a service provider to understand the issues, or key drivers, causing satisfaction or dissatisfaction with an HR service experience.

While the service provider should develop and implement feedback mechanisms, these tools are not always useful for ensuring feedback is ongoing. The service provider should develop an effective system that will obtain ongoing feedback from clients, and analyse and distribute data to the relevant people within the organisation to use as a basis for decision-making and improvements.



Capture ongoing client feedback

The systems used to continually collect feedback on client satisfaction levels with HR service performance must have several characteristics to be effective.

Here are some aspects that service providers should consider to maintain systems and records for client feedback.

Use of technology

The use of technology is essential in modern management and the collection of information on HR service delivery. Outdated, paper-based systems no longer meet the demand for organisations to have the right information at the right time. While the collection of data can be a manual process, as with collection methods such as client surveys or feedback forms, manual data should be input into IT systems to allow for sophisticated storage and analysis.

Technology used by service providers to capture and review ongoing client feedback may include:

- websites and online feedback forms
- statistical packages and spreadsheets to analyse client feedback
- email systems to share information easily between colleagues within the organisation
- databases to effectively store and analyse client feedback and provide ease of access when searching in the future
- phone systems to allow clients to provide feedback.

Relevant HR personnel should be trained to use the main features and functions of digital tools to record, access and communicate information.

Accuracy

It is imperative that all data collected on HR service delivery is accurate. Decisions on HR service strategies can only be made when information is reliable. The use of technology in collecting client feedback and analysing data is preferable as manual systems are more susceptible to human error.

Timeliness and accessibility

The feedback collection and reporting system for HR service delivery must support provision of information to people within the organisation whenever they need it. While some information must be restricted and protected, information systems should be set up so that relevant HR personnel can easily access the data when they need it.

Clarity

Those receiving the feedback collected and processed on HR service delivery must be able to understand it easily. Information systems must provide reports and summaries in a format that is readable and able to be accurately interpreted. a

Storage

Client satisfaction data must be stored reliably and safely so that it can be referenced in the future to identify trends in HR service delivery and compared with other results over time. The use of IT systems is preferable to paper-based systems as they allow for the safe and efficient storage of large amounts of data.

Consistency and comparability

When analysing HR service delivery and client satisfaction levels, it is important that information collected is recorded, stored and presented in a consistent manner and format. Doing this will allow the service provider to compare client satisfaction results over time and to identify successful HR service strategies and areas in need of improvement.

Continuity

Effective feedback systems continually collect client feedback. The concept of HR service delivery and client satisfaction is not static. What clients want and need and how they feel changes over time, so information must be obtained on an ongoing basis. Data that has been collected from the previous year becomes outdated and irrelevant for future decision-making.

Types of feedback

There are several types of feedback that can be delivered regularly and informally. Four of these feedback types are outlined below.

Positive feedback

This type of feedback reinforces good behaviour by describing how and why certain actions have resulted in a positive outcome. Often, people don't know why they have done a good job. While a 'pat on the back' is appreciated, it does not highlight the specific area of activity that should be reinforced. Positive feedback provides this information.

For example: 'That provision of learning and development activities was excellent. You delivered the training well and the participants told us the materials were easy to read and very thorough! Well done.'

Constructive feedback

This type of feedback methodically builds on experience that the service provider has obtained through the provision of HR services. This is done by providing concrete steps for future improvement that relate to behaviours or skills the service provider has demonstrated up to that point. It is not always positive, but positive feedback may be used to capture the attention of the service provider before giving constructive directions.

For example: 'You managed to develop an informative induction program, but it wasn't really engaging for the participant. Maybe next time practise on a work colleague and see how they respond first?'

Negative feedback

Despite the connotations, negative feedback can be a very positive tool. Negative feedback refers to the content of the feedback and not the means by which it is given. If a service provider fails to meet a KPI contained in the service agreement, then providing feedback to that effect is negative. Negative feedback should always be counteracted by constructive and positive feedback to maintain personal self-worth, value and self-esteem.

For example: 'Your service failed to achieve the staff turnover rate expected. There may have been some external factors that contributed to this, but there are some underperformance issues we must address as well.'

Destructive feedback

This type of feedback aims to punish the behaviours seen by the client as negatively affecting their organisation. It is easy for this type of feedback to become personal and emotive. Destructive feedback reduces the efficacy and value of the HR service provision.

For example: 'The services you provided failed to meet any of the service level objectives outlined in the service agreement. Do you really think we are ever going to get anywhere by using your rubbish services?'

Example: capture ongoing client feedback for review processes

Here is an example of a feedback form used to monitor client satisfaction with HR service delivery. The feedback form is accompanied by an analysis of hypothetical responses.

Client satisfaction feedback form					
Please circle the number that corresponds with how you feel about our HR service delivery during the past three months. 1 = poor; 5 = excellent					
Any problems or queries I have are resolved quickly.	1	2	3	4	5
HR personnel have good knowledge of the services they provide.	1	2	3	4	5
Information I have requested on HR services was sent quickly.	1	2	3	4	5
Appointments with HR consultants are useful for performing in my role.	1	2	3	4	5

It is easy to see how data collected from this type of form can be tracked over time. Here is an example of the corresponding spreadsheet used to keep track of the average responses from all service users each quarter during a 12-month period.

Questions	Q1	Q2	Q3	Q4
Any problems or queries I have are resolved quickly.	3	3	4	4
Client services staff have good product and service knowledge.	4	4	4	4
Information I have requested on products and services was sent quickly.	2	3	3	4
Client appointments are useful and helpful to my business.	3	3	3	4

This spreadsheet shows that a number of trends emerged during the past year. Many were improvements that occurred after new systems and processes were put in place to improve HR service levels (such as the time it takes to resolve issues or to send information). Using this approach means the effectiveness of new HR initiatives and programs can be reviewed on an ongoing basis.

Practice task 18

1. Why is it important for service providers to capture ongoing client feedback?

2. Identify two examples of how technology can assist to capture ongoing client feedback.

3D

Analyse feedback and surveys and make recommendations

Client feedback is only useful to the service provider if it is properly analysed.

Regularly analysing feedback results allows service providers to understand client needs and expectations, and recommend appropriate changes to improve service delivery at minimal cost to the client. It can also help a service provider to understand what it can and cannot control.



Involve relevant people

The most important stakeholders in client satisfaction measurement are the clients themselves. This includes the employees within an organisation who receive HR services and support. From an internal perspective, there are several professional groups whose involvement in client satisfaction research will determine whether or not HR services are effective.

The groups of people shown below should be involved with analysing client satisfaction feedback.

Groups that should be involved in analysing client satisfaction

1

Senior management

The involvement of senior management signals that the work is viewed as strategically important and that findings are likely to be acted on.

2

Political leaders

Sometimes the agreement of political leaders is necessary to articulate HR policy commitments in terms of HR service improvement.

3

Policy and strategic staff

The people responsible for strategic decision-making should use the data captured during the feedback process.

4

Communications staff

The people responsible for communicating research findings and recommendations to internal and external audiences should be involved in the process.

5

Operational management

Managers of different sections or departments of the organisation must understand how the findings can be applied to their area of responsibility.

6

HR personnel

The people who work with and for the client group will have ideas about how clients view their experience of HR services and the reasons why experiences are satisfactory or not.

Conduct an HR audit

AN HR audit involves a systematic analysis and evaluation of HR services and provides feedback to management and HR consultants of the value of the HR function to the organisation's strategic objectives.

Using client satisfaction data, HR consultants can generate a meaningful set of measures that can be tracked over time to indicate how well the HR function is performing in terms of relative productivity and cost-effectiveness.

The HR audit facilitates:

- evaluation of the performance of the HR function
- compliance with laws, regulations, policies and procedures
- contribution by the HR service provider to the organisation's strategic objectives
- development of HR professionals by subjecting the HR function to management scrutiny
- improvement of the HR service provider's image with the client or senior management by demonstrating its impact on business profits.

HR audit approaches

Information that can be used as a database for measuring HR services is available from both within the organisation (for example, HR budgets) and outside the organisation (for example, client satisfaction surveys). Although data varies in type, its purpose is to enable HR service providers to establish performance measures, evaluate performance, identify cause and effect relationships, and integrate HR services with organisational objectives.

