BSB 7.0

BSBPMG534

MANAGE PROJECT HUMAN RESOURCES

Aspire Learning Resources

BSBPMG534

Manage project human resources

Release 1

Learner Guide

Aspire Version 1.1

Learning Resources

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BSBPMG534 Manage project human resources, Release 1

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Before you begin

This Learner Guide is based on the unit of competency *BSBPMG534 Manage project human resources*, 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	These highlight key 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.
Summaries	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 provides definitions for each foundation skill.

Foundation skill area	Foundation skill description
Reading	▪ Identifies textual information obtained from a range of sources and determines how content may be applied to requirements
Writing	▪ Develops plans, role descriptions and reports using clear, specific and industry-related terminology, appropriate structures and conventions ▪ Documents personnel requirements, results of performance measurements and improvement recommendations
Oral Communication	▪ Participates in verbal exchanges using clear language and appropriate non-verbal features ▪ Uses active listening and questioning to elicit views and opinions of others and confirm understanding
Numeracy	▪ Uses mathematical formulae to calculate resources against project requirements and to measure work output against predetermined criteria ▪ Uses analytical skills to review performance and decide on actions needed
Initiative and enterprise	▪ Identifies and adheres to organisational policies and procedures ▪ Analyse impact of variables outcomes to gain insights into concepts that may be adapted in future situations
Teamwork	▪ Collaborates with co-workers to negotiate and facilitate shared understanding of individual roles and group objectives ▪ Manages workplace conflict by recognising contributing factors and implementing resolution strategies
Planning and organising	▪ Develops plans to identify project responsibilities and needs, and allocate project personnel, with an awareness of how this contributes to overall project goals

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: Plan project human resources	1A	Identify project human resource requirements	❑ Confident ❑ Basic understanding ❑ Not confident
	1B	Allocate skills and knowledge to meet project requirements	❑ Confident ❑ Basic understanding ❑ Not confident
	1C	Use human resource management methods and tools	❑ Confident ❑ Basic understanding ❑ Not confident
Topic 2: Implement project HR training and development	2A	Set and communicate project role descriptions	❑ Confident ❑ Basic understanding ❑ Not confident
	2B	Plan and implement training and development	❑ Confident ❑ Basic understanding ❑ Not confident
	2C	Measure individual performance and address shortfalls	❑ Confident ❑ Basic understanding ❑ Not confident
Topic 3: Lead project team	3A	Improve individual performance and project effectiveness	❑ Confident ❑ Basic understanding ❑ Not confident
	3B	Monitor and report on factors influencing performance and morale	❑ Confident ❑ Basic understanding ❑ Not confident
	3C	Implement interpersonal communication, counselling and conflict resolution procedures	❑ Confident ❑ Basic understanding ❑ Not confident
	3D	Manage project resource conflicts	❑ Confident ❑ Basic understanding ❑ Not confident

Topic	Key outcome	Rate your confidence in each section
Topic 4: Finalise project HR activities	4A Disband project team	❑ Confident ❑ Basic understanding ❑ Not confident
	4B Document HR issues and recommend improvements	❑ Confident ❑ Basic understanding ❑ Not confident

Topic 1 | Plan project human resources

1A Identify project human resource requirements

1B Allocate skills and knowledge to meet project requirements

1C Use human resources management methods and tools

1A Identify project human resource requirements

When managing a project, you will acquire and rely upon a range of resources to achieve the project goals. Of all the resources available, people are the most valuable.

A resource is something that is of value to a person or organisation that helps in the achievement of goals.

Project work has developed significantly and is recognised as a key method of meeting the needs of businesses and their stakeholders. A project is any temporary venture that aims to create something new that is of benefit to the organisation and the client. Every project must be managed effectively from start to finish using a set of clearly defined objectives, strategies and resources.

Project management can be defined in terms of managing time, cost, resources, activities and specifications to make sure that the needs and expectations of stakeholders are achieved through the handover of a deliverable.

Project human resources management (HRM)

Project human resources management includes the processes that organise, manage and lead the project team. Every project requires competent personnel to carry out the required tasks to the right standards defined in the project management plan.

The Project Manager, in consultation with the project management team, human resources people and other key stakeholders, generally drives this planning process.

Human resource (HR) planning

Human resource planning is the process that links the project's vital human resource needs to its management plan to ensure that staffing is sufficient and competent enough to achieve the project's objectives.

HR planning is a vital element for maintaining a competitive advantage and reducing project team turnover during the life cycle of the project. The planning process should aim to align personnel competencies and levels to projected key tasks and priorities.

Planning the project's human resources means having the right people with the right skills at the right time. It also means engaging team members to build commitment to the project's goals and objectives.

Project teams

Creating a high-quality project team with the right mix of competencies (skills, knowledge and attitudes) and qualifications is vital to the smooth and successful execution of any project.

HR planning and allocation depends on the level of competencies and expertise needed in the project. This is defined in the project scope, work breakdown structure (task requirements) and project constraints (budget, time and quality). The type and number of people will also be dependent on the size, complexity and stage of the project.

As Project Manager, you may be required to select and build your own project team. For larger projects, this will usually be handled by human resource specialists.

In many cases, your project HR needs can be grouped according to either a frontline project team or project management team.

Frontline project teams

The frontline project team is comprised of a range of people with various skills, knowledge, roles and responsibilities who work at ground level on different tasks of the project. Project team members are not usually involved in high-level decision making, client communications, or project management and planning tasks.

Project team members can include any person with competencies in:

- change management
- quality assurance (QA)
- subject matter expertise
- management and supervision
- information technology
- equipment operation
- trade-based work
- labourers
- systems development
- project office administration
- procurement/purchasing
- training
- project coordination
- financial management
- scheduling
- communications
- customer relationship management
- contract management.

Project management teams

The project management team is a subset of the project team and is responsible for the management and leadership aspects of the project. These people form the core, executive or leadership team for the project.

Their responsibilities include initiating, planning, executing, monitoring, controlling and closing the various stages of the project. Managing and leading a project team also includes influencing, training and managing the performance of the personnel.

Members of the project management team can include the following roles.

Project Manager	The person with the final responsibility to oversee the performance of the project, coordinate activities and monitor progress against the project management plan. The Project Manager helps to facilitate the changes required.
Project Sponsor	Usually the Client, Business Owner, Directors, Chief Executive Officer (CEO), General Manager (GM) or upper level Manager/ Executive who is funding and backing the project and is ultimately responsible to the organisation for the success of the project.
Program Manager	The person who oversees and coordinates a range of projects in the organisation.
The Project Steering Committee	Provides guidance, direction and control to a project in an organisation.
Managers and Supervisors	Some managers and supervisors have specialist knowledge and duties that require them to be a part of the project management team. For example, a manager responsible for a particular WHS aspect in the organisation may retain authority over the part of the project that relates to WHS.
Project Controller	The person in charge of managing the timing, expenditure and scheduling of the project in the execution phase only.
Project Management Office (PMO)	The central repository for all things 'project work'. The group responsible for registration, documentation, training, resourcing, approvals, change requests and reviews.
Project Administrator	Responsible for the maintenance of the project plan, schedule and budget, and may include maintaining the project website (if appropriate). Provides administrative support to the Project Manager and other management team members.

Determine project tasks

To identify the human resource requirements for a project, you will need to first review the task requirements. These may include technical, non-technical, one-off, ongoing, leadership or non-management roles.

Project task identification is usually performed as part of the initiation or concept phase (stage 1) and is finalised as part of the planning phase (stage 2) of the project.

Project tasks will generally be listed in the following documents:

- project scope management plan
- project management plan
- schedule/timeline
- work breakdown structure.

Work breakdown structure (WBS)

The work breakdown structure document is descriptive; it helps you to understand the task requirements of the project. A WBS is usually located in the project management plan. It is a hierarchical breakdown of the project's principal tasks or phases (known as elements); it organises the work into manageable sections and summarises the scope.

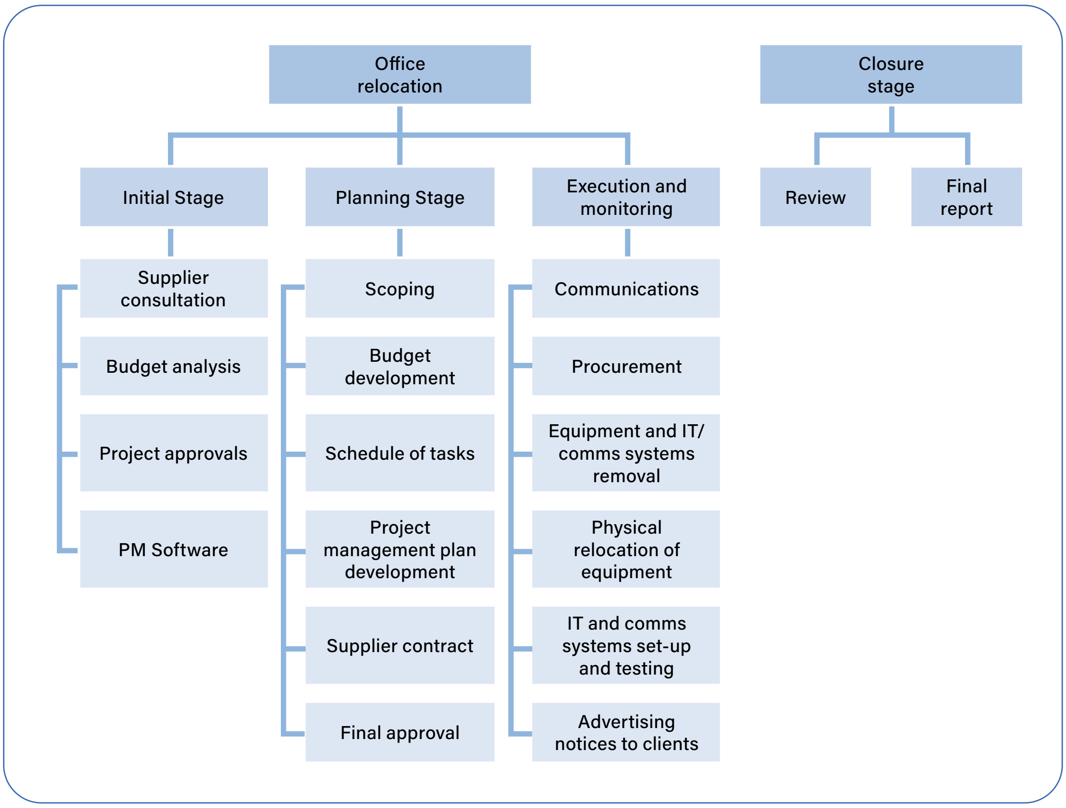
The WBS is the basis for developing the project baseline schedule (i.e. timeline) as part of the planning stage.

Like an organisational chart, the diagram starts at the top with the highest level and works downwards to the lowest level. The highest level represents less detail but increases for each descending level.

Example

Work breakdown structure

Joanne has undertaken the role of project managing the relocation of their office. After ongoing planning and consultation with key managers in the business, she has developed the following WBS to outline the required stages and subsequent tasks for the move.



Calculate resource requirements

A number of mathematical calculations need to be made when computing a project's human resource requirements. Consult the overall budget to determine your human resources allocation and then work to that budget.

To calculate the cost of human resources required for a project, you will need to determine all upfront, ongoing and replacement costs.

Costs of recruitment and selection of project workers	This includes costs associated with: ▪ advertising a job vacancy ▪ screening and interviewing candidates ▪ utilising a specialised recruitment company to manage the recruitment process ▪ on-boarding new workers, including adding workers to the organisation's IT systems, purchasing uniforms and PPE, and access cards etc.
Costs of initial and ongoing training	This includes costs associated with: ▪ orientation and induction ▪ unique training for specialised roles ▪ refresher courses, such as annual CPR for First Aiders ▪ training when skill gaps have been identified.

Cost of worker turnover (attrition) and replacement	Turnover, or attrition, is the rate at which an employer gains and loses workers and is usually calculated over a twelve-month period, such as at the end of a financial or calendar year. The costs of turnover can be high and are often difficult to calculate due to the hidden costs associated with increases in attrition. This includes time and resources for managing the termination process, advertising for a new role, interviewing and hiring, re-training and on-boarding. The basic formula to calculate the attrition rate is: $\dfrac{\textit{Number of workers who exit in a calendar year}}{\textit{Required number of workers in the calendar year}} \; X\ 100$
Costs of remuneration and benefits	Remuneration is the direct payment of monies to reflect a worker's performance and scope of work, including overtime and penalty rates. Benefits are the additional non-monetary entitlements and rewards that form part of the employee's package on top of their remuneration, for example, incentive schemes, bonuses, travel, accommodation, and allowances for meals and tools. Consider workers with specialised or hard to find skills who must be paid at least to the average of the current industry standard. In some cases, to attract and retain the people you really want, you will need to offer packages at the highest remuneration bracket.
Costs of payroll taxes, insurances (on-costs)	In addition to remuneration and benefits, you will need to consider all of the other costs associated with paying an employee. These include: ▪ Payroll tax: This tax is a state or territory tax and varies depending on which state or territory you are in. There is a threshold below which no payroll tax is charged. Once this threshold is reached, the tax varies. ▪ Workers' Compensation Insurance: This is compulsory if you employ staff. It covers the wages and most medical bills of your employees if they suffer a work-related injury or illness. Each state or territory has different requirements. ▪ Superannuation guarantee (SG): This a compulsory contribution that must be made to full-time and part-time employees and some casual employees. The contribution is paid directly to each employee's nominated (or default) super fund on their behalf. The SG system is regulated under the *Superannuation Guarantee (Administration) Act 1992* (Cth). Under the legislation, superannuation is payable to all employees who earn $450 or more before tax in a calendar month and are: 18 years or over, or are under 18 years and work over 30 hours a week. The amount paid is set at 9.5% (current as at January 2021) of each employee's 'ordinary time earnings' that is, the amount of money an employee is paid for their ordinary hours of work.

Additional sources of information

Refer to these websites for further information about planning project HR costs:

- Industry salary guide: aspirelr.link/hays-salary-guide
- Minimum wage for an industry and job classification: aspirelr.link/fwo-award-finder
- Minimum entitlements relating to the superannuation guarantee: aspirelr.link/ato-super-guarantee
- Minimum workplace entitlements: aspirelr.link/fairwork-modern-awards
- Payroll tax rates and thresholds by state and territory: aspirelr.link/payroll-tax

Example

Calculate the costs of project team members

Michelle works for Wheeler Pty Ltd, a South Australian company that provides taxation services. Recently, the company's Director identified an opportunity for smaller organisations to outsource some of their work for the new financial year to Wheeler Pty Ltd for a fee and has decided to put together a project team to manage the new venture.

Michelle will take on the role of Project Manager. She has been working closely with her Director (Project Sponsor) to determine the HR requirements for the project. Together, they have agreed on the following requirements:

- a team leader who will be engaged on a 12-month full-time fixed-term contract at $75,000 p.a. plus 9.5% superannuation
- two additional accountants who will be engaged on a 12-month full-time fixed-term contract at $65,000 p.a. plus 9.5% superannuation
- an additional external auditor who will be paid for 7 hours per week at $85/hour plus 10% GST
- salary on-costs, such as payroll tax and workers' compensation, will need to be calculated as follows:
  - workers' compensation calculated at the industry premium rate of 0.300% on total wages plus superannuation
  - payroll tax calculated at the current South Australian rate of 4.95% on total wages plus superannuation.

Michelle makes the following calculations to determine the total **annual costs** of all project team members.

1. Calculated costs of internal staff

	Team leader	Accountant #1	Accountant #2
Base salary	=$75,000	=$65,000	=$65,000
Superannuation	$\frac{9.5}{100}$ ×$75,000 =$7,125	$\frac{9.5}{100}$ ×$65,000 =$6,175	$\frac{9.5}{100}$ ×$65,000 =$6,175
Workers' compensation	$\frac{0.3}{100}$ × ($75,000+$7,125) =$247	$\frac{0.3}{100}$ × ($65,000+$6,175) =$214	$\frac{0.3}{100}$ × ($65,000+$6,175) =$214
Payroll tax	$\frac{4.95}{100}$ × ($75,000+$7,125) =$4,065	$\frac{4.95}{100}$ × ($65,000+$6,175) =$3,523	$\frac{4.95}{100}$ × ($65,000+$6,175) =$3,523
Total salary + superannuation + salary on-costs	$75,000+$7,125 + $247+$4,065 = $86,437	$65,000+$6,175 + $214+$3,523 = $74,912	$65,000+$6,175 + $214+$3,523 = $74,912

2. Calculated costs of external auditor

7 hours per week × $85 per hour =$595 per week

$595 per week ×52 weeks per year =$30,940 p.a. (excluding GST)

(Note: For the purpose of calculating project costs, GST is ignored as it is assumed that Wheeler Pty Ltd will be able to claim back the GST paid in their quarterly Business Activity Statement.)

3. Calculated total annual project HR costs

Team leader	$86,437
add Accountant #1	$74,912
add Accountant #2	$74,912
add External auditor	$30,940
Total	**$267,201**

Practice Task 1

Question 1

Draw a line to match each project team member to their correct description.

» Managers and Supervisors	» The person in charge of managing the timing, expenditure and scheduling of the project in the execution phase only.
» Project Administrator	» The person with the final responsibility to oversee the performance of the project, coordinate activities and monitor progress against the project management plan.
» Project Controller	» The person responsible for maintenance of the project plan, schedule and budget, and may include maintaining the project website.
» Project Manager	» Staff with specialist knowledge and duties that require them to be part of the project management team.

Question 2

List at least three documents that can be used to identify the human resources required for completing project tasks.

Question 3

An organisation needs to recruit four employees to join a project team. Each employee will receive an annual base salary of $50,000 plus 9.5% super. The cost of training will be $1,500 per employee. The organisation's human resources budget for the new project is $230,000.

Which of the following statements are true? Tick all that apply.

- ◯ Total annual cost of wages plus superannuation is $220,000.
- ◯ Total cost of training is $1,500.
- ◯ Total annual cost of wages plus superannuation is $219,000.
- ◯ Total cost of training is $6,000.
- ◯ Total project human resource costs are under budget.

Question 4

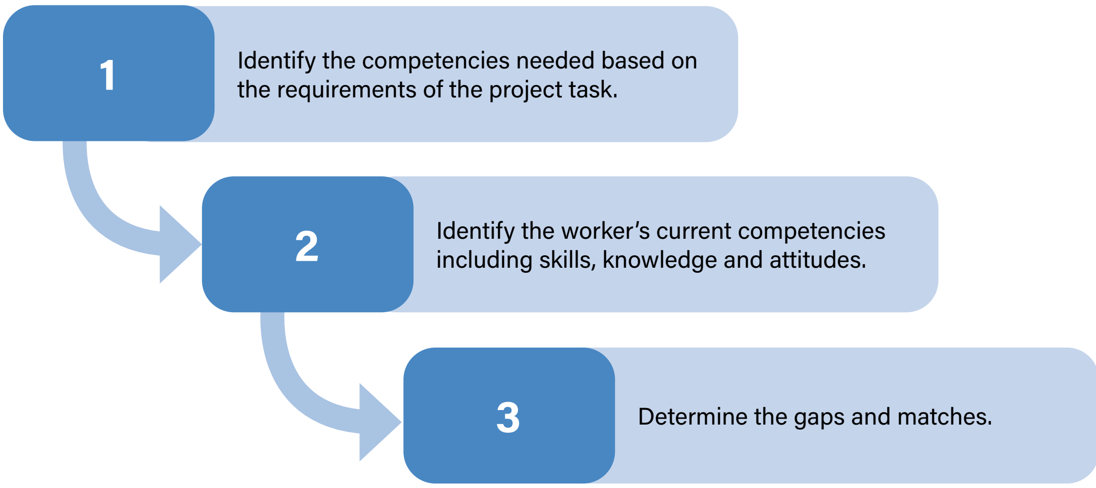
Explain the purpose of a Work Breakdown Structure (WBS) and how it is used in project planning.

1B Allocate skills and knowledge to meet project requirements

Once you have identified the key task requirements, the next step is to conduct a skills analysis of existing project personnel. This will allow you to determine who in your organisation will be a good fit for each vacancy.

Every person has a number of skills and knowledge that must be assessed against the task requirements of each project role. A skills analysis (also referred to as a training needs analysis) is a HRM tool used to determine the suitability of a person for a project role. A skills analysis requires you to determine all aspects required in each project role, including responsibilities, knowledge requirements, qualifications, experience, authority, competency and personal attributes.

A skills analysis encompasses three key tasks:



Determine current competencies

The term 'competent' means that a person can perform all elements of the task safely and consistently in a range of operating environments and to regulatory and workplace standards.

When assessing a person's competencies, you will need to consider these three key elements:

Psychomotor (skills)	Cognitive (knowledge)	Affective (attitudes)
▪ Things that a person can physically perform. They should be assessed in a live workplace. ▪ Environment and be able to be demonstrated consistently to the required safety standards.	▪ The collection of information that is understood by the individual and is in turn used for achieving a goal. ▪ Knowledge of a system, process or piece of equipment will enhance a person's ability to perform a skill to a higher level.	▪ Learned mindsets, emotions, feelings and tendencies. While skills and knowledge are relatively simple to train and develop, attitudes are not. ▪ Attitudes generally improve as a result of personal experience and a choice that is made by the individual.

Determine competency gaps

A competency gap means the task requirements exceed the person's capabilities in one or more areas, for example, skills, knowledge or attitudinal area.

If you have identified a competency gap, you will need to assess the extent of the gap. If the person requires significant improvement that cannot be achieved in the designated time frame, you will need to consider an alternative role for that person or consider another internal or external person for that job role.

If the skill gap is relatively minor, training can be provided to improve the areas and meet the required standard.

You may identify a performance gap in a number of ways:

- reports identify a pattern of poor behaviour or performance
- a complaint comes to your attention from a team member, client representative or other stakeholder
- evidence of a work output is not documented
- costs to hire the worker are above budget
- disruptive conflict amongst a team
- failure to meet project deadlines or objectives
- productivity is below the requirement
- quality, workplace health and safety, or environmental failure.

Match competencies to project task requirements

Project task requirements don't just refer to quantities of people or filling a position on the project team. When identifying a suitable person, you must consider the requirements relating to each project task.

Task responsibilities	The work tasks that a project team member is expected to perform in order to complete the project's activities.
Qualifications	The academic or other achievements represented in the form of an accredited certificate or licence. Qualifications are often essential criteria for a job task and represent the minimum qualifications that a person must have to successfully undertake the position or complete a specific task. This is particularly important where certification or registration is required for the position.
Experience	The type or length of previous experience that is required in order to perform the task to the right standards.
Competencies	The skills, knowledge and attitudes required to complete the job tasks to the required standards, consistently and safely.
Attributes	The personal qualities, characteristics and attitudes required to fulfil the task.

Example

Sample training needs analysis

Interpersonal Skills Training Needs Analysis

Consider the following interpersonal skills that you need in your work and tick (✓) the importance of each one. The levels of importance are:

VI = Very important

I = Important

NI = Not important

H = High

M = Medium

L = Low

Then rate the level of skills required (high, medium, low), identify if you need training (yes, no), the priority and the training preference.

Technical skills, knowledge and experience	How important are these skills, knowledge and experience?			What skill level do you require?			Do you need training in this area?	Priority			Urgency (in months)	Preference (workplace, off-the-job, conference)
	VI	I	NI	H	M	L	Y/N	H	M	L		
Telephone skills		✓			✓	N	Y		✓		1-2	Workplace
Working in a team	✓			✓			N					
Problem solving		✓			✓		Y			✓	3	Workplace
Time management	✓			✓			Y	✓			<1	Off-the-job
Negotiation			✓			✓	Y		✓		3	Conference
Public speaking and presentations			✓			✓	Y			✓	2	Conference
Stress management		✓			✓		N					
Customer service	✓			✓			N					

Consider work outputs and timelines

The task of allocating human resources to the project must be relative to the work outputs and project timelines as described in the schedule. A project output can refer to any product, document, report or other outcome produced as a result of a project process. Outputs are completed during the project implementation phase.

The timeline refers to the schedule of tasks showing order of action, dependencies and relationships with other tasks.

The final project schedule document, along with the work breakdown structure and project management plan will become vital documents for you to refer to when planning your project HR needs.

Correctly allocating human resources personnel to the project is crucial for ensuring the project starts on time and runs according to schedule. It also makes sure that you do not exceed budget or undersupply your project's human resource needs.

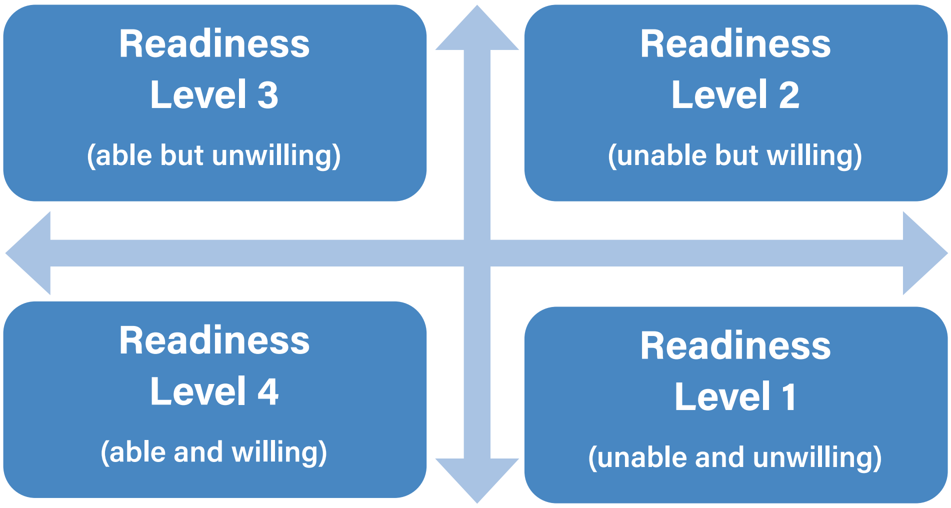
Ability and willingness

When choosing people for a project task, you need to consider that a person's potential to perform well in a project role is a function of their ability and willingness to perform in the role.

In this context, ability refers to a person's foundational experience, skills and knowledge that will be used to build upon. Willingness refers to a person's willingness to take accountability, persistence, work attitude, motivation for achievement and attitude towards coaching.

The ability and willingness matrix can be used to help assign the right workers to the right job and tasks. Each worker will fit into one of the four quadrants according to each vacant job role in the project.

- **Quadrant 1 – Readiness level 1**
  The worker does not yet have the skills or confidence to complete the inherent requirements of the job.
- **Quadrant 2 – Readiness level 2**
  The worker does not yet have the skills required to do the job, but has the confidence and the right attitudes to learn the job role in due time.
- **Quadrant 3 – Readiness level 3**
  The worker has the ability, but lacks the self-confidence, or has a poor attitude towards that particular job role. The person may have had a history of ongoing issues performing in this type of role or has lost their confidence and does not believe they are up to the standards needed at this point in time.
- **Quadrant 4 – Readiness level 4**
  The worker has both the ability and the confidence to do well in the designated role.



Using the ability and willingness matrix

Follow these steps to apply the ability and willingness matrix to your project.

1. Select one job role and document the essential criteria required (e.g. skills, knowledge and attitudes).
2. Identify all potential candidates for the job role.
3. Analyse the competencies of each candidate based on the skills analysis conducted previously.
4. Write each candidate's name in an appropriate quadrant according to each role.
5. Select the candidates from quadrant 4 first.
6. If you are unable to identify a candidate who can fit into quadrant 4, select candidates from quadrant 2 and provide them with suitable training to develop their competency gaps.
7. If you are unable to identify candidates in quadrant 2 or 4, you may allocate the role to candidates in quadrant 3. However, they may need additional support and supervision to ensure that they perform the role to the right standard.
8. Workers in quadrant 1 should be allocated to other more suitable roles to ensure your project's quality, safety and productivity standards are not adversely affected.
9. Repeat this process for each subsequent project role until all roles are filled.

Filling vacant roles

Project management and work team personnel can be sourced internally (i.e. existing staff already employed with the organisation) or externally (i.e. hiring new staff members from the industry).

Internal recruitment is the assessment of an organisation's current workforce to ascertain if any current employees are sufficiently skilled or qualified to perform the required work packages and deliverables. When a business engages in internal recruitment, a current employee might be reassigned to the new project by giving them either a promotion or an internal transfer.

External recruitment is the assessment of the current available pool of job candidates, other than existing staff, to ascertain if any are sufficiently skilled or qualified to fill and perform existing job vacancies.

New project team members can be recruited and hired using these engagement options.

Contract worker	A non-permanent worker. Contractors are employed on an employment agreement that specifies an end date for when the employment relationship will cease, for example, a six-month contract. Contractors may work 38 hours or less, depending on the needs of the project.
Full-time worker	A permanent staff member with the organisation. A working arrangement of at least 38 hours per week on a continuous working pattern of set rostered hours.
Part-time worker	A permanent staff member with the organisation. A working arrangement of less than 38 hours per week with a continuous pattern of set shifts and rostered hours.
Casual worker	A working arrangement of less than 38 hours per week, often with sporadic shift patterns and minimal guarantee for ongoing rostered hours.
Mobile worker	Work that is performed away from a set office or warehouse location, such as on the road in rural areas or at the client's premises.
Outworker	Workers who operate from a home-based set-up or other place that would not be classed as a normal workplace environment.
Shift worker	A working arrangement where rostered working hours fall outside of ordinary paid working hours and workers are paid extra for penalty rates.
Daily or weekly hire worker	Workers are hired for a daily or weekly task and have the same entitlements as full-time and part-time workers. This arrangement is common in trade-based industries.