There are five key approaches to conducting an HR audit. These are described below.

Comparative approach

The audit compares the HR service provider with another provider, or the HR department with another department within the organisation, to uncover areas of poor performance. This approach is used to compare the results of specific HR services or activities and detect areas in need of improvement.

Outside authority approach

The audit relies on the expertise of HR consultants or data collected from feedback as a standard against which HR services or activities are evaluated. The findings may then be used to diagnose the root cause of any problems.

Statistical approach

Using client feedback and other existing records, the audit generates statistical standards against which HR services and activities are evaluated. These numerical standards uncover errors while they are still minor issues.

Compliance approach

By sampling elements of the HRIS, the audit looks for deviations from laws and organisational policies and procedures. Through fact-finding efforts, the audit determines whether there is compliance with legal, regulatory and organisational requirements.

Management by objectives approach

When a management by objectives (MBO) approach is applied to the HR function, the audit compares actual results with stated objectives. Areas of poor performance can be detected and reported, and corrective action taken.

Other ways to analyse client feedback

Other methods are available to analyse client surveys and feedback, including:

- weighing up the costs and benefits of HR services to determine whether those services have achieved intended outcomes
- creating and examining HR budgets to identify the amount that is spent on HR services and activities
- developing ratios to compare HR services, expenditure and employee outcomes to identify how much money is spent on average for each employee, by dividing the organisation's total training costs by the number of employees
- creating metrics, collecting data and analysing it relative to four main areas that contribute to the achievement of organisational objectives: financial, client, internal business processes, and learning and development.



Identify the need for improvement

After analysing client feedback data, the service provider should be able to identify any developing problems that might have a negative impact on client satisfaction. This will help to identify any new HR strategies for resolving satisfaction issues and improving client relationships.

Changes might be made immediately or may need to be enacted in the future after other processes have been put in place. It may be that successive changes are required, both in the short and long term, that together will address the issues identified from the analysis.

Some changes may be small things that can be implemented quickly and without large expense, while others may take longer to organise and involve several approval steps, including budgetary sign-off, before they can take place.

Some ways to identify the need for improvement are shown here.

Strategies

Referring to the service agreement to clarify service level objectives and service specifications, and identifying how current practice may not be meeting expected service level standards.

Develop new systems and processes

Creating new systems, processes, support tools and other devices to help HR personnel understand the standards expected of them.

Report on improvement areas

When identifying a need to improve or adapt HR service delivery there are several people and groups you may need to report to, such as client representatives, senior management, other departments within your organisation, committees, suppliers, contractors or external organisations. Once you have identified how the HR service needs to change, this must be reported to and discussed with one or more of these groups or individuals, depending on the organisational structure.

The methods of reporting to each of these groups and individuals may vary and include formal presentations; staff meetings; training sessions; developing policy and procedures; press releases; client information sessions; updates on the company website; emails; company memos; promotional handouts; or other forms specific to the organisation.

Here are some reasons for reporting changes.

- They (or their team) may be the ones who need to change the way they are doing things.
- They may have authority to approve the actions you are proposing.
- They may need to know of your intentions so their own actions or processes complement or support the new strategies you are implementing.
- They may need to release or approve funds.
- They may need to communicate your proposed change to their own teams or other stakeholders.
- They may need to check that your proposed actions are within service agreement specifications and compliant with relevant rules or laws.

- Their feedback may be useful in determining implementation plans.
- You may need their help in training your team or others within the organisation about the benefits of the proposed change.

Make recommendations

If HR service delivery is an ongoing process, the service provider needs to continually identify, implement, monitor and review HR service strategies. From this review, the service provider will need to develop recommendations on improvements to HR service performance.

Many types of recommendations could be made depending on the nature of the client and the service agreement. The depth and effectiveness of the recommendations and advice on future directions for HR service strategies will be influenced by the volume and quality of data gathered from the client feedback processes.

Detailed, comprehensive data will provide a clear picture of how to address HR service issues and improve ongoing relationships with clients. The key is to ensure that recommendations can be verified and supported with direct evidence.

Examples of recommendations for improving HR service strategies:

- Identifying training needs and implementing a training program
- Better matching HR services to client requirements
- Making improvements to existing services and delivery methods
- Changing budget allocations to divert more resources to HR services
- Role restructuring within the organisation
- Changing organisational responsibilities for HR services between different roles and departments
- Changing and developing HR service policies and procedures
- Employing additional team members or moving team members to different areas within the organisation
- Purchasing of new equipment and technology for use in HR services
- Strengthening relationships between HR personnel, line managers and employees

Present client feedback information

Sometimes an HR professional will need to prepare a report outlining the results of a client feedback analysis, in which recommendations are made for improvements to HR services.

The report should be written in plain English and be clear, concise and easy to understand. Literacy skills should be applied to edit and proofread the report, ensuring the information is accurate and the report is free from spelling or grammatical errors.

The report should be formatted using graphics, tables, charts or other features that enable the data gathered to be easily understood, especially if there is a large amount of data. Some reports may be substantial, covering a number of aspects of HR service delivery, while others may focus on a single aspect.

When the report has been completed it should be presented to the appropriate person with a copy of the blank survey, questionnaire or complaint form used to gather the client feedback, so the reader can see how the information was obtained. Recommendations should be bulleted in a list, with brief yet clear descriptions.

The feedback report should include:

- a title that reflects what the report is about
- an introduction explaining how the feedback was received and analysed
- the results or findings of the feedback analysis
- recommendations on how procedures can be best improved
- a cover page, a list of contents and an executive summary (depending on the audience and purpose of the report).

Example: analyse feedback and surveys and make recommendations

The following report was compiled using the data received from feedback forms completed by employees after they had attended a training workshop on managing change.

The Training Network

Training for your future

Evaluation of seminar

Introduction

In October, The Training Network conducted a seminar on 'Managing change'. The one-day seminar was held at the Globe Hotel in Perth, attended by 150 people. Participants came from a range of corporate businesses. Most people were supervisors, managers and executive officers.

At the end of the seminar, participants were asked to complete a feedback form. Of the 150 forms distributed, 93 forms were completed. The questions asked participants to comment on the standard of presentation, whether the seminar met their needs and what sessions they would like in the future. (See attached survey.)

Results

The seminar was very successful, with most of the comments being positive.

The majority of participants enjoyed the sessions. The most popular one was 'Handling stress'.

More than 75 per cent of participants reported that they would have liked more 'hands-on' activities. The 'Change agents' session was reported to be 'boring' and a 'waste of time'.

In addition:

- 20 per cent of participants complained about difficulties with parking.
- 25 per cent of participants said they would like more handouts.
- 35 per cent of participants said they would have liked better publicity about the seminar – many only found out about it at the last minute or didn't realise what it was actually about.

Recommendations

Management might look at:

- improving promotional brochures and handouts
- reviewing the speakers
- looking at different venues that have better parking facilities.

Practice task 19

1. Name two people who should be involved in the analysis of client surveys and feedback.

2. What is involved in an HR audit?

3. Provide two examples of recommendations for changes to HR service delivery as a result of client feedback received.

3E

Obtain approvals for variations to service delivery

Changes or improvements will often need to be made to HR service delivery arrangements and service agreements. Changes might result from client feedback, HR audits, or fact-finding exercises that identify opportunities for improvement.

HR service providers or internal consultants should not make changes to HR services or service delivery without first consulting the client or the appropriate internal manager. Where appropriate, the client's approval of the proposed variation should be secured. Failure to do this may result in changes that do not meet service level objectives and specifications, or the client's needs.



Variations in service delivery

A variation is required to effect a change to HR service delivery or other requirements contained in the service agreement. Variations must either be agreed to, in writing, by both the service provider and the client or be evidenced by the organisation continuing to provide services after a proposed variation has been secured.

Variations are usually for growth or for new HR services, but could also be due to changed funding arrangements or performance standards.

The variation and approval process is described below.

The variation process
The service provider and client discuss and negotiate the proposed variation, which may include changes to service delivery, or additional services.
Once the variation details are agreed to, the service provider reflects these changes in the service agreement.
Once the relevant manager or representative has approved the variation, the amended version of the service agreement is published and an email is sent to authorised signatories notifying them of the variation.
The signatories will be given a specific time frame in which to review the variation. The amended version of the service agreement then moves to contract status and will take effect, as long as the signatories have finalised their authorisation.
The variation becomes an addendum to the original service agreement and forms the revised basis on which the service agreement is carried out.