Project hierarchical chart

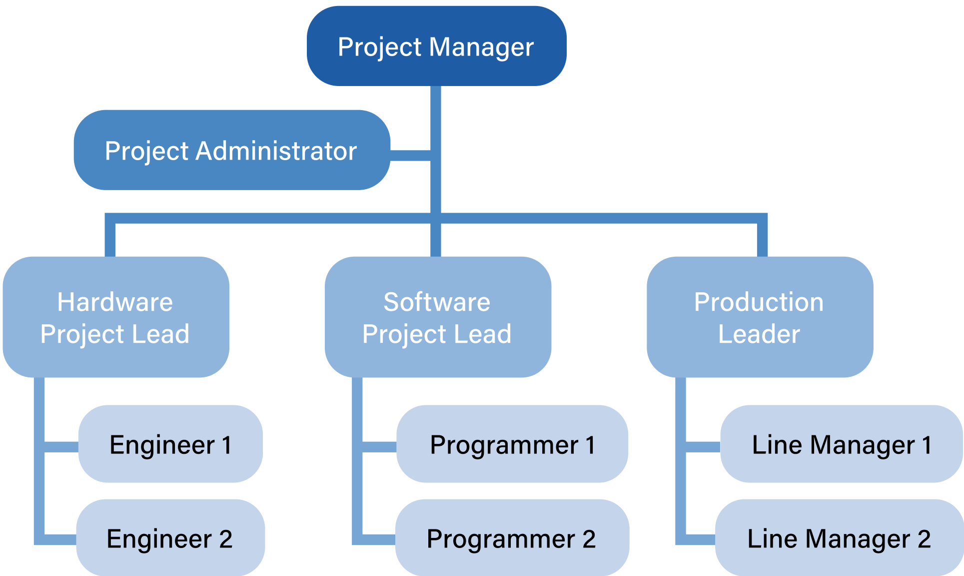
The traditional organisational chart structure showing key positions and lines of reporting is the hierarchical chart. It shows positions and relationships in a graphical, top-down format.

Much like a WBS is designed to show how project deliverables are broken down into work packages, a project team hierarchical chart can be a useful tool for showing the key roles, responsibilities and lines of reporting for management, project units and departments, teams and individuals.

Example

Project hierarchical chart

The following project hierarchical chart shows the key roles, reporting lines and relationships for a project that involves the development of a new IT network.



Practice Task 2

Question 1

Identify the three key tasks undertaken when conducting a skills analysis.

Question 2

Which of the following need to be considered when identifying individuals most suited to a project role? Tick all that apply.

- ◯ Qualifications
- ◯ Marital status
- ◯ Attributes
- ◯ Ethnicity
- ◯ Task responsibilities

Question 3

Number each step from 1 to 7 in the order you would follow when using the ability and willingness matrix to allocate project tasks.

- ◯ Write each candidate's name in an appropriate quadrant.
- ◯ If you are unable to identify a candidate in quadrant 4, select candidates from quadrant 2 (unable but willing) and provide them with suitable training to develop their competency gaps.
- ◯ Document the essential criteria required for the project task.
- ◯ Analyse the competencies of each candidate based on a skills analysis.
- ◯ Identify all potential candidates for the project task.
- ◯ If you are unable to identify a candidate in quadrant 2 or 4, select candidates from quadrant 3. However, they may need additional support and supervision to ensure that they perform the role to the right standard.
- ◯ Select the people from quadrant 4 (able and willing) first and foremost.

1C Use human resource management methods and tools

As technology and the needs of clients evolve at a rapid rate, the ability of the Project Manager to meet client needs and expectations depends heavily on the knowledge, skills and experiences of its workforce.

Human resource management is about managing HR-related tasks and leading people to achieve the best outcomes. Productive HRM methods, techniques and tools are used to achieve the project's goals and meet the satisfaction of its stakeholders.

Methods, techniques and tools

A Project Manager's ability to maintain productivity and quality in a project is often a direct result of the people employed in the team – the human resources.

To effectively engage, support and maintain the performance of project personnel, you will need to adopt a range of HRM methods, techniques and tools.

These include:

- HRM information systems
- reward and recognition
- training and development
- performance management.

HRM information systems and tools

A Human Resource Management Information System (HRMIS) is a records management tool used to maintain information about the project's workforce. It is used for data entry, data tracking, accessing information and maintaining the security of HR information.

It enables the Project Manager, as well as other management team members, to perform a range of functions, including payroll, leave requests, absence monitoring, performance management, training and WHS functions.

There are many available HRMIS packages, each with different capabilities and features.

Most HRM information systems can track the following HR data and information:

- attendance and leave use
- pay raises and history
- pay grades and positions held
- performance development plans
- training received
- performance management and disciplinary action received
- personal information
- management and key employee succession plans
- high potential worker identification
- applicant tracking for interviewing and selection.

Example

Applying a HRMIS to a project

Peter is a Project Manager for New Ways Living. The business specialises in developing customised home automation systems for high-end customers. Peter is leading a large team that is in the process of developing a new range of home automated products. The project is expected to take more than 12 months. Due to the requirement to hire new staff for the project, Peter has implemented a customised HRMIS to manage the needs of the 35 project team members. The HRMIS is cloud-based and allows Peter to manage the project HR requirements from any device. He can access all worker records, monitor recruitment, induction and ongoing training, communicate and engage with contractors and employees, and recognise their achievements. The HRMIS allows for two-way communication, thus integrating and safeguarding the accounting and payroll system for seamless document processing.

A useful function of the HRMIS is talent management. Peter is able to collate the skillsets of each contractor and employee, determine career pathways and ongoing employment after the project is complete, and develop an HR strategy to retain and develop the project team.

Reward and recognition

A reward and recognition system is a process of acknowledging improvements and outstanding performance in the project team. Projects can be long and drawn out, or short-lived. As such, team members can often lose motivation, particularly if they believe they are unlikely to continue working after the project is complete.

A rewards and recognition system can provide the necessary boost for project team members and build spirits and increase motivation to assist in achieving higher results.

Principles of an effective reward and recognition scheme
▪ The system must be fair and achievable for all personnel – not just the high achievers. ▪ It must aim to motivate team members and be relevant to the performance indicators set out in the project plan. ▪ It must be based on measurable performance indicators (e.g. KPIs) to eliminate any sources of conflict that may arise if one worker feels another is being given preferential treatment by a manager. ▪ It must aim to generate tangible benefits for the organisation and create a positive return on investment.

Examples of reward and recognition systems.

Email notification	Email the team, department and Project Sponsor acknowledging improvements and outstanding results.
Lunch with the boss	Nominate a different team member each month to have lunch with the Project Sponsor.
Half-day reward	Grant an early finish if team members meet their targets.
Parking space for a month	Reward a team member with one paid parking space for a month.
Gift vouchers	Provide online or retail shopping vouchers or movie tickets.
Catalogue programs	Allow project team members to build up points that can be redeemed from a prize catalogue.
Massage therapist	Hire a chair masseuse for an hour.
Travelling trophy	Organise a sales trophy for the best performer and sit it at the winner's desk for a set period. Rotate it around the team.
Time off in the field	Provide access to an industry conference, training event or seminar.
Certificates	Award paper-based certificates acknowledging high achievements and improvements.

Training and development

When a team of people are allocated to a new project, one of the essential components of the project staff management plan will be to undertake the training of staff.

Training programs should be geared towards meeting the project objectives and improving the performance of staff in the team.

Project Managers need to consider the following as part of the training and development process:

- identify the need for training for each team member based on a training needs analysis
- consider all aspects of the role that require training, including work health and safety, environmental protection, technical work and project reporting
- prioritise training
- determine the most effective and efficient means of developing the required competencies of team members
- assess the competencies of people who have completed their training
- maintain evidence of their training.

Performance management

Performance management is a continuous improvement method used to monitor, measure and develop the productivity and quality of the work performed by the project team.

Project Managers must monitor and review team member performance against the agreed service standards and requirements of their role in the project, then recognise the achievements that meet or fall short of the standards required. In all performance management processes, the monitoring, review and recognition stages are often the most important.

Project HR performance management involves:
▪ planning and setting goals and standards ▪ implementing work plans ▪ monitoring progress against the goals and standards ▪ evaluating outcomes ▪ recognising individual performance ▪ two-way feedback ▪ support in terms of training and resources ▪ documentation of performance and issues relating to outcomes and behaviours ▪ ongoing monitoring and evaluation.

Practice Task 3

Question 1

List three human resource management tools or techniques used to support and maintain the performance of project personnel.

Question 2

Which of the following are examples of performance management of project personnel? Tick all that apply.

- ◯ Planning and setting goals and standards
- ◯ Monitoring progress against the goals and standards
- ◯ Support in terms of training and resources
- ◯ Feedback from manager to staff
- ◯ Evaluating outcomes
- ◯ Recognising the performance of the organisation

Summary

- Project human resources management (HRM) includes the processes that organise, manage and lead the project team.
- Every project requires competent personnel to carry out the required tasks to the right standards defined in the project management plan.
- HR planning is the process that links the project's vital human resource needs to its management plan to ensure that staffing is sufficient and competent enough to achieve the project's objectives.
- Project HR needs can be grouped according to either a frontline project team or project management team.
- To identify the human resource requirements for a project, you will need to first review the task requirements. These may include technical, non-technical, one-off, ongoing, leadership or non-management roles.
- Once you have developed the WBS and identified the key task requirements, the next step is to conduct a skills analysis of existing project personnel. This will allow you to determine who in your organisation will be a good fit for each vacancy.
- A skills analysis (also referred to as a training needs analysis) is a HRM tool that is used to determine the suitability of a person for a project role.
- The task of allocating human resources to the project must be relative to the work outputs and project timelines as described in the schedule.
- When choosing people for a project task, you need to consider that a person's potential to perform well in a project role is a function of their ability and willingness to perform in the role.
- A project team hierarchical chart can be a useful tool for showing the key roles, responsibilities and lines of reporting for management, project units and departments, teams and individuals.
- Human resource management is about managing HR-related tasks and leading people to achieve the best outcomes. Productive HRM methods, techniques and tools are used to achieve the project's goals and meet the satisfaction of its stakeholders.
- HRM tools and methods include the use of HRM information systems, reward and recognition, training and development, and performance management.

Learning Checkpoint 1

Plan project human resources

Part A

1. Which of the following statements are correct? Select yes or no for each one.

a) A HRMIS is a records management tool used to maintain information about the project team, such as skillsets and training.	» Yes	» No
b) A HRMIS can perform a range of functions for supporting project personnel.	» Yes	» No
c) Each HRMIS contains the same features and capabilities.	» Yes	» No
d) A HRMIS will help support the performance of project personnel by allowing communication between Project Managers and their team.	» Yes	» No

2. List three things you need to consider when identifying individuals for project roles.

3. If a project's human resource budget was $320,000 and the total cost of recruiting new project team members was $45,000 each, how many new project team members could be recruited? Show your calculations.

4. An organisation requires additional labour to complete a four-week project. A labour hire company has quoted $35 per hour for each worker. The budget is $14,000. How many workers can be hired at 20 hours per worker per week? Show your calculations.

Part B

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

Case study

Brad is a Senior Advisor for a reputable organisation that specialises in workplace health and safety consultancy services. The Business Owner (who is also the Project Sponsor) has identified an opportunity to host a seminar on WHS in their local town. The two-day conference will be open to business owners, safety managers, and health and safety personnel, and will feature a range of keynote speakers from across Australia. They will present on different matters relating to rising incidents, hazards and risks, as well as innovative approaches to safety management.

Brad has been provided with a project management plan that shows the following preliminary work breakdown structure (WBS).

The organisation has 16 staff including the Business Owner, four office administration staff, seven safety consultants, two senior advisors, two trainers and one accountant – all with various skills, knowledge and experience. The Project Sponsor is aiming to hold the conference in three months' time.

1. Explain one HRM technique that Brad can use to identify the resource requirements of the project.

2. Explain one HRM tool or technique that Brad can use to identify an appropriate match between the skills and knowledge of staff, and the task requirements of the project.

3. Draw a line to match the skills and knowledge of existing staff members to each project task requirement in the table below.

» Placing social media posts and paid ads, producing and distributing print media, and managing an email list of existing clients	» Managing fees and payments of delegates
» Networking, building client relationships and managing the needs of external stakeholders	» Tasks relating to event management, including venue and catering
» Bookkeeping, accounts receivable and payroll	» Tasks relating to marketing activities
» Organising team meetings, scheduling appointments and training sessions	» Organising keynote speakers

Topic 2 | Implement project HR training and development

2A Set and communicate project role descriptions

2B Plan and implement training and development

2C Measure individual performance and address shortfalls

2A Set and communicate project role descriptions

The Project Manager is required to set and communicate clear duties and responsibilities to project team members, as well as other organisational personnel.

Job roles, accountabilities and required behaviours should be documented in a job description and all parties impacted by the project role will require a copy, including the person operating in that position.

A job position or role description describes the group of duties and responsibilities that require the services of a worker.

The Project Manager's duties in the project human resource planning process will be to plan, negotiate and establish the role descriptions with relevant stakeholders; define the descriptors, roles and responsibilities; and communicate the details to project team personnel.

Negotiate role description

Project Managers may need to negotiate the details of a role description with the project stakeholders, such as the Project Sponsor, Program Manager or subject matter experts who have technical insight into the role.

Negotiation skills help to reach support and agreement where basic conflicts of opinion exist. The aim of negotiation is to explore the situation, and to find a solution that is acceptable to all parties.

The best approach for negotiation is to adopt a win–win approach (i.e. where both parties feel positive about the situation when the negotiation is concluded). This helps to maintain a positive working relationship afterwards, which is crucial in project management. This approach governs the style of the negotiation.

Consider the following points about effective negotiations about project role descriptions.

The relationship	What is the history of the relationship? Could or should this history impact the negotiation? Will there be any hidden issues that may influence the negotiation? How will you handle these?
Expected outcomes	What outcome will people be expecting from this negotiation? What has the outcome been in the past, and what precedents have been set?
The consequences	What are the consequences for you of winning or losing this negotiation? What are the consequences for the other person?

Power	Who has what power in the relationship? Who controls resources? Who stands to lose the most if agreement isn't reached? What power does the other person have to deliver what you hope for?
Possible solutions	Based on all of the considerations, what possible compromises might there be?

Confirm role requirements

Project task requirements don't just refer to quantities of people or filling a position on the organisational chart.

When conducting a skills analysis, you must consider the following requirements relating to each position.

Roles	The portion of the project that a person is accountable. Example roles include engineer, analyst, communications officer.
Responsibilities	The work tasks that a project team member is expected to perform in order to complete the project's activities
Qualifications	The academic or other achievements represented in the form of an accredited certificate or licence. Often they are essential criteria in a job description and represent the minimum qualifications that an applicant must have in order to successfully undertake the position. This is particularly important where certification or registration is required for the position.
Experience	The type or length of previous experience that is required.
Authority	The person's right to make decisions, sign approvals and utilise resources. Authority levels must match a person's responsibilities.
Competency	The skills, knowledge and attitudes required to complete the job tasks to the required standards
Attributes	The personal qualities, characteristics and attitudes that are required to fulfil the responsibilities of the job role.

Define role descriptions

Based on the outcomes of the negotiation process, you will need to agree on the project team's role descriptions. The details of each job role must be defined and documented ready for distribution to your stakeholders and personnel who are filling the roles.

The most common document used to describe the work allocated to a position in a project is the job description. It lists the key position descriptors explaining what the person is responsible for, how the role is to be performed and how it relates to other positions in and outside the work package, unit or department.

The job description must accurately communicate the duties, responsibilities, accountabilities and behaviours required for that position. Job descriptions are not intended to cover every kind of work assignment a position may have. Rather, they mostly cover the principal work assignments that are relevant to the project at hand.

A job description will usually include the following information:

- Date of writing: A job descriptor must be continually updated. The process allows you to see that any changes in the job are accurately reflected by the document. You may find it useful to update the descriptor after conducting performance appraisals and when you are recruiting a new staff member. By dating the descriptor, you can be sure you are always using the latest PD.
- Type of position: Outlines whether the job is paid based on a salary or at an hourly rate, the hours worked, and whether the position is permanent or not.
- Job title: The formal job title reflecting the actual job being undertaken.
- Summary of position: A brief overview of what the job actually entails, including a summary of the key duties and major functions.
- Key duties: More detail on each of the duties and functions undertaken in the role. This should identify the key duties and separate them from the other duties that may be undertaken.
- Key relationships: Relationships with internal and external stakeholders that have an impact on the position.
- Skills: The required skills that an individual will need to undertake the duties required by the position.
- Key results areas (KRAs): Key areas of responsibility and focus that the job must satisfy.
- High level objectives and activities: The major results that must be achieved in the role. Under each objective, the worker activities must be listed.
- Work environment: Where the position is performed also needs to be stated – will the individual be working in harsh environments, or working on-site or off-site? By providing this sort of detail, you give the candidate an opportunity to better understand the position and what is required by working in it.

Example

Job description

Job title	Project Manager
Reference	SSR/5014
Reports to	Director
Remuneration	$78,500 – 84,500 p.a.
Employment arrangement	Full-time
Employment status	Permanent

Position Summary

The Project Manager, in conjunction with the Project Sponsor, is responsible for developing a definition of the project. The Project Manager sees to it that the project is delivered on time, to budget, and to the required quality standard and agreed specifications. They ensure that the project is effectively resourced and manage relationships with a wide range of groups (including all project contributors).

The Project Manager is also responsible for managing the work of consultants, allocating and utilising resources in an efficient manner, and maintaining a co-operative, motivated and successful team.

Key tasks and responsibilities

All applicants must address the key selection criteria set out below:

- Managing and leading the project team.
- Recruiting project staff and consultants.
- Managing the co-ordination of partners and working groups engaged in project work.
- Detailed project planning and control including:
  - developing and maintaining a detailed project plan
  - managing project deliverables in line with the project plan
  - recording and managing project issues and escalating where necessary
  - resolving cross-functional issues at the project level
  - managing project scope and change control and escalating issues where necessary
  - monitoring project progress and performance
  - providing status reports to the Project Sponsor
  - managing project training to the defined budget
  - liaising with, and updating progress to, the project board or senior management
  - managing project evaluation and dissemination activities

- managing consultancy input to the defined budget
- awarding final approval of the design specification
- working closely with users to confirm the project meets business needs
- defining and managing the testing program
- identifying user training needs and devising and managing the user training program
- providing regular status reports to the steering committee.

Qualifications

The following qualifications are desirable:

- Diploma in Project Management or higher qualification
- relevant industry trade-based qualification
- driver licence (car).

Project team members

The size and structure of the project team will relate directly to the complexity of the project, size of the budget and the schedule length. In a team, a range of roles exist to achieve the objectives. This may include project specific roles as outlined below, as well as other roles, such as technicians, tradespeople and labourers.

The key project specific roles are outlined here:

Project Officer	Responsible for high-level project tasks such as monitoring schedules and budgets, monitoring worker performance, preparing progress reports, and liaising with key internal and external stakeholders. The Project Officer is sometimes referred as the Project Manager's right-hand person.
Project Estimator and Scheduler	Responsible for accurately calculating the total time and costs associated with a project. An estimator and scheduler will be commonly used in high-value construction and manufacturing projects.
Project Administrator	Responsible for the maintenance of the project plan, schedule and budget and may include maintaining the project website (if appropriate). The Project Administrator may schedule meetings, organise resources and provide administrative support to the Project Manager and other management team members.
Communications Officer	Acts as a central point for project communications. The Communications Officer is responsible for communicating project information to and from project management team, other project team members and internal stakeholders. This information includes incidents, changes and status updates. They also advise project team members and managers on communication requirements.

Project Analyst	Responsible for providing critical data support to a technical project team. Research and analysis functions may include budget forecasting, time tracking, project monitoring, compliance, and impact analysis to determine the effect of change on the project variables.
Project Assistant	Responsible for providing general administrative support to projects and Project Managers. Project Assistants help produce budgets, proposals, plans and reports. They organise and maintain project information and records and may also assist with monitoring the project budget and schedule.
Project Coordinator	Responsible for organising project resources, communication, and scheduling of activities to make sure the objectives are achieved. The Project Coordinator also provides project and administration support services to the project management team and may also organise project team meetings, support project management processes, undertake reporting and records management tasks and maintain communications with internal and external stakeholders.
Quality Officer	Responsible for establishing the quality assurance and control strategy, identifying risks and defining relevant risk mitigation strategies. The Quality Officer is responsible for developing and implementing project standards and frameworks to make sure that the project objectives are met.
Contracts Officer	Responsible for managing contractor performance, including third parties, vendors and suppliers. The Contracts Officer will oversee the compliance and performance of all project contracts, manage disputes and underperformance and control the contract closure process.
Project Records Officer	Responsible for maintaining the project's records management system, including: assessing internal historical records and documents; coordinating and compiling historical records ensuring the information management systems and practices comply with relevant policy, maintaining the project information management and record keeping plan, preparing submissions, preparing and submitting all records contracts, classifying and organising records for the project, monitoring records movements, allocating disposal periods for records and archiving or disposing of records at the end of the project.
Project Support Officer	Responsible for assisting in monitoring and tracking the project deliverables and outcomes; development and implementation of project plans, policies and solutions; and providing administrative support to the project officer. A Project Support Officer also contributes to issue resolution and escalation, research and analysis and planning and monitoring activities.

Project management team

The project management team is the group of people responsible for making high-level decisions relating to planning, controlling and closing the project. The roles and responsibilities of the project management team were described in Topic 1. They include the:

- Project Manager
- Project Sponsor
- Program Manager
- Project Steering Committee
- Managers and Supervisors
- Project Controller
- Project Management Office (PMO)
- Project Administrator.

Communicate role descriptions

Once job descriptions are clearly defined and documented, the Project Manager will need to communicate these details to project team members and other stakeholders.

Communicating information requires you to plan your approach by confirming the following information.

Who needs to know the information and why.

↓

What information needs to be communicated.

↓

How to communicate the information using the most effective method.

↓

When the information needs to be communicated by.

Communication methods may include a one-on-one discussion or telephone call for individual discussions. When communicating to a group of people who are requiring the same information (such as a group performing the same role), email distribution, teleconference, web conference or a group session will be more efficient.

Practice Task 4

Question 1

Briefly describe how job (position) descriptions can be used to define project roles.

Question 2

Which of the following are ways to communicate project roles to personnel? Tick all that apply.

- ◯ Determine who needs to know the information and when it is required.
- ◯ Confirm where to meet to pass on the information.
- ◯ Use verbal communication methods because they are usually the preferred method.
- ◯ Determine the most effective method for communicating the information.
- ◯ Confirm the type of information that needs to be communicated.

Question 3

Suggest at least two ways to effectively negotiate project roles with stakeholders when conflicts of opinions arise.

2B Plan and implement training and development

As Project Manager, it is important to address the competency gaps you have identified through the training needs analysis.

In your role, make certain that your team has access to the best learning opportunities so that they have the skills, knowledge and attitudes required to perform their tasks to the right standards.

A learning opportunity is a way that the desired skill, knowledge or attitude is transferred to the learner. It is also referred to as a 'vehicle' because it takes the learner from point A (not having a skill, knowledge or attitude) to point B (developing the skills, knowledge or attitude to a competent level).

Examples of learning opportunities are outlined below.

The lecture/presentation method

The lecture method is best used for creating a general understanding of a topic. Several variations in the lecture format allow it to be less or more formal and/or interactive. In a lecture format, communication is one way (i.e. from lecturer to the learning group). It is an extensive oral presentation of material.

A good lecture begins with an introduction that lays out the purpose, an agenda stating the order that topics will be covered and the ground rules for the lecture (e.g. questions and clarification). This is followed by the main body of the lecture that information is given. The topic areas should be logically sequenced so that the content of preceding content prepares trainees for the following topics. The lecture should conclude with a summary of the main learning points and conclusions.

The tutorial method

The tutorial method is similar to a lecture; it is predominantly led by a facilitator but is more focussed on meeting the needs of the group whereby learners can ask questions and pose discussions to the group during the session. Tutorials are best used for developing knowledge of a topic that does not require immediate development of a skill.

Several variations in the tutorial format allow it to be more or less restrictive on time and agenda, and are interactive. Communication usually begins as a one-way process from facilitator to learning group and then, as the session progresses, more interaction and discussion occurs from the participant group.

A good tutorial begins with an introduction, an agenda and ground rules about discussion and questions. The topic areas are broken up into chunks with group questions strategically placed at key parts of the tutorial to generate discussion and identify the progress of the learner group. The tutorial should include visual representations and demonstrations of the tasks that need to be completed. It should conclude with a summary of the main learning points and conclusions.

The discussion method

The discussion method uses a two-way communication model between the lecturer and the learning group. This method uses a short presentation or demonstration (20 minutes or less) to provide trainees with basic information. This is followed by an open discussion among the learning group that is led by a facilitator who supports, reinforces and expands upon the information presented in the short discussion.

Verbal and nonverbal feedback from learners allows the facilitator to determine if the desired learning outcomes have been achieved. If not, the facilitator may need to spend more time on this area and present the information again, but in a different manner.

E-learning

Many companies have implemented e-learning, which encompasses several different types of technology assisted training, such as computer-based training (CBT) or web-based training (WBT). This training delivery method is valuable because it can automatically document participant's progress through the learning module and provide appropriate practice modules to improve areas of weakness.

However, this may mean a delayed opportunity during the e-learning process to discuss with a facilitator topics of interest, attitudes or learning difficulties.

Simulations

Simulations are designed to mimic the processes, events and circumstances of the learner's job. These types of learning activities are based on the discovery learning theory (i.e. people learn best when they are actively involved in the learning process).

Types of simulations can include:

- **Equipment simulators:** Machinery, equipment and devices can be set up to incorporate the same procedures, movements and decision processes that learners must use back on the job. To be effective, the simulator must replicate, as closely as possible, the physical and psychological (e.g. time pressures, conflicting demands) aspects of the job role.
- **Business games:** Business games are based on a simulated business. They attempt to reflect real-life scenarios by allowing learners to take on specific roles and see how their decisions and actions influence not only their immediate target but also areas that are related to that target. The process helps learners to train their brains so that when faced with similar scenarios in the future, they will be more confident and skilled in what to do as they have already worked through a similar situation. Business games can involve one learner or a large group of learners and can incorporate fun activities into the learning environment.
- **Scenarios:** A scenario is a description of a fictitious event that could occur in a relevant industry workplace. It usually describes the commencement of the event, the actions of key parties involved and the outcomes. Scenarios are used to allow learners to identify positive pathways to an issue using alternate behaviours and actions.

- **Case study:** A case study is a study of a real-life event or actual person in a relevant industry workplace. Case studies are used to highlight positive and negative behaviours of groups and people and provide opportunities to analyse the cause of key outcomes to identify underlying principles. The learner may be required to identify alternate behaviours that may lead to more favourable results.
- **Role playing:** The role play is a simulation of a single event or situation. Learners who are actors in the role play are provided with a general description of the situation, a description of their roles (e.g. their objectives, emotions and concerns) and the problem they face. Following the completion of the role play, the group participates in a debrief to discuss what went well and how the outcomes can be improved.

Job instruction technique

A common method of training skills and knowledge is to use the on-the-job training (OJT) or job-instruction technique. This method uses more experienced and skilled managers or workers to train less skilled and experienced workers.

OJT takes many forms and can be followed by a tutorial or classroom training session. It includes: the demonstration technique, discussions on what to do, why to do it and how to do the task correctly, role plays and scenarios. This method is commonly used to train apprentices.

Formal OJT programs are typically conducted by facilitators who can effectively use one-on-one instructional techniques and who have superior technical knowledge and skills.

Coaching

Coaching is the process of training, developing and empowering a person to do a task. It does not follow the traditional training methodology of teaching, showing and telling; instead, it involves supporting and guiding a person through a task and enabling them to follow a process to make sound decisions.

Coaching involves:

- focussing on the needs of the person being coached (learner) that are aligned with the organisational requirements
- achieving competency through the learner, not the actual coach
- achieving desired team and organisational objectives.

Mentoring

Mentoring is the relationship of personal development that exists between a mentor and mentee. The term mentor is defined as a trusted counsellor or guide.

A mentor is a person who is usually older, more experienced, and guides the mentee through their personal development journey. Mentors can also be people who are currently in a position where the mentee aspires to be. Mentoring is viewed as a relationship that is more extended and personalised than coaching. It involves encouraging self-development, listening and questioning, sharing experiences and enabling the mentee to work things out for themselves.

Training plan

Training or learning plans are formal documents used to describe the goals that need to be achieved and the ways that a worker's competency gaps will be addressed.

Many workplaces have a training plan template that helps to map a worker's development needs.

There is no industry standard for the content and format of a training plan; however, a training plan should provide a record of:

- competency gaps
- learning objectives
- training or development priorities, including long-term and short-term needs and time frames
- types of training required.

Example

Training plan

Learning plan	
Name:	Sally Hedges
Date:	01/02/2021
Goal:	Develop skills to complete a range of professional business documents to workplace standards.
Identified need	**Action**
Competency or task	Produce complex documents.
Organisational objective	To produce quality material that enhances the image of the company.
Identified learning goal	To produce reports more efficiently using the advanced tables, borders and referencing features in Microsoft Word.
Why is this learning important to you and your job?	I want to learn more about using Microsoft Word to help me with producing reports for work, and for my course in Human Resources. The skills will enable me to share the team's workload.

Identified need	Action
How will you accomplish this goal?	I will attend the formal Microsoft Word training sessions organised by my supervisor and practise my new skills at work and home.
How will you demonstrate that you have attained your goal?	I will prepare reports efficiently and within designated time lines using these features, and I will share my new knowledge with my colleagues. I will ask for feedback from my supervisor and colleagues.
When will you achieve this goal by?	01/04/2021

Practice Task 5

Question 1

List six types of teaching methods used for training project personnel.

Question 2

Which of the following statements about developing training plans are correct? Tick all that apply.

- ◯ Training plans describe long-term and short-term training needs.
- ◯ Training plans must conform to industry standards.
- ◯ Training plans provide a record of competency gaps.
- ◯ Training plans describe learning objectives and time frames.
- ◯ Training plans provide a record of employees' remuneration and benefits.

2C Measure individual performance and address shortfalls

Measuring individual performance is important in terms of managing worker outputs against project goals.

It is good practice for a Project Manager to establish outcomes and performance requirements and follow up with a functional system of performance monitoring and evaluation. As Project Manager, you need to assess and monitor your team's performance to see how well or poorly team members are performing.

Setting clear performance targets, measuring performance and giving feedback about individual results, helps workers to understand what they are achieving and how they are supporting the project's goals.

Monitor and measure performance

Performance management is a process of continuous improvement. This means that monitoring and measuring people performance should be an ongoing task. There should be no surprises to a project team member about their personal performance when appraisal or end of contract meetings arrive.

Project team members' individual performance should be measured and provided with feedback on a regular basis throughout their time on the project.

The aim of measuring processes is to identify actual performance and address and reduce variations that are below the required standards. This process also tells you how well the project management plan is unfolding and whether your plan is heading off course so you take early corrective action.