Example: obtain approvals for variations to service delivery

Simon is the HR manager at a government-funded community services organisation. He has been asked by the customer service manager, Lucy, to develop and deliver a workplace diversity program that focuses on creating a workplace environment where:

- fairness, equity, cooperation and contribution are valued, encouraged and supported
- all forms of discrimination, harassment and bullying are eliminated
- differences between employees are respected and seen as assets leading to innovation and benefits for both the employees and the organisation.

The program also aims to utilise the diversity of the existing workforce to improve the service the organisation provides to its users.

The service agreement is drawn up and agreed to, and Simon and his team of HR consultants implement the program. Three months in, the program has been a great success. Lucy arranges a meeting with Simon to propose a variation to the service agreement. Lucy wants to add an Indigenous employment strategy to the program with the aim of supporting the efforts of the Australian Government to maximise opportunities for Indigenous participation in public sector employment and skills development. Simon and Lucy work together to negotiate the service and delivery arrangements. They finalise the service schedule and name the strategy the 'Indigenous Pathways Program'. The managing director of the organisation is very impressed and approves of additional funding to deliver the service. Simon publishes the strategy as an addendum to the original service agreement and after both he and Lucy have signed it, and the amended service agreement moves to contract status and takes effect.



Practice task 20

1. What is a variation?

2. What might occur if variations are made to service delivery without consulting the client, or the employees affected by the change?

3F

Support organisational change

Organisational change is about reviewing and modifying management structures and business processes across an organisation. Organisational changes create HR development needs.

A key part of the change implementation process is working closely with senior management, operational managers, team leaders and employees. The HR strategies being introduced are likely to change the way that people work – requiring training or retraining for employees, potential restructuring of departments and teams, redesigning of jobs and re-writing of job descriptions.

As every change is different, responsibilities will vary depending on how the change activities are organised. When you have identified how the change will proceed and who is responsible for particular tasks, you will have a better understanding of how you will be working with other people to bring about the change.



Change management principles

Change processes across organisations are governed by a number of key guiding principles in accordance with legal and industrial obligations. These principles include planning, communication, consultation and respect, and can be used by HR managers to support organisational change. These are further described below.

Planning

Sound business planning provides employees with the information to understand, initiate and implement change. Changes to HR services must be planned in consultation with the people who participate in, or are affected by the change. Planning ensures employees engage with the change process.

Communication

Effective communication is critical for change initiatives to succeed. It helps to convey the broader change vision and updates employees about the associated issues. Employees affected by changes to HR services need to be kept up-to-date on developments, including if, and when, progress is delayed.

Since there is potential for people to receive information differently, repeating key information in a variety of ways over time can avoid confusion and misinformation. Timely and accurate information about HR service delivery will enhance the credibility of the people responsible for change implementation.

HR managers should seek communication methods that keep relevant stakeholders informed of progress.

Consultation

Organisations that value employee feedback will consult with relevant employees affected by HR service change proposals and change implementation processes. Providing opportunities for employees to discuss and provide feedback enables them to understand the issues, become more involved in the change process, and contribute to and influence decision-making. It also encourages employees to take a degree of change ownership and help them work towards the desired change goals.

Respect

Each employee will approach change in their own individual way. There are many variables that will affect how each person views the change process. Employees who feel valued, respected and supported will be more willing to make the necessary adjustments throughout the change process.

Employees should be given time to reflect on their own personal and career goals and seek development opportunities throughout the change process.

Implementation and change

When implementing changes to HR service arrangements and delivery, the fundamental concepts that apply to any change project should be adhered to.

Some change management concepts include:

- ensuring that buy-in, commitment and support for HR services and strategies exists
- allocating the resources needed to implement the HR services and strategies
- clarifying the roles and responsibilities of all employees involved in the process
- establishing agreed time frames for strategy implementation
- incorporating identified performance measures that will be used to measure the effectiveness of HR services and strategies
- communicating the HR plan, including the reasons for the HR plan, how the planned strategies will work and how they will affect employees.

Change management resources

With all new strategies and services comes change. Change must be communicated to employees so they know what to expect and how the change will affect their current team and their immediate roles. There are a variety of reliable change management resources available on the internet to help manage changes in services, some of which are shown here.

Here are some websites that you can access to help manage change:

- Australian Public Service Commission, Change Management resources page, www.apsc.gov.au/projects/resources/human-capital-matters/2014/change-management
- Kotter International, Change management blogs, articles videos and newsletters, www.kotterinternational.com/insights/videos/

- Queensland Government, 'Change Management Best Practices Guide: Five (5) key factors common to success in managing organisational change', www.psc.qld.gov.au/publications/subject-specific-publications/assets/change-management-best-practice-guide.pdf
- Queensland Government Chief Information Office, "Change Management Plan Workbook and Template", www.nrm.wa.gov.au/media/10528/change_management_plan_workbook_and_template.pdf
- Tasmanian Archive and Heritage Office, "Information Management Advice 55 Change Management: Preparing for change", www.linc.tas.gov.au/___data/assets/pdf_file/0004/408352/Advice-55-Change-Management-Preparing-for-Change.pdf
- University of South Australia, Managing change toolkit, <http://w3.unisa.edu.au/hrm/resources/managing.asp>

Implementation planning

Implementation planning should be a key part of supporting organisational change. Focusing on how implementation will be achieved allows for challenges and obstacles to be identified early on, which in turn allows for contingency plans to be discussed.

Several options exist for implementation of change processes, such as a roll out of all new HR strategies on a specific date, the gradual release of strategies across a period of time, or a pilot program where strategies are trialled with a specific department before full implementation across the organisation.

Before a decision is made on the most suitable option, a cost-benefit analysis of each option should be carried out. This will provide the cost of each option and the likely benefit, including the time it will take to achieve the benefit.



The Australian Department of Prime Minister and Cabinet has produced a comprehensive guide for implementing change initiatives and programs at: www.dpmc.gov.au/pmc/implementation-planning/implementation-planning.

Develop the implementation plan

The implementation plan that has been developed for managing organisational change should ensure that the changes are delivered within agreed organisational time lines, budget and the originally identified expectations. When developing your implementation plan, it is important to be aware of the expectations of the organisation's executive team. It is also essential that management looks for potential barriers to the plan's implementation. Early identification of challenges and issues will give the organisation time to consider alternative actions.

The implementation plan that has been prepared should be flexible and adaptable and should clearly articulate the link between the organisation's strategic plan and the proposed changes; it should also outline the risks that have been identified and any contingency plans that have been developed as a precaution – see the following information.

Plan development process

- Determine implementation activities and tasks.
- Identify, analyse and estimate resources to implement the strategies and services at the HR operational level.
- Develop the communication strategy and stakeholder engagement strategy.
- Develop risk control measures and contingency strategies.
- Allocate responsibilities.
- Prepare the schedule.
- Develop performance indicators for monitoring and assessment.
- Develop monitoring and evaluation strategies.
- Prepare final plan for approval of senior management.

Plan elements

- Explanation of the reasons for the new HR services
- The implementation activities
- Time lines or schedule for activities and activity responsibilities
- Resources required for the change, including costs (and budget if necessary)
- Communication activities
- Risk factors and how existing and potential barriers will be identified, monitored and managed
- How the change in HR strategies will be monitored and evaluated

Develop the budget

All human resource budgets will require the input of a range of data sources, which may include the following.