To effectively measure your project team's results, you need to focus on the performance targets and collect useful data to identify variations. Performance can be monitored by completing observations, asking for feedback from team members, accessing reports and collecting useful quantitative data from other sources.

Diagram showing the performance monitoring and measurement process.

1. Identify areas where monitoring is needed:

Concentrate on what is important in terms of objectives and key results areas (KRAs).

2. Identify specific measures:

These are the KPIs that represent the benchmarks of performance that must be achieved in a set period of time.

3. Compare what is happening with what should be happening:

Once steps one and two have occurred, it should be relatively simple to complete a comparison.

4. Take action as necessary:

Identify the source of the variation and what needs the most attention. Implement changes immediately

Set KPIs

There are two basic steps to developing your team KPIs.

Step 1: Identify the key results areas (KRAs) for the job role

Key results areas (KRAs) are the areas of responsibility for an individual and work team. They are generally described in a person's job description. If KRAs are not predetermined, you will need to analyse the job roles of the team to identify what areas of the business they're responsible for.

The KRAs will change significantly depending on the nature of work operations, project types and job roles. They may include:

- quality
- reporting
- technical work
- sales/customer service
- safety and environment
- team participation
- innovation
- administration and support
- leadership.

Step 2: Develop qualitative and quantitative KPIs

In each KRA, you must determine how you will measure the team and individual performance to assess whether the area of responsibility has been fulfilled.

There are two types of performance measures that can be used in performance management:

- outcome/lagging indicators – the targets used to measure the final achievements
- positive performance/leading indicators – the targets used to measure progress towards the final outcomes.

Qualitative and quantitative KPIs

Quantitative KPIs are based on identifiable numbers and statistics. Qualitative KPIs are based on quality outputs and are not as easily measured as quantitative measures. This is because the information is often taken from perception and observation and not statistical analysis and core data.

Quantitative KPIs include:	Qualitative KPIs include:
▪ waste reports ▪ quality reports ▪ sales reports ▪ stocktake sheets/inventory lists ▪ product recalls ▪ complaints register ▪ POS systems ▪ customer survey/questionnaire results.	▪ personal observation ▪ stakeholder feedback ▪ feedback from sales and service teams ▪ word-of-mouth.

Write effective KPIs

Here are some tips for writing effective KPIs for your project team members:

- KPIs can be quantitative and/or qualitative measures used to review an individual's progress against project goals.
- These are broken down and set as targets for achievement by departments and individuals. The achievement of these targets is reviewed at regular intervals as part of the project management system.
- KPIs can be used to measure the performance of an individual worker, control productivity and quality, and help shape the behaviours of workers.
- KPIs need to be flexible and reflect the changing objectives of the project. Objectives change as the organisation changes in reaction to external factors, or as it gets closer to project milestones.
- Individual KPIs need to be directly linked to project objectives, quality standards and performance specifications.
- They need to reflect the organisation's culture and values by indicating the types of behaviour and performance the organisation will recognise as successful and reward workers for.
- KPIs need to be measurable and reflect a balance between project and people orientated measures. KPIs are a fundamental component of sustaining a change process and maintaining a performance management culture.

- When performance is measured, and the results are made visible, Project Managers can take action to improve.
- KPIs should be quantifiable where possible, for example, they should be explained in financial terms, numbers, raw data, percentages or rates.
- KPIs need to be fair and achievable under regular operating conditions and be written in clear, concise and simple terms so workers will understand them.

Gather data to measure actual performance

Measuring worker performance does not need to cost you a lot of time. Where possible, you should establish systems that make it relatively simple and efficient to collect data about your project team's performance to measure actual performance.

Data can be collected by:
▪ personal site observations ▪ gathering feedback from clients and other stakeholders ▪ performance reporting systems ▪ WHS reports ▪ progress/status reports ▪ time sheets ▪ monitoring/testing results ▪ worker feedback.

Frequency of performance measuring

The frequency of the performance measurement process will be dependent on the length of the project, KRAs, key milestones and schedule of KPIs.

Performance measurement may include hourly, daily, weekly or monthly monitoring and reporting activities. For example, customer satisfaction is generally monitored monthly, quarterly or bi-annually; however, quality outcomes and production times can be monitored hourly.

Take actions to address shortfalls

Shortfalls such as underperformance must be addressed by the Project Manager so that performance can be corrected as soon as possible.

Performance results should be addressed in the following ways:

Positive actions	Providing training, feedback, supervisory support and resources to enable the worker to improve performance.	This should be used as the first option in almost all cases, in particular when the worker is new or unsatisfactory performance is uncommon with the individual.
Negative actions	Disciplinary actions such as counselling; first, second, third or final formal written warnings; termination for ongoing poor performance; or wilful misconduct.	This is used to manage serious misconduct, ongoing poor attitudes, long-term unsatisfactory performance or a rapid decline in performance where the team member has not provided a reasonable explanation for their actions.
Combination of positive and negative actions	Disciplinary actions coupled with support, ongoing supervision, feedback and resource assistance.	This is used to manage ongoing poor performance or behaviours, such as over a period of three months or more.

Communication skills in project management

It is essential that you develop the communication skills to articulate expected roles, responsibilities and standards of performance to provide effective feedback when measuring performance.

The basic foundation for every high-performing Project Manager is that of effective communication skills. Communication is the interchange of information whereby two parties exchange and understand the intent of the message. Communication is not a one-way, one-off transmission of information. Rather, it is a process by which two or more people interact.

The various groups in a project depend on effective communication to achieve common goals. Without communication there would be no progress, no results and no deliverables. Task accomplishment, safety, quality, productivity and stakeholder satisfaction all require effective communication from the Project Manager.

Tips for effective communication skills:

- Pay attention to all communication (verbal and non-verbal) from your team members and feed it back to check and validate your understanding.
- Use clear and appropriate language so that the other party understands you.
- Support verbal instructions with written materials.
- Check that your tone and body language match your words.
- Be aware of your body language and how others may perceive your thoughts and feelings.
- Encourage team members to ask questions, reflect on what has been said, clarify the correct message and summarise the key points.
- Show understanding and empathy towards your team members to help nurture workplace relationships.
- Listen will full attention, without distraction and focus on the entire message being spoken.
- Let your team members know you have listened well by matching their emotions with the meaning of the content.
- Try different styles of communication so that each individual team member understands the intent of your message.
- Demonstrate active listening skills by using positive reinforcement, smiling, making eye contact and using a forward-facing posture.

Example

Measuring performance against KPIs

Brian is a Senior Project Manager for a construction firm. Part of his duties is to complete a monthly performance analysis on his site supervisors. In his recent review, Brian chose a few focus areas to target and used the established KPI framework to outline acceptable performance standards in the KRAs. His compiled assessment is reproduced below.

KRA	KPI	Actual performance
Client engagement	Responding to enquiries within 48 hours	✘ This is done inconsistently; 70% of emails met this KPI.
Client satisfaction	Resolving 80% of issues raised within 5 business days	✓ Excellent adherence
Building schedules	Adherence to project schedules within 80% of baseline schedule	✘ Only 65% of the time; major disruption to building timelines and milestones is occurring.

Practice Task 6

Question 1

Which of the following statements about performance management are correct? Select yes or no for each one.

a) Project personnel should be given feedback on their performance once a year.	» Yes	» No
b) The objective of measuring performance is to identify and address how well or poorly team members are performing.	» Yes	» No
c) Monitoring the performance of team members against KPIs is done using observations and reports only.	» Yes	» No
d) Qualitative KPIs are based on identifiable numbers and statistics.	» Yes	» No
e) KPIs need to be flexible and reflect the changing objectives of the project.	» Yes	» No

Question 2

Identify three ways to address shortfalls in a team member's performance.

Question 3

What communication methods should you use when clarifying roles with project personnel? Tick all that apply.

- ◯ Support verbal instructions with written materials.
- ◯ Use industry terminology to make sure communication is clear.
- ◯ Feed communication back to personnel to check and validate your understanding.
- ◯ Encourage team members to ask questions at the end of the session.
- ◯ Let personnel know you have listened by matching their emotions with the meaning of the content.

Question 4

Review the following Job Description extract (1) and Customer Acquisitions Report (2), then answer the question.

(1)

Job Description (extract)	
Employee: Kate Smith	
Job role: Project sales team	
KRA	**KPI**
Sales/customer service	Achieve 300 new customers each month

(2)

Customer Acquisitions Report – April 2021			
Employee: Kate Smith			
Week 1	**Week 2**	**Week 3**	**Week 4**
51	97	65	69

Briefly explain whether Kate achieved her monthly sales/customer service KPI for April.

Summary

- The Project Manager is required to set and communicate clear duties and responsibilities to project team members, as well as other organisational personnel.
- Job roles, accountabilities and required behaviours should be documented in a job description and all parties impacted by the project role will require a copy, including the person operating in that position.
- Project Managers may need to negotiate the details of a role description with the project stakeholders, such as the Project Sponsor, Program Manager or subject matter experts with technical insight into the role.
- The first step in planning a training program for project team members is to identify the needs of learners using a training needs analysis. Every person will have different learning needs based on their exposure to the project and their allocated duties.
- A performance gap exists when a project team member does not meet the standard required described in the role description document. As Project Manager, address the competency gaps you have identified through the training needs analysis using appropriate learning opportunities.
- It is good practice for a Project Manager to establish outcomes and performance requirements and follow up with a functional system of performance monitoring and evaluation.
- By setting clear performance targets, measuring performance and giving feedback about individual results, workers can understand what they are achieving and how they're supporting the project's goals.
- Performance management is a process of continuous improvement. This means that monitoring and measuring people's performance should be an ongoing task. There should be no surprises to a project team member about their personal performance when appraisal or end of contract meetings arrive.
- There are two basic steps to developing your team KPIs: identify the key results areas (KRAs) for the job role then develop qualitative and quantitative KPIs.
- The frequency of the performance measurement process will be dependent on the length of the project, KRAs, key milestones and schedule of KPIs.
- Shortfalls such as underperformance must be addressed by the Project Manager to make sure the performance can be corrected as soon as possible. Actions can include positive, negative and blended actions to support the project team member, build accountability and provide clear direction.

Learning Checkpoint 2
Implement project HR training and development

Part A

1. Describe three ways you can ensure project roles are clearly defined and communicated to project personnel.

2. Draw a line to match each training and development method to its correct description.

» Mentoring	» Best used for developing knowledge of a topic that does not require immediate development of a skill. Similar to a lecture, it is predominantly led by a facilitator.
» e-learning	» The process of training, developing and empowering a person to do a task by supporting and guiding a person, and enabling them to follow a process to make sound decisions.
» Tutorial	» Encompasses several different types of technology assisted training, such as computer-based training (CBT) or web-based training (WBT).
» Simulation	» Involves encouraging self-development, listening and questioning, sharing experiences and enabling the learner to work things out for themselves.
» Coaching	» Designed to mimic the processes, events and circumstances of the learner's job.

3. List five communication skills you would use when negotiating and agreeing on project roles with stakeholders.

Part B

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

Case Study

Quality Living is a furniture manufacturer that has been in business for over 50 years. It has recently launched a new project developing and building a range of premium custom outdoor furniture products in addition to their indoor range. The company has relied on its time-honoured work methods and processes and a steady stream of customers for its expensive products.

The project team consists of five cabinet-makers, a designer and a supervisor. The team are responsible for following four key results areas:

1) Quality of work
2) Safety
3) Production times
4) Teamwork and innovation.

In the first three months of the project, the variance between actual and forecasted quality rates and productivity targets reached an unfavourable variance of 15%. The Project Sponsor is wanting quick action to guarantee the new product range is ready for sale in one month.

1. Outline a basic training plan for a cabinet-maker who is failing to meet their KPIs for quality of work. The plan should include a goal explaining the competencies to be improved, at least two learning opportunities and a time frame for completion.

2. Identify two key aspects the Project Manager should focus on when measuring the performance of the project team.

3. List two actions that the Project Manager should include in an action plan to manage shortfalls in team member performance.

Topic 3 | Lead project team

3A Improve individual performance and project effectiveness

3B Monitor and report on factors influencing performance and morale

3C Implement interpersonal communication, counselling and conflict resolution procedures

3D Manage project resource conflicts

3A Improve individual performance and project effectiveness

Project Managers are also leaders in their organisation. They are required to manage project tasks, as well as lead their team members to get the highest level of performance possible.

Leadership is the process by which a person influences others in their team to achieve an objective. Great business leaders carry out this process by developing and using their leadership attributes – their beliefs, character, values, ethics, knowledge and skills.

Leadership requires you to demonstrate the following traits:

- interpersonal communication skills
- initiative
- energy, drive and passion
- self-assurance
- conceptual skills
- resilience/mental toughness
- strong goal orientation
- integrity
- emotional intelligence.

Lead by example

To inspire and motivate positive results and behaviours in your project team, you will first need to demonstrate and uphold the values and standards of your organisation in your personal behaviour. Behavioural modelling is a popular way to show staff the standards of behaviour and actions expected of them. Many people learn not only by doing (kinaesthetic learning), but by watching what others do. This means people can learn positive and negative behaviours based on what they observe in their world.

Since managers and leaders have the largest degree of influence over their teams, it is their actions, attitudes, values and results that tend to speak louder than any other person in the organisation.

Identify and rectify underperformance of teams and individuals

Project team and individual performance must be regularly monitored and reviewed to identify underperformance early and promptly address it. Early detection and rectification of performance issues at an individual level will prevent serious impacts to the team's performance, as well as the overall project schedule and budget, and still achieve the project goals.

The performance management process should be viewed as a positive process and problem-solving exercise. This means that once the problem has been identified, the root causes need to be established. Following this, positive support must be provided to correct the poor performance.

Positive performance management

Performance management often has a negative stigma attached to it. Workers can fear they will be punished for underperforming. Where possible, performance management should be a positive experience and include options such as training, coaching, resource support, positive reinforcement and encouragement. Even the process of writing and implementing performance improvement plans should be presented in a positive light. Explain the benefits of improving personal performance to the individual, the project team and the organisation.

Where performance is the key issue, negative actions (i.e. warnings and dismissal) should always be a last resort option and not the immediate response.

Root causes for unsatisfactory performance

Unsatisfactory performance and behaviours can occur for different reasons; some are person-centred and others are management system-centred.

Person-centred root causes	Management system-centred root causes
▪ Negative experiences with colleagues at work contributing to low morale and lack of personal motivation ▪ Personal issues such as mental or physical illness, birth of a child, family conflicts or divorce ▪ Laziness or lack of attention to detail ▪ Loss of confidence to do the job ▪ Making a poor decision	▪ Lack of systems or processes to support workers in achieving their performance measures ▪ Workers have not been trained or have unclear expectations ▪ Policies and procedures are vague, out of date, too restrictive or fail to address real working conditions or situations ▪ Decline in business marketing activity leading to fewer opportunities for staff to reach customers ▪ Increased customer service difficulties impacting on quality and productivity ▪ Negative management practices can lead to workers feeling unmotivated ▪ Poor recruitment and selection practices ▪ Lack of feedback and positive reinforcement from management so workers do not know if they are performing their duties correctly

Performance interventions

There are three types of action that Project Managers can choose to address team member performance.

Positive actions	Provide training, feedback, and supervisory support and resources to enable the worker to improve performance.
Negative actions	Issue disciplinary actions, for example, formal warnings or termination for ongoing poor performance or wilful misconduct.
Combination of positive and negative actions	Issue disciplinary actions coupled with support and resource assistance.

Positive actions

Project Managers need to support team members through training and development to assist them in achieving and exceeding their KPIs. Excellence in performance is often a direct result of quality feedback and coaching processes that have led to the development of the individual's skills and knowledge. Coaching must be consistently provided to all team members, regardless of their performance, as part of the performance management process.

Coaching is a learning process; it aims to build capability and produce the desired results by inspiring the person to achieve their best. Coaching helps to achieve long-term and short-term goals and assist in career development. It helps individuals improve their current competencies, as well as helping in areas that need improvement. It is a valuable tool for increasing an organisation's overall productivity and increasing morale.

To successfully coach an individual, you need to:
▪ show a genuine interest and commitment in supporting your team member ▪ maintain and manage the relationship where the usual power element is reduced ▪ communicate information in a non-judgmental way by gathering information and relating it precisely to what is needed by the individual; requires outstanding communication skills including listening, asking questions, summarising, giving and receiving feedback, sharing information and encouraging others.

Coaching also involves providing the individual with initial instructions, observing their performance, giving them opportunities to reflect on their skills and offering advice on how they can improve their skills. In some cases, coaching may be very informal and occur in short time spurts. In others, it may be an organised strategy or demonstration to help the team member develop complex skills.

Negative actions

Poor performance simply means the required criteria has not been met for either a short or considerable length of time. In some cases, performance may be up to the required standards; however, the worker's behaviours are less than acceptable. Behaviours relate to attitudes, actions and treatment towards others and the business. In some cases, poor behaviours are not necessarily directed towards any single person or group of people.

Underperformance and poor behaviours arise for many reasons, including personal issues at home, illness, loss of confidence, low skill levels and expectations not being met at work. It is important that as the manager you do not make assumptions or judgments without collecting all the facts and take the time to uncover the root causes of any behavioural issues that may exist. In many cases, poor performance will relate back to a gap in management systems and are not just person-centred.

Manage underperformance

If a strong foundation of trust and confidence has been developed between you and your project team member, it is easier to have a difficult conversation with a person about poor behaviours or performance.

Where poor performance is identified, you should implement the following process:

- Assess and analyse the problem: Perform a gap analysis to identify how long the problem has been occurring for and the size of the problem. Always let the worker know the purpose of the meeting and ask them to prepare some feedback on their performance to discuss in the meeting.
- Meet with the worker and discuss the area of underperformance: Meet in a private, comfortable place free from distractions and interruptions. Discuss outcomes, positive items and their strengths. Let them know what is going on and work together to resolve the situation in a relaxed atmosphere.
- Identify the source of the problem: Make sure that you understand the cause of the problem. Be specific and give clear feedback on what areas the underperformance is occurring.
- Consult and get agreement on a solution: A clear understanding should be obtained; stay focused and positive. Reinforce the value of the role they perform and how you should work together to fix the issue. Encourage the worker to come up with solutions to the problem.
- Seek ownership of the problem: The worker must always accept ownership of their performance. As Project Manager, you must provide support and assistance; however, the onus must always be on the worker. If you are doing all the talking and giving all the answers, it is likely the worker will not follow through on their action plan.

- Monitor the problem: Monitor the worker's progress and provide ongoing feedback on performance.
- Develop a performance improvement plan: Develop a performance improvement plan (PIP) with new goals and actions to address the performance or behavioural gap.

Performance improvement plans

A performance improvement plan (PIP) is designed for a member of the project team who is not performing to the expectations of their role. Worker support is an essential part of the performance management process.

Using an ongoing assessment, appraisal and development system will allow you to manage performance issues by focusing on opportunities for improvement and increase project effectiveness.

Individual PIPs must include the following elements:
▪ an individual's performance criteria (KPIs) ▪ the various tasks an individual must perform in the project ▪ time frame for improvement ▪ learning and development activities.

Implement PIPs

A PIP should be comprehensive; it should set out all outcomes and performance requirements that the individual be assessed, including personal and project team targets and requirements. It should also establish a formal agreement between the manager and the project team member.

Once the specific development activities for an individual project team member have been identified, they must be documented using your standard organisational templates.

Example

Performance improvement plan (PIP) template

Team member name		Manager	
Project role		Date of plan commencement	

Project team goals	
Individual improvement goals	

Key results areas	Key performance indicators	Improvements required	Learning opportunities	Date for completion

Team member name	Team member signature	Date
Manager name	**Manager signature**	**Date**

Practice Task 7

Question 1

Which of the following relates to coaching? Tick all that apply.

- ◯ Communicating information in a non-judgmental way
- ◯ Providing initial instructions and observing performance
- ◯ Focusing on areas where there have been failures
- ◯ Giving opportunities to reflect on skills and offering advice on how to improve
- ◯ Controlling and micro-managing each task so that they are completed

Question 2

Number each step from 1 to 7 in the order you would follow to manage underperformance.

- ◯ Consult and get agreement on a solution
- ◯ Develop a performance improvement plan
- ◯ Assess and analyse the problem
- ◯ Identify the source of the problem
- ◯ Meet with the worker and discuss the area of underperformance
- ◯ Monitor adherence to the performance improvement plan
- ◯ Seek ownership of the problem

Question 3

Identify three things that should be documented in a project team member's performance improvement plan.

3B Monitor and report on factors influencing performance and morale

Throughout the project's life cycle, there will be a range of internal and external influences on project performance, as well as individual performance and morale.

An important function of project management is that of monitoring and reporting on the project's performance. As Project Manager, your job in leading your team will be to identify and address any influences on project performance before the project budget and schedule is adversely affected.

This means checking that all activities are being accomplished according to the strategies and objectives outlined in the project management plans and correcting any deviations with minimal disruption to the project's critical success areas.

Influences on poor project performance

Projects often fail due to a lack of planning, risk assessment and execution of those plans during the implementation phase of the project.

Poor project performance can be linked to internal and external influences that impact on individual and project team performance and morale. These risks and issues should be identified, assessed and planned for in the project planning phase. It is up to the Project Manager to monitor the internal and external environment of the project to determine the impact of these influences, then implement actions to correct any issues of poor project performance.

External influences and risks on project performance	Internal influences and risks on project performance
▪ **Social and cultural factors:** Population growth rate, lifestyle trends, age distribution, consumer trends, attitudes towards domestic and foreign products and services, community health and attitudes towards workplace health and safety and the environment. ▪ **Political:** Political stability, requirements and expectations of regulatory authorities, environmental protection laws and regulations, taxation laws, consumer laws, trade laws, and import and export laws. ▪ **Legal:** Impacts of legislation and regulations at a state and national level.	▪ **Corporate governance:** Structures, polices, plans and accountabilities that govern how the organisation and its project activities are directed and controlled. ▪ **Capabilities:** What the organisation is equipped to achieve and offer its stakeholders. ▪ **Systems:** Internal systems and processes for health and safety, environmental protection, quality, production, human resource management, contract management, procurement, service and communication.

External influences and risks on project performance	Internal influences and risks on project performance
▪ Technological: Advances in technology, communications, product and system development and science, and its relative impact on business operations. ▪ **Economic:** Stability and changes in the economy, such as inflation, unemployment, value of the dollar, interest rates and market cycles, and how these forces impact on the labour market, internal workforce and consumer behaviours. ▪ **Natural and competitive environment:** Performance of local, national, rural or global markets. ▪ **Drivers and trends:** Current issues impacting on the industry, environment and specific sectors across Australia.	▪ **Workforce:** Skills, knowledge, experience and attitudes of staff, as well as the hours of operation, employment arrangements, and size and capabilities of the workforce as a whole. ▪ **Products and services:** Range and quality of product and service offerings and the degree of demand from consumers. ▪ Finance and resources: Budget allocated to developing and maintaining the business and existing resource capabilities. ▪ **Suppliers:** Relationships with key suppliers, including their performance in the provision of goods and services, prices, quality and reliability of delivery. ▪ **The marketing intermediaries:** Relationships with wholesalers, other retailers and providers of trade channel services.

Methods and tools to monitor influences on project performance

There are many different types of methods and tools available to identify the influences and risks that may have a negative impact on individual and team performance.

SWOT analysis	SWOT (strengths, weaknesses, opportunities and threats) is a tool that enables Project Managers to scan their internal and external environment to analyse the positive and negative risks. Strengths and weaknesses are internal to an organisation's environment; opportunities and threats involves assessing the organisation's external environment.
PEST analysis	PEST (political, economic, sociocultural and technological) describes the four major elements of the external or macro-environment that impacts an organisation; forces that are outside of the control of the business. PEST is also used when conducting a risk assessment.
Consultation	Consultation refers to meeting with key people in and outside of your business who have a firm understanding of the project and its associated risks. These people may include: Risk Manager, WHS Manager, Project Sponsor, Project Administrator, Program manager, subject matter experts and environmental officers.

Brainstorming	Brainstorming combines a relaxed, informal approach to risk identification and analysis using group problem solving with lateral thinking. It requires people to generate assumptions and ideas about risk that can at first seem to be a bit left of centre. The aim is to develop a comprehensive list of risks relative to the project at hand.
Delphi technique	This is a qualitative forecasting process where a panel of experts are invited to provide their input and expertise on a range of risk topics and questions. The process is run by a facilitator, who poses the same questions using a predetermined questionnaire to each panel member. After each round of questioning, the facilitator provides the panel members with an anonymous summary of the panel's total responses, as well as the reasoning behind the forecasts. The panel members then revise their responses based on the general consensus and input of other panel members. After the prescribed number of rounds (up to three rounds) have been completed, the facilitator analyses the data to develop mean and median scores of the revised responses.
Cause and effect diagram	A cause and effect (fishbone or Ishikawa) diagram is a way of identifying all the possible causes related to a problem. In many situations, an event can be produced by multiple causes and multiple combinations of causes. These are mapped in a diagrammatic view to show project team members the range of risks and their sources.
Hazard hunts	A group hazard identification process whereby members from the health and safety committee or a work group will stop work to search the work area for health and safety hazards and risks. Any risks found are documented and a risk assessment is performed by the group to establish the potential consequences of harm and priorities for controlling the hazards.

Remedial action

Based on the outcomes of the monitoring process, you will need to make necessary changes to ensure the ongoing effectiveness of the project. These changes may target individual workers by implementing PIPs or adjusting elements of the project management plan.

Improvements might take the form of changes made to:	
▪ project baseline schedule ▪ project budgets ▪ role descriptions ▪ performance indicators ▪ learning and development plans	▪ performance counselling methods ▪ policies and procedures ▪ project forms and templates ▪ performance appraisal meetings ▪ feedback processes.

Report on project and worker performance

Issues affecting project and worker performance must be documented and communicated to key stakeholders (e.g. Project Sponsor, Program Manager and client).

Reports may include either of the following:

Progress report	Covers budget and cashflow information, conformance with specifications, quality issues, contractual performance and changes, as well as project, task and milestone commencement, and progression and completion details.
Status report	Covers where the budget, schedule, tasks and milestones are in relation to the status date. Status reports can also be used to explain conformance with project specifications and resource usage.
Issues log	A short succinct table summarising the issues hindering the progress of the project and what actions are being implemented to overcome these problems.
Issue report	A short summary of the identified issue and an impact analysis of how it is impeding on the project's budget and schedule.

Example

Sample status report

To	Tim Mitchell
Date	18 March 2021
Reporting Period	Weekly
Reference	330-STB-015
Project	35730 – Pt Hughes Sewer pipeworks upgrade
From	Rick Callington (Project Manager)

General status

- Site install plans being developed
- CAD drawings being finalised now
- Material procurement

Items completed during this period

- HSE document further populated with relevant documentation
- Site inductions completed
- Further fall arrest system details provided to client

Activities planned for next period

- Commence panel construction
- Continue site install plans
- Completion of CAD drawing set

New issues of concern

- Shortage of materials from suppliers for specialised pipe works
- Replacement of project administrator role due to termination of contract

Client action items

- Tim Mitchell to formalise the requirement for category 3 not category 4 for this project in accordance with client risk assessments.

Outstanding issues

- Yet to fill second level technician role
- Open request for variation from client (ref #4571) – yet to be resolved

Practice Task 8

Question 1

List three examples of internal influences on project performance and three examples of external influences on project performance.

Question 2

Draw a line to match each monitoring/analysis tool to its correct description.

» Consultation	» Involves scanning internal and external environments to analyse all strengths, weaknesses, opportunities and threats.
» Hazard hunts	» Involves mapping all possible causes related to a problem in a diagrammatic view to show project team members the range of risks and their sources.
» SWOT analysis	» Involves members from the health and safety committee or a work group searching for and documenting health and safety hazards and risks in the work area.
» Ishikawa diagram	» Involves meeting with key people in and outside of your business who have a firm understanding of the project and its associated risks.

Question 3

List five remedies you could use to improve project outcomes.

Question 4

Draw a line to match each project report to its correct description.

» Status report	» Covers budget and cashflow information, conformance with specifications, quality issues, contractual performance and changes, as well as project, task and milestone commencement, and progression and completion details.
» Issue report	» Covers where the budget, schedule, tasks and milestones are in relation to the status date. Status reports can also be used to explain conformance with project specifications and resource usage.
» Progress report	» A short succinct table summarising the issues hindering the progress of the project and what actions are being implemented to overcome these problems.
» Issues log	» A short summary of the identified issue and an impact analysis of how it is impeding on the project's budget and schedule.

3C Implement interpersonal communication, counselling and conflict resolution procedures

Conflict in the project management environment is inevitable. However, conflict can be healthy or unhealthy, depending on how it is managed by the Project Manager.

Workplace conflict can start from a difference of opinion and evolve into animosity, power battles or in serious cases occupational violence, psychological harassment or bullying. Poorly managed conflict can be a major barrier to successful work teams and can lead to disruptive, unproductive and stressful environments. This is the negative side of conflict.

To maintain a positive working environment amongst team members, as Project Manager you will need to establish procedures that ensure effective communication, management of behavioural-based issues and resolution of conflict.

The positive side of conflict

There is a healthy side of conflict. When managed well it can deliver positive outcomes for individuals, work teams and managers. Without conflict, work teams can become stale and routine and lack the energy and excitement needed to produce higher results and achieve the project's objectives.

The absence of conflict can also indicate that team members have a low level of interest and care about their team-mates and their work.

The positives of workplace conflict can include:

- higher productivity
- greater innovation
- stronger relationships
- improved communication
- a culture of confidence and trust
- the resolution of important issues
- better methods for completing a task.

Sources of project team conflict

In most cases, a conflict is simply a basic disagreement or offence from one person to another. It usually starts when a person experiences unwanted, threatening or indifferent behaviour. These can be summarised as difficult behaviours.

Here are ten common sources of workplace conflict.

Perception	Who knows best, who has authority, whose job it is
Emotional issues	Mental or emotional instability as a result of work or home issues
Barriers	Prejudice, selective hearing and preconceived ideas
Differences	Goals, wants, needs, expectations and values
Fear	Change, uncertainty, losing face, making mistakes
Personality clashes	Similar or opposite personalities; incompatible or opposing persons
Competition	Fight for rank, resources or recognition among peers
Content matters	Who said what; confusion of policies, plans and priorities
Poor communication	Lack of empathy and listening skills; confusing instructions, unclear language
Role pressures	Responsibilities and/or workloads exceeding capacity

Addressing conflict

Since conflict in teams is a given, is your responsibility to establish the rules in your project team when it comes to conflict management.