- Projected labour figures for period of the budget (quarterly, half yearly, yearly) – needed to project employee wages/salaries
- Benefits cost increases or projections – needed to estimate the cost of benefits across the organisation
- Projected turnover rate – needed to project the cost of payouts on leave and termination pay, costs of recruiting and training new staff to replace staff that leave
- Actual costs incurred in the current year – needed to understand the total cost of HR and where finances have been spent; useful guide to determine what level of finance will be needed by HR in the following year
- New benefits/programs planned – needed to estimate the cost of the programs so that they can be added to total finance estimate
- Changes to policy, strategy, laws or business regulations that could have an impact on expenses – needed to understand costs and how much money needs to be set aside for contingencies

Assign key responsibilities

All roles for implementing organisational change must be clearly described, explained and agreed to. This can be achieved by creating a matrix that defines roles, expectations and levels of accountability. The following is an example of a responsibility matrix that outlines key roles and responsibilities in a development plan. This matrix allows you to clearly identify and communicate who is responsible for what part of the change implementation process:

- A: defines a responsibility for approving (they have ultimate accountability)
- R: defines a responsibility for reviewing material that will be distributed, which may include reports, documents, workbooks or key information
- C: defines a responsibility for creating or developing. This should only be the person who is ultimately responsible, not people in the team who might participate in or contribute to this
- I: defines key people who provide input

Role	Core activities				
	Implementation plan development	Budget	Communication and engagement	Implementation	Evaluation
HR director	A, I	A	A	A	A
HR manager	R, C	R, C	R, C	R, C	R, C
HR team leader 1	C	C	A, C	R	C
HR team leader 2	C	C	C	C	C
Leaders/Area managers	I	I	I, C	I	I, C

Develop the schedule

The schedule should include the activities required to implement the changed services and strategies, with assignment of each activity to HR team members. Start and completion dates for each activity and the required resources should also be identified.

The HR team should identify a number of milestones, or achievement dates, throughout the implementation process. A milestone might be the approved design for the restructure of the marketing team. These milestones need to be monitored to ensure activities and tasks are tracking according to identified organisational time frames. The schedule is often presented in the form of a table, but some managers may develop a Gantt chart. The bar shows activity start, duration and completion, so long as the project manager regularly updates the chart.



Plan for review and monitoring

It is essential that the implementation plan identifies a regular time frame for reporting on progress, both of the implementation of change processes and of the HR strategies themselves. The progress report will allow the team to evaluate how things are going and make adjustments to both the change implementation and/or the HR strategies as required.

Monitoring and review ensures that:

- processes are in line with the overall scope of the implementation
- activities are realistic and occur on a regular basis
- risks are identified and managed
- the HR team has access to reliable and accurate data to evaluate the plan against objectives.

Implement change with support from others

Communication is a key part of implementing any workplace change. The more complex the change, the more important it is to make sure the reasons for the change, the expected benefits, and the likely impact of the change are clearly articulated to all concerned.

Effective communication means that the manager, employees and other key stakeholders understand why it is important for the organisation to support change and identify how new HR strategies will support the organisation's overall performance in the future.

The need for effective communication is highlighted in the implementation planning guidelines developed by the Australian National Audit Office. Review the publication 'Successful Implementation of Policy Initiatives' at: www.anao.gov.au/html/Files/BPG%20HTML/2014%202015/ANAO_Policy_Initiatives_HTML/index.html. Go to the section 'Part 2 Building Blocks for Successful Implementation' for one perspective on implementation planning and the steps that senior managers and the implementation team need to follow.

Engage stakeholders

The organisation and the HR department will have several key stakeholders with a vested interest in the implementation of change processes. Senior management, the board and those concerned with the organisation's finances will be interested in the costs of the implementation and delivery of the HR strategies; they will also be very interested in the benefits to be derived. Line managers and employees may be interested in how the plan will affect the way they work: managers may be concerned with how the changes will affect their teams and the way they manage their people, while employees and unions may be particularly interested in and concerned with the way the changes will affect employability, including potential job losses. Shareholders, strategic partners and creditors are likely to be principally concerned with the return on investment; that is, when benefits will be realised.

As each of these stakeholders is likely to have a slightly different focus on the change and its implementation, they may also need different information regarding progress.

Effective engagement should include:

- identifying the relevant stakeholders
- communication tailored to meet the needs of each stakeholder
- guiding expectations
- seeking and acting on feedback
- understanding stakeholder roles, interests and their importance to the change program.

Example: support organisational change

Change implementation plans may vary from organisation to organisation, and in developing one for yours, be guided by your organisation's change and project management policy and procedures. Some examples can be seen at the websites shown here.

Examples of implementation guides and plans:

- NSW Education and Communities, Implementation Guide Strategic Human Resources Plan 2012–17, www.det.nsw.edu.au/media/downloads/about-us/how-we-operate/strategies-and-plans/corporate-plans/strategic-hr-plan-ig.pdf
- UK's National Health Service, HR Strategy Implementation Plan, www.nhs24.com/aboutus/nhs24board/agendasandpapers/2004/september/~//media/nhs24/agendas%20and%20papers/2004/september/20040929%20item%2023%20hr%20strategy%20app%202%20imp%20plan.ashx
- Australian Public Service, 'Implementation and monitoring, evaluation, review and adjustment', www.apsc.gov.au/publications-and-media/current-publications/workforce-planning-guide/implementation



Practice task 21

Explain how you will involve others in the implementation of HR change processes at your organisation or one you are familiar with. Who will you involve and why?

Summary

1. An essential component of the HR service delivery is to evaluate the quality and effectiveness of the strategies and services that have been implemented to see whether HR and organisational objectives are being achieved.
2. Human resource information systems (HRIS) are computerised systems used to gather, store, analyse and retrieve data, in order to provide timely and accurate reports on the management of people and HR service delivery.
3. Quality assurance in HR service delivery involves the encouragement of ongoing feedback from clients. The information obtained enables the service provider to adjust and modify its HR service delivery to best meet the needs of its clients.
4. Ongoing client satisfaction measurement allows a service provider to understand the issues, or key drivers, that cause satisfaction or dissatisfaction with an HR service experience.
5. An HR audit involves a systematic analysis and evaluation of HR services and provides feedback to management and HR consultants of the value of the HR function to the organisation's strategic objectives.
6. A variation is required to effect a change to HR service delivery or other requirements contained in the service agreement.
7. Change must be communicated to employees so they know what to expect and how the change will affect their current team and their immediate roles.

Learning checkpoint 3

Evaluate human resource service delivery

This learning checkpoint allows you to review your skills and knowledge in evaluating human resource service delivery.

Part A

1. Provide two advantages of using a human resource information system (HRIS) to gather and store information relating to HR services.

2. Provide two tips for using feedback forms to determine clients' level of satisfaction with HR services.

3. Describe how client feedback should be stored.

4. Describe one approach for conducting an HR audit.

5. Briefly describe a process to make a variation to HR service agreements.

6. Describe how changes to HR services and strategies can be implemented with support from others.

Part B

Read the case study, then answer the questions that follow.

Case study

Beth is senior member of the HR team at an accounting firm. According to an ongoing services agreement between the HR department and the organisation, Beth is responsible for managing the ongoing training and support services to all employees across the organisation. Beth uses an HR information system to gather, store, analyse and retrieve data relating to HR service delivery and performance management. Every month, a random sample of employees from across the organisation is emailed a link to an employee satisfaction survey. When the employee clicks on the link and completes the survey, Beth receives a notification via the human resource information system (HRIS) and can immediately view the data.

Recently, Beth opened an employee satisfaction survey where an employee rated the provision of ongoing training services very low on the numerical scale. The employee also wrote comments that described the refresher work health and safety training course as ineffective, and the learning materials as outdated. The employee wished to remain anonymous.

1. What system does Beth use to gather and store information needed to provide HR services?

2. How does Beth ensure she captures ongoing employee feedback?

3. Describe a benefit of Beth regularly analysing employee satisfaction feedback.

4. Explain how Beth could use employee feedback to modify the delivery of HR training services.

Topic 4

Integrate business ethics into human resource practices

Business ethics are the principles, values and behaviours that direct an organisation's activities and decisions. Ethical behaviour in the workplace may require higher standards than that established by law.

The ethical framework an organisation uses to conduct business can affect its reputation, productivity and outcomes. Human resource (HR) managers frequently deal with complex, ambiguous and conflicting issues involving questions of morality and standards of behaviour.

All HR professionals should commit to a high standard of professional responsibility. As an HR manager, you must contribute to your organisation with ethical integrity, comply with the law, make ethical decisions, and positively advocate for employees. You must integrate business ethics into HR practices to promote an ethical culture among workers in your organisation.