When conflict occurs, team members have two choices:

1. Address: Approach the offender and attempt to resolve the issue.
2. Avoid: Leave the issue in the hope it will fix itself.

These options relate to a person's natural 'fight or flight' response.

In many cases, people tend to opt out of a difficult conversation for fear of rejection or misunderstanding. The fight or flight model is based on an individual's instinctive reaction to a dangerous or threatening situation. Both responses are stressful; however, for genuine issues that require resolution, only the fight response will lead to healthy outcomes.

The outcomes

If handled well (i.e. both parties exercise empathy, respect and emotional intelligence) conflict can lead to positive outcomes. If handled poorly (i.e. dominative, controlling, passive or withdrawn behaviours are exhibited) only negative outcomes will result.

In summary, when addressing a conflict, there are three outcomes that will result:

Win–Win

Both parties are satisfied with the result.

Win–Lose

One party is satisfied with the result; the other party walks away feeling as though their needs have not been met.

Lose–Lose

Both parties have lost ground and have not had their needs met.

Follow established procedures and systems

To effectively deal with any grievances or conflicts that may arise in the project team, follow your organisation's policies and procedures for dealing with disputes and conflict. These procedures provide a structure for the worker and yourself as the manager to follow and solve the issue before it escalates into industrial action.

When a conflict situation arises, it is necessary to check your organisation's policy and procedures to clarify the process that should be followed.

If a team member has a grievance or dispute, they should seek to resolve their issue in the following manner:

Speak to the person causing the problem. While this may not be appropriate in some cases, it may be the easiest way of resolving the issue if you feel comfortable with speaking to the person. You can tell them that their behaviour, decision or action was unfair, offensive or discriminatory and why you believe this to be so. The person may have been totally unaware of the effect of their behaviour or decision on you. By telling them, you give them a chance to redress the situation.

↓

Speak to the Line Manager or the General Manager, Human Resources. If they do not want to speak to the person directly, they can tell the Manager or the General Manager, Human Resources about your grievance. They will inform the worker of the options. With their agreement, they may approach the person complained about and talk to them informally about the grievance. Alternatively, they may decide to make a formal complaint.

↓

Make a formal complaint. If they decide to make a formal complaint, this can be done by putting the complaint in writing and reporting it to the Human Resources Manager. They may have a fellow worker attend the meeting with them when they report the complaint.

↓

The written complaint should contain a description of the incident(s), decision, behaviour in question, the time and date of the incident(s), the name of any witnesses, your signature, and the date of the complaint.

Responding to an issue

All written enquiries must be responded to by a specified time from the initial enquiry as per the organisational policy. All email enquiries must be responded to in the contact method requested by the worker.

If the investigation reveals that the complaint is valid and substantiated, a number of actions may be taken, depending on the nature of the complaint. The person against whom the complaint is made may be required to give the complainant an apology; they may be given a written warning, counselling, transfer or be dismissed.

If the investigation is inconclusive (i.e. the complaint cannot be proven due to lack of evidence) the organisation may nevertheless take a number of actions. These may include training and monitoring the behaviour of the staff involved in the matter.

If the complaint is found to have been completely fabricated, appropriate action may be taken against the complainant, including mediation, counselling, a written apology to the person complained about, an official warning, or in rare cases, dismissal, depending on the seriousness of the allegations.

Mediation

Many conflicts fail to end in win–win outcomes. This may be due to uncontrolled emotion or poor conflict management skills used by the people involved in the issue. To reach a positive conclusion, difficult issues may require the practical assistance and support of a mediator, which should be assumed by the manager in charge.

A mediator's role is to facilitate a formal discussion and assist both parties in the resolution of a win–win outcome. This means the objective of the mediation meeting should be to restore the relationship and resolve the issue.

Follow these four steps to reach a win–win outcome:

Open the discussion	▪ Difficult conversations should be addressed in a place that is away from other team members and customers at a time that is convenient for all parties involved. ▪ Open by clearly stating the objectives and values for having the discussion. Make sure you clearly explain your role as the mediator to avoid confusion between participants. Encourage the first participant (usually the person who has been offended) to begin with a framing statement – a clear, short statement about what needs to be discussed. The statement should focus on the behaviour – not the person – and communicate only the facts.
Give useful information	▪ Encourage the first participant to begin using 'I' statements to express their feelings. 'I' statements are an assertive communication technique that involves taking responsibility for one's feelings and opinions also allowing the offender to empathise with the person. ▪ Ask the participant to explain the tangible and real effects of the behaviour in an assertive and congruent manner. Double-check to avoid aggressive, assumptive or exaggerated language. These behaviours will lead the respondent into attack or defence mode.

Gather useful information	▪ This is the first opportunity for the second person (or offender) to explain their feelings, actions and opinions. Encourage the offended to actively listen to the response of the second participant. They will often have a different take on the behaviour and event. Encourage both parties to empathise and reflect on the person's words to understand why the behaviour occurred. ▪ As the mediator, you may need to ask clarifying questions to check understanding and summarise the key points being communicated. Be aware of unhelpful attitudes, such as a participant becoming defensive, taking the moral high ground or attacking the words and actions of the person. They do not need to agree with the person's perspective; however, it is important to show understanding. ▪ As each person listens to the points being raised, encourage acknowledgement of the behaviours being discussed. Ask participants to explain how they are feeling during the discussion as a way of achieving empathy and reflective listening. ▪ The third stage of the process should be repeated giving both parties the opportunity to openly discuss the behaviours and see the problem from the other person's view point. ▪ Do not move onto the next step until both parties have understood that the difficult behaviours have been acknowledged.
Problem solve	▪ Once both participants have acknowledged their behaviours and have understood the consequences of their actions, look towards reaching a solution. The process of problem solving includes four steps: 1. Summarise the problem: State the issue, facts, feelings and concerns. Define the problem in terms of conflicting needs, not as a conflict between competing solutions. 2. Search for mutually acceptable solutions: Ask both parties to contribute towards a healthy solution. Encourage the person with the offence to explain how they would like to be treated differently moving forward. More complex issues may require compromise or collaboration. 3. Evaluate the possible solutions: Discuss the possible outcomes of each solution. Will they contribute towards additional problems? Avoid solutions that are unreasonable and unfair towards either participant. 4. Decide together: Encourage ownership and a shared commitment of the solution. Ask each participant to summarise their role in implementing the solution and encourage each participant to explain the benefits to both parties and the team of achieving the win–win outcomes. Summarise the actions moving forward and reinstate the value of following through on the agreed steps.

Provide counselling

As Project Manager, you have an obligation to assist your team members in resolving issues that impact on quality, safety and productivity. This does not necessarily mean you will need to handle the matter yourself in all situations.

In many cases, you will need to provide counselling support to resolve the matter in a timely and effective way that leads to win–win outcomes.

For serious cases involving harassment, bullying and physical violence, you will generally be required to handle the matter directly using formal counselling procedures, or refer the issue to human resources professionals.

Formal counselling procedures

Formal counselling may proceed for ongoing poor performance or behaviours, or for one-off situations, whereby the behaviour is considered serious in nature. Formal counselling can result in a formal written first and final warning, or in cases of serious or wilful misconduct – termination.

A written warning is a formal document outlining the behavioural areas that are not meeting the required standards. It describes the consequence of not improving and the agreed strategies needed to improve. An ongoing failure to respond appropriately to a written warning may also lead to termination of employment. As such, all formal counselling sessions must be documented in the worker's file.

This is to ensure a fair, valid and reliable counselling process and complies with the *Fair Work Act 2009* (Cth). You can read more about the legislation here: aspirelr.link/fairwork-legislation

When conducting a formal counselling session with a project team member:

- Schedule a confidential meeting with the worker: Provide the worker with sufficient notice to prepare and remind them that they may choose to bring along a representative if they wish. Allow the worker to ask questions and give feedback; remember to take notes.
- Set and maintain a positive attitude: You should always focus your discussions on issues of good behaviour or performance and why it is important for both the individual and the organisation.
- Be cooperative, professional and focused: You must be objective and calm at all times. Give the worker the opportunity to respond; listen to them.
- Seek clarification: Ask pertinent questions and let the worker confirm that they understand the behavioural problems and your expectations.

- End on a positive note: Emphasise the positives that have come out of the discussion, reinforce the fact that the worker is valued by the organisation, and stress that improving the worker's performance is a mutually beneficial goal.
- Prepare a written summary: A copy of the confidential report is given to the worker and a copy is kept by you.
- Follow up with the worker: Schedule a follow-up session to check on progress.

Serious or wilful misconduct

Under the Fair Work Act, it is considered fair and just to dismiss a worker without notice or warning if the worker has engaged in serious or wilful misconduct. This is called summary dismissal.

Examples of serious misconduct includes:

- theft
- fraud
- sexual harassment
- intentional acts of violence
- serious health and safety breaches.

In all cases where termination of the employment contract is a potential outcome, you must consult with HR staff and follow your organisation's policy and procedures.

Interpersonal communication skills

Communication skills are used when a person is writing, listening, discussing information with a team member or giving a sales presentation. Interpersonal skills manage the social side of communication.

They empower the person to communicate the intent of their message in a range of social situations with a variety of people. Interpersonal skills allow you to connect with an audience; modify the way you speak; and act with wisdom, dexterity and sound judgement during the communication process.

Interpersonal skills are underpinned by a level of communication skills; however, the two are treated very differently. To communicate on an interpersonal level means to engage with the person in a way that the intent of your message reaches the other person, they understand your message and they respond favourably.

Interpersonal skills require social intelligence, which is made up of two categories:

Social awareness	Social facility
The skills of empathy; attuning to a person and understanding another's thoughts, feelings and emotions; knowing how their social world works.	The ability to interact at the person's level using non-verbal communication, for example, body language, self-presentation, influence and concern.

Both social awareness and social facility range from basic low-level capabilities to more complex skills. These skills are vital when interacting with team members and other stakeholders of diverse backgrounds.

Importance of interpersonal skills

Interpersonal skills are also known as 'soft skills' and are an important attribute that every Project Manager should strive to master. They are crucial to team development, conflict resolution and behavioural counselling.

Interpersonal skills must be *demonstrated* by Project Managers and *developed* in project team members.

Effective use and application of interpersonal skills will inevitably produce the following benefits:

- reduced conflicts and time involved in resolving issues
- more sentiment, appreciation and empathy in work teams
- increased creativity, engagement and group participation
- greater ability to capitalise on the strengths of team members and influence desired performance and behaviours
- increased trust and respect between team members.

Additional guidelines to follow

To achieve win–win outcomes in conflict resolution, mediation and counselling, you will need to practise, where possible, to assist in resolving issues. Always refer to your organisation's policies, procedures and templates when counselling and mediating workers so that your actions are in line with the required standards.

Follow these guidelines when mediating a conflict discussion and counselling a project team member:
▪ Explain your motivations for assisting in the conflict. ▪ Model the right behaviours, for example, demonstrate active listening, interpersonal communication, respect and courtesy at all times. ▪ Provide positive and negative feedback throughout the discussion. ▪ Remain impartial at all times. ▪ Avoid bias or judgemental attitudes that may influence your words, actions or opinions. ▪ Do not speak on behalf of a participant. ▪ Do not cut off a person part-way through a sentence. ▪ Seek to clarify issues where there are vague or ambiguous statements. ▪ Maintain the course of the conversation. ▪ Stop and address unhelpful words and attitudes as they occur. ▪ Encourage active listening, ownership, flexibility, respect and empathy. ▪ Stick to the plan.

Example

Formal performance counselling template

1. Introduction: Explain to the worker what is to be expected in and from the counselling session.
Comments:
2. Explain the nature of the concern and its impact on the team and business goals.
Comments:
3. Encourage the worker to respond with feedback.
Comments:
4. Assess the worker's response and decide on whether to proceed with a formal written warning.
Comments:
5. Explain the requirements expected from the worker – what needs to happen and the outcome expected.
Comments:

6. Explain the consequences of not achieving the expected standards and behaviours.		
Comments:		
7. Ask for suggestions.		
Comments:		
8. Agree on action steps.		
Actions	*Accountability*	*Time frame*
9. Ask the worker to provide comments.		
Comments:		
10. Offer support.		
Comments:		
11. Set follow-up dates.		
Comments:		
12. Formal warning issued? Yes (provide details) / No		
Comments:		

13. Signature and acknowledgement		
Manager signature:		Date:
Manager name:		
Title:		
HR signature:		Date:
HR name:		
Title:		
Worker signature:		Date:
Worker name:		
Title:		

Practice Task 9

Question 1

List five potential sources of project team conflict.

Question 2

What procedures should be followed to resolve conflict in the project team? Tick all that apply.

- ◯ File a police report.
- ◯ Follow organisational policy and procedures for managing disputes.
- ◯ Seek assistance from a line manager, general manager or human resource manager.
- ◯ Leave the issue in the hope it will fix itself.
- ◯ Prepare a formal complaint in writing.

Question 3

Describe the steps you would follow when conducting a formal counselling session with a project team member.

Question 4

Which of the following are examples of effective interpersonal skills? Tick all that apply.

- ◯ Showing empathy
- ◯ Invalidating another's feelings
- ◯ Recognising the thoughts, feelings and emotions or others
- ◯ Knowing how another's social world works
- ◯ Using divisive statements

3D Manage project resource conflicts

Human resource conflicts can arise when there are restrictions placed on the way that personnel are allocated throughout the project.

As Project Manager, you will need to address a range of inter-project and intra-project resource conflicts to protect and execute the project's interests as planned.

Project Managers may be required to settle conflicting resource allocations in the project team and across external projects. Projects may be related in several ways – through task dependency links or through the sharing of common resources. Consequently, the organisation may be facilitating other projects that are at a similar stage and requiring a certain quality or quantity of skill sets.

Human resource conflicts are mainly due to two main issues:

Inter-project resource issues	Intra-project resource issues
Issues that occur in the project can include: ▪ budget restrictions ▪ demanding schedules ▪ loss, replacement and availability of skilled personnel ▪ competing client demands ▪ skills shortages in the industry impacting on positions being filled.	Issues occurring from other projects in the organisation that impact on another project can include: ▪ multiple projects running at the same time and the Project Sponsor or Project Manager has decided to pull personnel from one project to another to meet a new priority ▪ a lack of communication and interaction between project managers and other stakeholders ▪ a change of baseline schedule in one project requiring human resources assistance from another.

Key considerations

When addressing inter-project and intra-project human resource conflicts, you will need to analyse the situation to understand how to best approach the problem.

Key questions to ask in understanding the problem may include:

- Is the HR conflict internal in the project?
- Is the HR conflict between your project and another project?
- Who are the parties involved in the conflict?
- What is the root cause of the problem?
- How long can the schedule be delayed?
- What are the needs and priorities of the various stakeholders?
- How can the problem be solved to everyone's satisfaction?
- Is this a problem that you can solve or does it need to be escalated to the level of the Program Manager or Project Sponsor?
- Are there larger political or organisation issues at play that are driving the conflict?

Manage resource conflicts

All inter-project and intra-project human resource conflicts should be addressed, where possible, internally without the attention of the client. You must settle resource conflicts with the Project Sponsor, Program Manager and other key stakeholders who exist in the organisation.