In this topic you will learn how to:

- 4A Ensure that personal behaviour is ethical and reflects organisational values
- 4B Ensure the organisational code of conduct is observed and incorporated in human resource policies and practices
- 4C Maintain confidentiality of human resource information
- 4D Deal promptly with unethical behaviour
- 4E Ensure human resource staff understand ethical behaviour obligations

4A

Ensure that personal behaviour is ethical and reflects organisational values

HR professionals are ethical role models in the workplace. They must be familiar with right and wrong decision-making and know how to be good leaders. When HR professionals make poor ethical decisions it can have a significant impact on the entire organisation. The decisions you make as an HR manager could affect people's jobs and their future employment opportunities.

You must consider and uphold the respective rights and responsibilities of all members of your organisation, and ensure that your personal behaviour is ethical and reflects organisational values.



Ethics

Ethics is a system of moral principles affecting how people make decisions and lead their lives. Ethics are based on ideas about moral duty and obligation, as well as what is good and bad, right and wrong.

All individuals have an ethical framework within which they function. These are influenced by a variety of factors, beliefs, values, culture and standards of behaviour.

Ethics cover the following dilemmas:

- How to live a good life
- Our rights and responsibilities
- The language of right and wrong
- Moral decisions about what is good and bad

Ethics and HR management

HR management is a business function concerned with managing relationships between people working for the organisation. This includes identifying the respective responsibilities and rights of individuals in their work relationships and determining what constitutes fair treatment.



Paying attention to business ethics is a critical part of the HR manager's role. The HR function deals with a variety of ethical challenges because it deals directly with people. It is critical for HR managers to understand the importance of ethics. HR managers should not assume that their standards will be shared by others, or will be seen as right.

HR managers should regularly attend training to update their legal knowledge, expand their understanding of best practice guidelines applicable to their workplace, and learn how to improve their practices.

Organisational values

An organisation's ethics should reflect organisational values. Every organisation will have a set of values that indicate the type of conduct required by employees when carrying out the operations of the business and responding to ethical issues. Commonly held values can help an organisation to define its culture and beliefs.

HR services and activities should be shaped by core organisational values. These values might be related directly to concepts such as diversity, equal opportunity, mobility, communication, consultation, collaboration and skills development. Many organisations choose to represent their core values in succinct statements or by using action words, while others represent their values as a grid of core actions that employees are expected to adopt.

Even if an organisation does not explicitly spell out its values to guide the actions of its employees, unstated values still play an important role in determining how the organisation confronts ethical issues.

Organisational values are contained in the following documents.

Values statement

A values statement lists the principles that form the ethical foundation for the organisation. These principles then guide the behaviour of employees by describing what is right and wrong. Employees perform their roles and responsibilities in certain ways, using the values as a guide.

Mission statement

A mission statement is a formal summary of an organisation's aims, values and purpose. The mission statement describes to customers what they should expect when dealing with the organisation and helps guide the decisions made by its employees.

Guiding principles

Guiding principles establish an organisation's fundamental norms, rules or ethics that represent what is desirable and affirmative for a particular profession. It helps employees to determine right and wrong behaviours. Principles are more explicit than values and govern action in the workplace.

Code of ethics

A code of ethics is the set of behavioural rules employees should follow to ensure the organisation's values are reflected in all business dealings. Codes of ethics raise ethical expectations, validate ethical positions, motivate ethical decision-making, and prevent misconduct while providing for enforcement.

Role statements

Role and responsibility statements contain information about the professional responsibility of employees to adhere to the organisation's legal and moral requirements, and to report any violations of the organisation's code of ethics.

Ethical behaviours

HR professionals must commit to high standards of professional responsibility and be familiar with the legal and ethical requirements of the organisation they work for.

Examples of ethical behaviour and values expected by employees responsible for delivering HR services and carrying out HR activities are described below.

Ethical behaviours

- Advancing the HR profession by promoting the importance of HR in the workplace, the business, and broader community
- Leading others by modelling competent and ethical behaviour, and fostering an ethical work environment
- Displaying honesty through objective and truthful communication, actions and representations that do not mislead others
- Acting with integrity and trustworthiness and not allowing self-interest to undermine objectivity, accuracy, behaviour or independence
- Acting lawfully at all times and discouraging unlawful conduct by the employer, employees or clients
- Respecting the privacy of employees' personal information and not disclosing any confidential information without the consent of the person concerned
- Fostering equal opportunity and non-discrimination and maintaining fair, reasonable and equitable standards of treatment for individuals by others
- Maintaining the highest standards possible in the advice, information and guidance provided to employees, employers and clients
- Maintaining and enhancing professional knowledge, skills and competence through continuous professional development
- As far as possible, seeking to constructively engage with potential employees in the Australian workforce, including those from diverse backgrounds

Source: Australian Human Resources Institute, Code of ethics and professional conduct, at: www.ahri.com.au/___data/assets/file/0013/4414/by-inlaw1_codeof-ethics_professionalconduct.pdf

Model ethical behaviours

As an HR manager, you represent your organisation's values and standards. You are a role model and your behaviour is constantly being scrutinised by the HR team. Team members will look to you for guidance, support and training, and may adopt some of your habits. It is essential that your personal behaviour is consistently ethical and reflects the values of the organisation.

The popular catchphrase ‘walk the walk, don’t just talk the talk’ sprang from management circles several years ago and means lead by example. If you want an involved team, get involved. If you want team members to trust each other, trust them. If you want your team to demonstrate ethical behaviour in the workplace, you must model personal behaviour that demonstrates this.

Example: ensure that personal behaviour is ethical and reflects organisational values

The following is a values statement for a manufacturing company.

The company will provide a strategic approach to the management of its people by:

- providing a strategic focus for the management of the workforce
- ensuring transparent human resource policies and practices
- behaving with honesty and fairness in the management of our people
- ensuring all employees are provided with training, development and resources to perform at the best of their ability
- promoting leadership and supporting managers to manage their teams
- creating a safe, supportive, diverse and equitable work environment for employees
- maximising the organisation’s return on its investment into our greatest asset – our people.

Practice task 22

1. List and describe two documents containing organisational values.

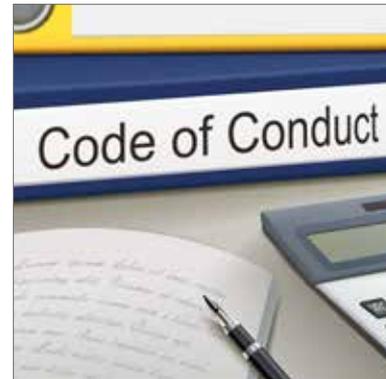
2. List and describe two ethical behaviours expected of HR professionals.

3. Why is it important for HR managers to model ethical behaviour in the workplace?

4B Ensure the organisational code of conduct is observed and incorporated in human resource policies and practices

A code of conduct states an organisation's rules, values, ethical principles and vision. It provides employees with clear standards and behavioural expectations to perform effectively and responsibly in their roles. It is essential that employees understand and agree to their organisation's code of conduct, as their compliance with the code enhances the organisation's reputation.

Your organisation's code of conduct must be observed whenever employees are working for or representing the business. As an HR manager, you must ensure that the expectations outlined in the code of conduct are incorporated into HR policies and practices.



Code of conduct

All organisations will have certain expectations of how its employees should behave. Developing and implementing a written code of conduct is essential for providing clear instructions on what employees can and cannot do in carrying their professional responsibilities.

A code of conduct will usually contain two sections: an aspirational section that sets out the ethical principles by which the organisation hopes to operate; and a list of rules or principles that employees are expected to follow.

Different sections of an organisation's code of conduct can be customised to match business requirements. The benefits of having a documented code of conduct are listed below.

Organisational benefits of a codes of conduct

- Defines ethical behaviour
- Provides guidance on ethical issues
- Encourages ethical decision-making
- Establishes an ethical organisational culture
- Prevents misconduct and discrimination
- Supports organisational values, mission and guiding principles
- Provides mechanisms for reporting unethical behaviour

Develop a code of conduct

A code of conduct should set out an organisation's expectations and guiding principles for appropriate workplace behaviour. A code of conduct should be designed with consideration for your organisation's values, the clients or customers you service, and the products or services you provide. The development of the code should be driven by your organisation's reputation and work environment, and be based on the actions and behaviours of employees.

Make sure guidelines for acceptable behaviour are included in the code and emphasise the use of good judgment and ethical decision-making. The code should demand compliance with all relevant legislative requirements, and describe actions or behaviours that are prohibited or restricted in the workplace.

A well-written code of conduct will contain the following elements.

Title

The code of conduct should have a title that makes it easily recognisable and accessible.

Leadership letter

A leadership letter explains the commitment of the organisation's senior management team to apply and implement the code in the workplace, and create an ethical organisational culture.

The letter should outline the legal and ethical context in which the organisation operates and identify any issues the organisation may face. The letter should identify the code's purpose and explain to employees how it should be used in carrying out their professional responsibilities.

Table of contents

Codes of conduct can contain a number of core values, behaviours and provisions, making the document considerably lengthy. Including a table of contents makes the code more accessible and readable for users.

Introduction

The introduction will outline the code's purpose, scope, enforceability and performance measures. It should state who the code applies to.

Core values

This section includes the core values of the organisation, what they mean, and how they should be demonstrated by employees in the workplace. The values that an organisation holds will generally determine its workplace culture.

For example, an organisation's core values might include accountability. In working toward this goal, the organisation might stipulate that employees:

- act with honesty and integrity and in accordance with any professional standards and legislation
- comply with any training or orientation provided in connection with those responsibilities
- adhere to the policies and procedures of the organisation
- take responsibility for own actions and decisions
- follow reporting lines to facilitate the effective resolution of issues.

Core provisions

This section identifies the core issues and topics covered by the code and the applicable legislative requirements. It also describes how the core values must be applied and practised in the workplace.

Examples may include the following:

- To ensure a safe physical and psychological environment for workers
- To maintain a high standard of ethical and transparent conduct
- To behave professionally at all times, and exercise good judgment at work functions
- To use resources and assets in a proper manner
- To not allow the pursuit of private interests to interfere with the proper discharge of official duties

Information and resources

This section provides employees with details of other information and resources that can be used or read in conjunction with the code of conduct. It also outlines how employees should seek advice on applying the code, and who to contact should they have any queries or concerns.

Acceptance

The code of conduct should include a space at the end for employees to sign and acknowledge that they have read and understood it.

Consult with others

Codes of conduct should be developed using a consultative process. If a code is to have real meaning in the workplace, it cannot merely be a set of rules imposed by senior management. It should be collaboratively developed by organisational staff to ensure it meets their specific needs and promotes an ethical workplace culture.

Allowing employee input into the development of the code enables all staff to comment on the workplace challenges and ethical issues to be included. You should seek input from employee representatives of various classifications, work levels and work areas in the organisation.



Review the code of conduct

As an HR manager you may be responsible for keeping your organisation's code of conduct up to date. You should review the code regularly and make any amendments according to legislative, regulatory or industry-standard requirements. Make sure all employees can access the most up-to-date version of your organisation's code of conduct and provide any additional training if required.

Two aspects you need to review are shown here.

Review the code

- Review each section of your code of conduct to ensure it still represents the values and principles of your organisation. Review current standards and guidelines and consider any new workplace policies or procedures recently introduced.
- Consider any additional areas that could be added to the code, especially if your organisation has undergone a restructure or growth period, or has changed its products or services.

Review employee understanding

- Review understanding of your code of conduct by requiring employees to complete a survey, questionnaire or quiz. Focus questions on any new sections or areas of the code you think employees may not understand or interpret correctly.
- Use employee feedback or quiz results to identify any areas that employees require further training in. Identify areas of the code that are unclear or unambiguous and need to be reviewed.

Communicate the code of conduct

The code of conduct should be communicated to all employees to ensure it is accurately read, understood and applied. If employees do not adhere to the code, remedial action should be taken. This could include counselling, mentoring, coaching, additional training or the implementation of performance management strategies.

Strategies to communicate the code of conduct are shown here.

Induction training

- Provides the opportunity for employers and new employees to review and understand ethical expectations and requirements.

Performance appraisals

- HR or line managers work through the code of conduct with employees, and monitor their compliance with it.

Online training

- Codes of conduct are delivered online in a format that allows employees to work through and understand each section at their own pace.

Intranet

The code of conduct document is accessible to all members of the organisation via an intranet.

Manuals

Printed versions of the code of conduct are included in policies and procedures manuals, HR manuals or employee handbooks.

Noticeboards

A summary version of the full code of conduct is placed on a noticeboard visible to all staff to remind them of behavioural expectations in the workplace.

Incorporate code of conduct into HR policies and practices

As an HR manager, it is your responsibility to ensure that expectations listed in the code of conduct are incorporated into HR policies, procedures, protocols and practices. These documents must be written in plain English and constructed in a way that ensures all employees interpret and apply them correctly.

The core values and provisions contained in an organisation's code of conduct should be incorporated into HR policies and practices to guide the legal and ethical delivery of HR services.

HR policies may include, but are not limited to, the following:

- Recruitment and selection
- Learning and development
- Anti-discrimination and harassment
- Equity and access
- Performance management
- Absences and leave
- Work health and safety
- Induction and orientation
- Flexible working arrangements
- Compensation and benefits
- Equal employment opportunity
- Career planning
- Termination and redundancies
- Job descriptions

Example: integrate core values into a code of conduct

The following example illustrates how core values could be included in a code of conduct.

Practice task 23

1. What is a code of conduct?

2. Why should a code of conduct be developed in consultation with others?

continued ...

... continued

3. Provide two strategies for communicating the code of conduct to employees.

4. Name two HR policies that should incorporate expectations set out in the code of conduct.

4C

Maintain confidentiality of human resource information

Maintaining confidentiality is part of respecting a person's privacy and individual rights. In practice, confidentiality means not discussing an individual's personal information unless they have given their consent for this to happen. There are exceptional circumstances that enable the disclosure of private information, but this is generally only for the purposes of responding to legal action.

HR managers must observe confidentiality requirements when dealing with all HR information.

You can read more about privacy, confidentiality and disclosure at the following site: www.aacqa.gov.au/for-the-public/privacy-and-confidentiality

Collection, use and storage of information

There are 13 Australian Privacy Principles (APPs) applying to the collection, use and storage of people's information which organisations and Australian Government (and Norfolk Island Government) agencies are obliged to follow.

Here is further information about how to handle personal information.

Collection, use and storage of personal information**1****Open and transparent management of personal information**

Ensures that organisations manage personal information in an open and transparent way.

2**Anonymity and pseudonymity**

Requires organisations to give individuals the option of not identifying themselves, or of using a pseudonym. Some exceptions apply.

3**Collection of solicited personal information**

Outlines when an organisation can collect personal information that is solicited. It applies higher standards to the collection of 'sensitive' information.

4**Dealing with unsolicited personal information**

Outlines how organisations must deal with unsolicited personal information.

5**Notification of the collection of personal information**

Outlines when and in what circumstances an organisation that collects personal information must notify an individual of certain matters.

6**Use or disclosure of personal information**

Outlines the circumstances in which an organisation may use or disclose personal information that it holds.

7**Direct marketing**

An organisation may only use or disclose personal information for direct marketing purposes if certain conditions are met.

8**Cross-border disclosure of personal information**

Outlines the steps an organisation must take to protect personal information before it is disclosed overseas.

9**Adoption, use or disclosure of government-related identifiers**

Outlines the limited circumstances when an organisation may adopt a government-related identifier of an individual as its own identifier, or use or disclose a government-related identifier of an individual.

10**Quality of personal information**

An organisation must take reasonable steps to ensure the personal information it collects is accurate, up to date and complete.

11**Security of personal information**

An organisation must take reasonable steps to protect personal information it holds from misuse, interference and loss, and from unauthorised access, modification or disclosure. An entity has obligations to destroy or de-identify personal information in certain circumstances.

12**Access to personal information**

Outlines an organisation's obligations when an individual requests to be given access to personal information held about them by the organisation.

13**Correction of personal information**

Outlines an organisation's obligations in relation to correcting the personal information it holds about individuals.

Responsibilities of HR professionals

HR personnel must protect the confidentiality of information acquired in the course of their work. HR professionals must collect, store and use personal information about employees in a confidential manner, as described below.

Collection of personal information

The HR department should collect personal and sensitive information only where it is necessary for the purpose of performing HR functions or any related activities. This information should be obtained directly from the employee, with their consent, regardless of whether the provision of the information is compulsory.

Any personal or sensitive information collected must be accurate, relevant, up-to-date, complete and not misleading. HR personnel must take all reasonable steps to protect personnel records from misuse, loss, unauthorised access, modification or disclosure. Employees have the right to access their personal information at any time, or correct information where applicable.

Storage of personal information

Any information that identifies an employee should be available only to HR personnel with the appropriate authorisation, on a restricted access basis. Only HR personnel who require the information in order to deliver an HR service will have permission to access personnel files. HR managers are usually responsible for all personnel files.

According to Records Management Guidelines, one single personnel file must be generated and maintained for the expected life of the person. The files should be maintained for 75 years after the date of birth or seven years after separation from an employer.

Disclosure

HR personnel must not disclose personal or sensitive information unnecessarily. The protection of confidentiality includes making sure personnel files and work areas are organised so that information is not inadvertently disclosed.

HR personnel must only access information required for legitimate work purposes. If an HR professional inappropriately reads, accesses or discusses confidential employee information, they may be breaching the privacy, and personal integrity, of the employee, as well as their obligations under the organisation's code of conduct. The HR manager must notify any employee affected by a breach of confidentiality and disclosure and ensure their personal information is securely and safely stored moving forward. The HR manager may also need to restrict the access of HR personnel to employee information.

Guidelines for good practice

The following guidelines are practical, everyday work practices that HR professionals should observe to ensure confidentiality in the workplace.

Guidelines for good practice in protecting the privacy of employees:

- HR personnel should familiarise themselves with the APPs.
- Workstation screensavers should be set for activation after a couple of minutes.
- Computers should be shut down when an HR professional leaves their desk for the day.

- Filing cabinets or drawers containing confidential information should be locked when not in use.
- Confidential storerooms should be locked at all times when not in use.
- HR personnel should maintain awareness when having confidential conversations or meetings.
- HR personnel should not discuss confidential matters in social environments.
- Confidential employee information that must be retained should be archived safely and securely.
- Confidentiality guidelines should be made available to all new HR employees via the induction process or networking meetings.

Personnel records and personal information

A personnel file or record contains any employment-related or personal information gathered by an employer. HR professionals must observe confidentiality requirements in dealing with personnel records and information.

Examples of personnel records and personal information are listed below.

Personnel records

Personnel records include:

- job applications
- selection interview questions and answers
- employment contract or enterprise agreements
- details of salary, compensation and/or benefits
- training records
- leave records
- performance evaluations
- disciplinary actions.

Personal information

Personal information includes:

- personal contact information, such as home address and phone number
- details of next of kin
- tax file number
- superannuation fund details
- medical history
- personal financial data
- marital status
- dependants.

Example: maintain confidentiality of human resource information

Eve is the HR manager at a health insurance fund. One morning, Eve receives an internal office call from the customer service manager, Amanda. Amanda explains to Eve that one of her customer service team members, Paul, has fainted at his desk. Amanda is a qualified first-aid officer and, after carrying out the correct emergency response procedures, Paul has regained consciousness and is lying down in the tea room. Amanda explains to Eve that Paul has asked her not to phone an ambulance. He has asked Amanda to let his wife know he is unwell and to come and collect him from work. Amanda asks Eve if she could provide her with Paul's wife's phone number.

Eve knows that she must not disclose personal or sensitive information about employees unnecessarily; however, this is a medical emergency. Even so, it would not be appropriate for Eve to share any personal information about Paul with Amanda, because Amanda does not have authorisation. Instead, Eve tells Amanda that she will phone Paul's wife herself. Eve is one of only three people within the organisation with authorised access to personnel records. Eve logs on to the organisation's HR information system and retrieves Paul's emergency contact details. The contact information of Paul's wife, Karen, is listed in his file. Eve phones Karen to tell her about Paul's situation and asks her to come and collect him.



Practice task 24

1. Describe the responsibilities of HR professionals relating to the disclosure of employee information.

2. Describe the responsibilities of HR professionals relating to the storage of employee information.

3. Provide two examples of personnel records.

4D

Deal promptly with unethical behaviour

Unethical practices and behaviours can be detrimental to an organisation's reputation. All organisations must have policies and procedures in place to manage and report on misconduct and unethical behaviour in the workplace. Employees who breach ethical behavioural standards, or engage in misconduct, must face the organisation's disciplinary actions to remedy the breach. Disciplinary actions will usually be contained in the organisation's code of conduct.

HR and/or line managers should promptly deal with any unethical behaviour displayed by employees in carrying out their professional responsibilities.



Misconduct and unethical behaviour

Professional misconduct includes any behaviour that is illegal or outside the bounds of what is considered acceptable by the applicable governing body of a profession. Unethical behaviour includes any action or activities that fall outside what is considered morally right or proper for a person, a profession or an industry.

Examples of misconduct and/or unethical behaviour include the actions listed below.

Actions that could constitute misconduct or unethical behaviour include:

- discrimination, vilification or harassment
- unauthorised disclosure of confidential information
- undeclared conflict of interest
- theft
- inappropriate workplace use of computer or internet
- accepting gifts or money from clients
- taking the credit for another person's work
- assault or threats of violence
- misuse of organisational assets, resources or equipment
- fraudulent behaviour
- falsifying employee records
- endangering the health and safety of others
- being intoxicated at work
- plagiarism.

Deal with unethical behaviour

While the conduct may not be considered illegal, unethical behaviour in the workplace can have serious consequences if unaddressed. It can create a toxic work environment in which employees and business ultimately suffer. Your organisation will have a specific process for dealing with, and reporting, instances of misconduct or unethical behaviour in the workplace.

As an HR manager, you should make employees aware of these procedures, as well as of the protections afforded to them should they report a person engaging in unlawful or unethical behaviour.

You must ensure that prompt and fair action is taken to prevent and effectively deal with unethical behaviour. If certain behaviours are left unaddressed, they could risk the health, safety and wellbeing of other employees.

A process for dealing with misconduct and unethical behaviour is described below.

Dealing with misconduct and unethical behaviour

1

Initial inquiry

- Allegations of misconduct or unethical behaviour will be considered in the first instance by the employee's supervisor.
- Where there is a perceived conflict of interest on the part of the supervisor, they may refer the matter to their own supervisor.
- If it is determined that the allegation does not meet the required standard of proof, no further action will be taken.
- If it is determined that an allegation of misconduct or unethical behaviour is sufficient to warrant an investigation, the supervisor will then consult their own supervisor and the HR manager to initiate the investigation process.
- If the HR manager considers the matter to be of a sufficiently serious nature to warrant termination, the employee may be summarily dismissed.

2

Investigation

- Allegations of sufficient substance will be formally investigated.
- The investigation process must be carried out as soon as possible after the alleged misconduct or unethical behaviour is discovered.
- All available relevant facts and circumstances must be ascertained to determine the most appropriate action to be taken.
- The investigation process may include interviewing relevant people and witnesses, and/or gathering and assessing relevant documents or evidence.

3

Non-attendance at work during investigation

- Depending on the nature of the allegation, the HR manager may determine that it is inappropriate for the employee to attend work while an investigation is being carried out.

4

Proceed to interview

- It is a requirement of the investigation process that allegations are specifically put to the employee and adequate opportunity is provided for the employee to respond.
- The employee should be offered an opportunity to be interviewed.
- The allegations should be outlined in writing and a formal interview conducted.
- The employee must receive advance notice of an interview, including the details, and may be accompanied by a representative.

5**Opportunity for response**

- The employee will be given at least three working days in which to respond in writing to any allegations put to them.
- Where two or more employees are alleged to be involved in the same misconduct or unethical behaviour, each employee should be given the opportunity to state their own case, and be interviewed separately.

6**Report of allegations and opportunity for written response**

- At the completion of the investigation, a written report will be produced by the HR manager outlining the allegations, investigation process, findings as to misconduct or unethical behaviour, any written response received from the employee, and a suggested course of action.
- The employee will be provided with a copy of the report and invited to submit a written response to the HR manager within a specified time frame.
- The HR manager will consider the report, the employee's response, and any other relevant details to determine whether or not to take disciplinary action.

7**Disciplinary action**

- If the HR manager determines that disciplinary action is warranted, the employee will be advised of the decision in writing and a copy placed on the relevant file.
- If the employee is to receive a written warning, the warning must outline the elements of the misconduct or unethical behaviour.
- If the HR manager decides to terminate employment, the employee will be given a final opportunity to respond.

8**Records**

- Relevant records must be kept of all meetings, discussions, evidence, responses, emails, and any other considerations relevant to the alleged misconduct or unethical behaviour.
- The employee will be asked to sign the notes of all interviews as a true and accurate record.

Example: deal with unethical behaviour promptly

Joseph is the HR manager at a busy function centre in Sydney. He is responsible for managing a large number of permanent and contract staff working together to host private and corporate events at the function centre. The organisation's clients include well-known businesses and high-net-worth individuals who spend a significant amount of money putting on events for their clients and friends. A private party is held on a Saturday evening and more than 20 hospitality staff are rostered on to serve food and beverages at the event. The party is a success and the client provides very positive feedback to senior management. However, on Monday morning Joseph receives a report from an employee that one of the bar staff, Gary, was consuming shots of vodka during the party on Saturday night. It is a strict condition of employment that no employees are permitted to drink alcohol on the premises at any time.

Because the behaviour is sufficient enough to warrant a breach of employment contract, Joseph investigates the matter. Joseph begins following the organisation's formal process for dealing with misconduct and unethical behaviour. He proceeds to make arrangements to interview Gary. He explains the nature of the allegations to Gary in an email and schedules the interview to occur in two business days. Gary attends the meeting with his supervisor, Jonathan. Before Joseph has a chance to restate the allegations made against him, Gary admits that he did engage in the unethical behaviour and is apologetic for doing so. Gary assures Joseph and Jonathan that it will not happen again. He loves his job and got carried away by the excitement of the guests. He admits that he did not act in a professional manner. Joseph decides to issue Gary with a written warning. Joseph, Gary and Jonathan agree to a performance management strategy that monitors Gary's behaviour over the next three months. During that time Gary will be required to attend and complete training on the organisation's code of ethics.



Practice task 25

1. What is professional misconduct?

2. What is unethical behaviour?

3. Why is it important to deal with allegations of misconduct or unethical behaviour promptly?

4E

Ensure human resource staff understand ethical behaviour obligations

As an HR manager, it is your responsibility to ensure that others understand the ethical standards expected of employees. Make sure that all HR personnel understand and apply your organisation's code of conduct to their work practices. HR personnel must know how to identify ethical dilemmas and respond appropriately according to organisational procedures.



Promote ethical behaviour

Promoting and motivating ethical behaviour in the workplace takes careful planning. Ethical employees create an ethical organisation. Ethical organisations attract more customers and are able to engage and retain a skilled and competent workforce.

Remember to also communicate ethical responsibilities to external contractors, agencies or service providers who work with different sections of your organisation. They should also be familiar with your organisation's ethical behaviour expectations.

Here are some ways in which you can promote ethical behaviour.

Ways to promote ethical behaviour in your workplace

1

Review existing values, mission, goals and ethical policies

Review existing values, mission, goals and ethical policies in your organisation and correct any wording that is misleading or ambiguous.

2

Consult with employees

Consult with employees about ethical issues in the work environment and collaborate to develop processes for dealing with unethical behaviour.

3

Develop an ethics program

Develop an ethics program in your workplace to train and support employees on their ethical responsibilities.

4

Gain the support of senior management

Gain the support of senior management to rewrite organisational objectives that include ethical considerations.

5

Clearly define the consequences

Clearly define the consequences for misconduct or unethical behaviour and communicate the procedures to all staff.

6

Emphasise the protections

Emphasise the protections afforded to 'whistle blowers' who report on incidents of unethical behaviours or work practices, such as the provision of an anonymous reporting system.

7

Encourage and protect employees

Encourage and protect employees who come forward to report unethical behaviour in person to demonstrate support for the accurate, well-intentioned reporting of unethical behaviour.

8

Research other successful organisations

Research how other successful organisations incorporate ethics into their HR practices and respond to ethical dilemmas.

9

Set up ongoing workshops

Set up ongoing workshops and mandatory meetings to discuss emerging ethical issues.

10

Appoint an ethics officer

Appoint an ethics officer or manager, possibly from within the HR team, to manage and deal with ethical compliance in the workplace.

Provide ethics training

Training employees about professional ethics is an effective way of communicating the standards and behaviours expected by your organisation.

Workplace ethics training is highly recommended for fostering a trustworthy working environment and ethical organisational culture. The benefits of teaching employees about the importance of integrity in the workplace will extend to all areas of the organisation.

Ethics training should cover the following:

- Confidential information security
- Discrimination
- Equal employment opportunity
- Framework for ethical decision-making
- Management responsibilities
- Proper reporting
- Workplace violence
- Abuse of alcohol, drugs or controlled substances
- Workplace bullying and harassment
- Protecting assets
- Conflicts of interest
- Individual ethical responsibilities
- Gifts and entertainment
- Corrective and disciplinary action
- Computer and network security
- Appropriate workplace use of email and internet

Example: ensure staff understand ethical behaviour obligations

Terry is a senior HR professional specifically responsible for delivering induction and other training programs to new and existing employees in his organisation. Terry's supervisor, Sharon, has asked him to develop and deliver an ethics training program for all employees to participate in. The idea is to promote and motivate ethical behaviour throughout the organisation. Sharon asks Terry to develop a list of training objectives that will help him identify the desired training program outcomes.

Terry comes up with the following training objectives:

- To interpret and explain existing organisational values, mission, goals and ethical policies.
- To promote a consultative work environment where employees collaborate to identify and deal with ethical dilemmas in the workplace.
- To clearly define the consequences and disciplinary procedures for misconduct or unethical behaviour and communicate the procedures to all staff.
- To emphasise the protections afforded to 'whistle blowers' who report on incidents of unethical behaviours or work practices.



Practice task 26

1. Describe two ways to promote ethical behaviour in the workplace.

2. Identify two areas that ethics training should cover.

Summary

1. Business ethics are the principles, values and behaviours that direct an organisation's activities and decisions. Ethical behaviour in the workplace may require higher standards than that established by law.
2. HR services and activities should be shaped by core organisational values.
3. A code of conduct states an organisation's rules, values, ethical principles and vision. It provides employees with clear standards and behavioural expectations to perform effectively and responsibly in their roles.
4. The code of conduct should be communicated to all employees to ensure it is accurately read, understood and applied.
5. HR managers must observe confidentiality requirements when dealing with all human resource information.
6. HR and/or line managers should promptly deal with any unethical behaviour displayed by employees in carrying out their professional responsibilities.
7. As an HR manager, it is your responsibility to ensure that others understand the ethical standards expected of employees.

Learning checkpoint 4

Integrate business ethics into human resource practices

This learning checkpoint allows you to review your skills and knowledge in integrating business ethics into human resource practices.

Part A

1. Explain why it is important for HR professionals to ensure their personal behaviour is ethical and reflects organisational values.

2. Describe two ways that a code of conduct might be observed in the workplace.

3. Briefly describe the responsibilities of HR professionals relating to the collection of HR information.

4. Provide two examples of professional misconduct and/or unethical behaviour.

5. Describe one benefit of workplace ethics training.

Part B

Read the case study, then answer the questions that follow.

Case study

Penny is the HR manager at an aged care facility. She is responsible for taking prompt and fair action to prevent and deal with reports of misconduct or unethical behaviour of employees working for the organisation. Penny receives a complaint from an employee in the hospitality team, alleging that Robert, one of the facility's chefs, has been stealing kitchen supplies in the form of frozen food and condiments at the end of his shift each day. The employee alleging the theft tells Penny that there is a CCTV camera set up in the kitchen that may be able to provide evidence of Robert's misconduct. The employee is worried that Robert will find out that she has reported him. Penny contacts the facility's security manager and requests to view the footage taken by the CCTV camera in the kitchen during the past week. The footage shows Robert entering the walk-in-freezer, removing contents in the form of frozen food and placing the items in his bag. He then leaves the kitchen.

1. Briefly describe a process Penny could use to investigate and deal with Robert's alleged unethical behaviour.

2. How could Penny ensure the anonymity of the employee who reported the unethical behaviour?