One way of managing human resource conflict is to simply avoid them altogether. Do this by monitoring your schedule on a daily and weekly basis and maintaining close communications with project management team members and project managers of other organisational initiatives. This ensures that the use of shared resources adheres to the agreed allocations.

To resolve resource conflicts efficiently, stakeholder relationships need to be maintained. Consider the following techniques:

- consult with key stakeholders to gain feedback and understand expectations
- recruit additional human resources (e.g. casual or contract staff)
- adjust the baseline schedule and communicating changes to the client
- negotiate a mutually beneficial outcome that meets needs of both parties
- escalate to the Project Sponsor or Program Manager for a resolution.

Example

Intra-project resource conflict

Russell is a Project Manager for an engineering business that specialises in the design and development of custom water systems for builders, commercial operators, council and government organisations.

Russell is managing a large project in the mid-north of South Australia that involves the installation of a recycled water treatment plant for a winery. His project team is currently in the process of installing the major pipeworks and is on track with the project schedule.

On this day, Russell receives an urgent phone call from his Program Manager who is asking for the services of two specialised boilermakers for a high-end project in the south of the state worth a significant amount of value to the organisation.

Russell reviews his HR plan and the project schedule of works. He establishes that this will have a short-term impact on the schedule of his project; however, he is able to negotiate with the Program Manager to release one boilermaker for one week with the second person returning after two weeks. Russell can change his schedule of works to compensate for the changes and will have the schedule back on track before the next milestone occurs.

Practice Task 10

Question 1

What are two main causes of inter-project and two main causes of intra-project human resource conflicts?

Question 2

List four strategies for managing conflicts in project human resources.

Summary

- Project Managers are also leaders in their organisation. They are required to manage project tasks and lead their team members to get the highest level of performance possible.
- To inspire and motivate positive results and behaviours in your project team, you will first need to demonstrate and uphold the values and standards of your organisation in your personal behaviour.
- Project team and individual performance must be regularly monitored and reviewed so that underperformance is identified early and promptly addressed.
- The performance management process should be viewed as a positive process and a problem-solving exercise. This means that once the problem has been identified, the root causes need to be established.
- Team members who are underperforming can be placed on a performance improvement plan (PIP). This document outlines the improvement goals, KPIs and activities required to improve their performance back to the required standards.
- Project's often fail due to a lack of planning, risk assessment and execution of those plans during the implementation phase of the project, including the internal and external influences that impact individual and project team performance and morale.
- Based on the outcomes of the monitoring process, you will need to make necessary changes to the ongoing effectiveness of the project. These changes may target individual workers by implementing PIPs or adjusting elements of the project management plan.
- Issues affecting project and worker performance must be documented and communicated to key stakeholders (i.e. the Project Sponsor, Program Manager and client).
- Conflict in a project management environment is inevitable; however, conflict can be healthy or unhealthy, depending on how it is managed by the Project Manager.
- In many cases, you will need to provide counselling support to resolve the matter in a timely and effective way leading to win–win outcomes.
- As Project Manager, you will need to address a range of inter-project and intra-project resource conflicts to protect and execute the project's interests as planned.

Learning Checkpoint 3

Lead project team

Part A

1. Which of the following are internal influences and risks on project performance? Select yes or no for each one.

a) Corporate governance	» Yes	» No
b) Workforce	» Yes	» No
c) Drivers and trends	» Yes	» No
d) Political and legal impacts	» Yes	» No
e) Marketing intermediaries	» Yes	» No

2. List four methods or tools used to monitor influences on project performance.

3. Suggest two people suitable to report to on factors influencing individual and project performance.

4. Which of the following are inter-project human resourcing issues? Tick all that apply.

- ◯ Demanding schedules
- ◯ Personnel being moved from one project to another to meet a new priority
- ◯ Loss, replacement and availability of skilled personnel
- ◯ Budget restrictions
- ◯ Skills shortages in the industry impacting on positions being filled

Part B

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

Case Study

Robert works in marketing for a medium-sized online IT audio-visual retail business. He has been leading a project that involved setting up a new online customer rewards program. The project involves working with the internal website developer, the marketing manager, an IT contractor and a third-party consultant who specialises in online business. The rewards program has been designed and is in the process of being integrated in the existing website.

Robert has observed some of the behaviours and work of the website developer, Peter, as being of concern. Peter is often rude to the IT contractor and this has caused two conflicts that have now escalated. Peter has made a number of key errors with his work that have cost the business over $2,000 to fix, and he is constantly late for work.

1. Identify at least four steps Robert needs to take to address the conflict situation with Peter.

2. Outline at least three techniques Robert can use to address the performance issues with Peter.

3. Number each step from 1 to 7 in the order you would follow to explain how Robert needs to address Peter's performance, using a formal counselling session.

   - ◯ Follow up with the worker.
   - ◯ Prepare a written summary.
   - ◯ Schedule a confidential meeting with the worker.
   - ◯ Be cooperative, professional and focused.
   - ◯ Set and maintain a positive attitude.
   - ◯ End on a positive note.
   - ◯ Seek clarification.

4. Identify information suitable to record in a performance improvement plan (PIP) for Peter. This includes one learning goal, a learning activity to address his poor performance and a time frame for completion.

Topic 4 | Finalise project HR activities

4A Disband project team

4B Document HR issues and recommend improvements

4A Disband project team

Due to the very nature of a project, it will at some stage come to an end. This means that the employment contracts that you have in place will also cease and your project team will no longer be required.

In most cases, project teams will come from internal and external sources and involve people on full-time, part-time, casual or contract arrangements. Each team member will have a range of skills, knowledge, attitudes, experiences and personalities. They come together for the very first time and will be disbanded into other roles in the organisation, or their contracts will finish and their services will no longer be required.

The Project Manager will need to take care of a number of sensitive and important tasks to effectively manage the team in the project closure stage.

Disband the team

At the completion of the project, team members will need to be moved on to other opportunities in or outside of the organisation.

Redeployment	The cessation of a contract of employment due to a redundancy or other operational reason, such as the end of a project. The worker's current contract of employment is replaced with a new contract for a different position either in another project, or as part of the operational structure of the organisation. In other words, the worker is transitioned from one position to another in the organisation, partner or other alliance, or transferred to a different project.
Voluntary or involuntary redundancies	Although this is rare in projects, workers who were employed on a full-time or part-time basis may be offered voluntary or mandatory redundancy packages. The employer decides that a position is to be redundant when its duties are no longer needed to be done by any person in the organisation.
Expiry of contract	Many organisations hire fixed-term or contract workers for the project. The worker is aware that their employment is only for a certain period and they do not have any further expectations to remain with the organisation.
Retirement	An employee has decided to stop working permanently, mainly due to their age. In Australia, there is no legal age for retirement; however, the age pension is currently (as at April 2021) only available to people who are at least 66 years old.

Final team debrief

At the completion of a project, team members may experience a mixture of emotions, such as fear, disappointment, excitement, sadness or anxiety.

It is important to treat workers with respect and fairness to ensure that they feel valued and are provided with adequate information to help them deal with their emotions and transition out of their roles in an effective manner. This good business practice and is the ethical approach.

A final team debrief should be held to address the project team members as one group.

In this meeting, address the following key points:
▪ discuss achievements to date ▪ discuss the next stage for the project and organisation ▪ celebrate the successes of the project ▪ communicate any shortfalls and lessons learnt ▪ recognise and reward outstanding achievements ▪ encourage and thank the team for their valued contributions.

Exit interviews

Exit interviews may be offered to project team members who are leaving the team. This process provides the worker and the Project Manager with a more effective opportunity to discuss performance, gather information and offer support for the worker's next stage in their career.

In the exit interview, project team members can provide feedback about their experiences on the project. This helps to identify improvements to the HR management system.

Other benefits of conducting exit interviews include:
▪ an opportunity to debrief management about work progress and issues that need to be considered in the project plan ▪ an understanding of the insights and experiences that can be transferred to replacement workers and future projects ▪ an increase in worker engagement and retention ▪ the employment relationship ends on a positive note.

Follow organisational procedures

Redeployment and exit interviews should be conducted in accordance with organisational policies and procedures. They should be planned for so that staff are able to participate in the process before they leave the organisation.

Exit interviews generally include a list of predetermined questions and prompts to learn about the worker's perspectives about management styles, organisational culture, communication systems, project conditions and worker engagement.

Exit interviews can be offered in the form of:

- dialogue or discussion
- an online or paper-based questionnaire
- a silent survey
- a face-to-face survey
- a combination of discussion and survey.

Minimum period of notice

According to Fair Work Australia, 'an employer must not terminate an employee's employment (subject to the exceptions set out below) unless they have given the employee written notice of the day of the termination'.

An employer may give notice to the employee by:

- delivering it personally
- leaving it at the employee's last known address
- sending it by prepaid post to the worker's last known address.

The minimum period of notice to be given to the worker, required by law, depends on the amount of time the worker has been at the current job.

In most cases, four weeks' notice must be provided to a full-time worker and one weeks' notice must be given to a part-time worker.

An employer does not need to provide notice of termination (or payment in lieu of notice) in any of the following circumstances:

- an employee employed for a specified period of time, for a specified task or for the duration of a specified season
- an employee whose employment is terminated because of serious misconduct, for example, an employee who has, in the course of their employment, engaged in theft, fraud or assault
- a casual employee

- an employee (other than an apprentice) to whom a training arrangement applies and whose employment is for a specified period of time or is, for any reason, limited to the duration of the training arrangement
- a daily hire employee working in the building and construction industry (including working in connection with the erection, repair, renovation, maintenance, ornamentation or demolition of buildings or structures).

You can read more about dismissal and the notice required at the Fair Work website: aspirelr.link/fairwork-dismissal-notice

Example

Redeployment following a project

Samantha works as a Project Manager for a commercial builder and has just completed a two-year major project that involved the development of a set of retail shops in a new suburban development.

As part of the project closure phase, the management team are meeting to discuss how the project team will be disbanded, as well as looking at internal employment options for the highest performers. The project team consisted of 25 tradespeople and labourers, many of whom included external contractors who were employed through a labour hire company on a daily hire basis. There are currently five internal job vacancies available at the organisation for labourers.

The management team have gathered a range of documents relating to the individual performance of the team and are discussing their observations and sharing feedback about the competencies and behaviours of the labourers from the project team and the potential job roles.

After a detailed discussion, Samantha and the management team agree on employing three of the project team members as permanent full-time employees and two on a casual basis. The remaining labourers will be advised through the labour hire company that their services will no be longer required as the project is now complete.

Practice Task 11

Question 1

Provide an example of how you would redeploy project team members in accordance with organisational procedures.

Question 2

List four items you should address with project team members in the final team debrief.

4B Document HR issues and recommend improvements

The final stage of the project life cycle may be referred to as the finalisation, handover or closure phase.

This is the process of finalising all activities to formally complete the project; it is one of the major tasks of Project Managers in the closure phase. One outstanding task is to identify and document human resource issues and make improvement recommendations to the project stakeholders. This information can be used to implement changes to future projects that will benefit the organisation and its clients.

The project review provides an opportunity for reflection after the project has been completed.

HR closure

The project closure stage involves handing over the project deliverables, disbanding the project team, conducting a final review and completing project closure reports. This includes identifying the issues, successes and lessons learnt that can be applied to future projects.

As Project Manager, you will need to perform the following tasks as part of the project closure phase:

- collect human resource information
- identify human resource successes and failures
- gather lessons learned
- document recommendations in a closure report.

Human resource information

To conduct your final review on personnel and human resource management performance, you will need to gather reliable and sufficient information to determine planned and actual performance of the team and the HRM systems.

HR documents may include:	
▪ human resources/staff management plans ▪ project management plans ▪ project schedules including variations ▪ planned and actual budgets	▪ counselling and staff performance reports ▪ issues log reports ▪ progress/status reports ▪ client feedback ▪ improvement plans.

Human resource successes and failures

The performance of a project management team can be divided into two groups: performance of the individual workers; and the performance of the human resources management system.

A team member's performance is measured in terms of:	Human resources management system performance is measured in terms of:
▪ individual and team level achievements against the designated performance criteria ▪ improvement/decline in performance ▪ contributions to the project goals ▪ behavioural or performance-based issues ▪ interpersonal conflicts ▪ contribution to team dynamics.	▪ technical success of the project as a whole according to agreed-upon project objectives ▪ performance on project schedule (finished on time) ▪ performance on budget (finished within the financial constraints) ▪ effective allocation and management of resource issues ▪ resolution of human resource conflicts (inter-personnel as well as inter-project and intra-project conflicts).

Lessons learned

Upon the completion of every project, it is useful to reflect on what worked well with the project and what could be improved upon – these are called the lessons learned.

Once the project is completed, a discussion should be scheduled with the project team and other key project stakeholders to discuss what was learned from this project. Groups that are frequently included in a review session are: the Project Controller, SM Es, supervisors and line managers, the client, and other sub-contractors or vendors.

To identify the human resource management lessons from a project, review the following key questions:

- What worked well and what did not work well?
- How would you manage human resources differently if you were able to start the project over?
- How did you communicate with your project team?
- What changes to human resources occurred during the project and how were these handled?
- How were project resources estimated and was this accurate?
- How were human resources issues identified, communicated and resolved?
- What resource conflicts were not anticipated?

Opportunities for improvement

To improve on your project management skills and increase the likelihood of greater success in future projects, you need to take a continuous improvement approach to the project closure phase.

Continuous improvement means ongoing effort to make systems, products and services better, and having a practical understanding that project life is not about perfection but rather it is about growth. As such, another positive outcome from completing a project HRM review is discovering new ways of improving project management systems and practices.

These valuable lessons not only benefit individuals on the project team, but also benefit the organisation, clients and other stakeholders.

The following list presents some examples of recommendations that can be made to improve project HRM processes:

- reinforce the use of project HR management tools and methods, such as communications systems and performance management systems
- improve training practices
- increase or decrease staffing levels and budgets
- change the preferred suppliers of labour hire
- use a specialist consultant for various parts of the project management process
- seek specialised personnel for future projects
- increase the frequency of reporting
- increase/decrease stakeholder input and engagement.

Document recommendations

The lessons learned must be documented in the form of recommendations and made available to stakeholders for future projects.

This will usually form part of the formal project closure or review report that will be distributed to your key stakeholders. It allows for information to be disseminated effectively and provides an opportunity for future projects to learn from past ones.

When documenting HR issues, lessons and recommendations during the project closure phase, make sure your reports are clear, accurate and appropriate for the audience reading them.

Consider the following rules when formulating your recommendations in the completion report:

- Support your recommendations with verifiable evidence.
- Avoid bias and subjective opinions – be objective by stating the facts.
- Be clear and to the point.
- Avoid overemphasising or overselling your recommendation – leave the decision to stakeholders.
- Explain what the recommendations will achieve in terms of the benefits to the organisation or client.
- Use industry-specific terminology where possible.
- Summarise the issue and action taken to avoid it in the future.
- Follow the report writing structures and conventions set out in the organisation's templates and style guides.

Example

Sample project completion report (extract)

Project registration

Project title	Magill High School Creative Arts Centre
Project ref#	MHS/SA-5481
Commencement date	15 July 2020
Completion date	23 March 2021
Project Manager	Danny Leaver
Client	State Government – Education Dept
Project review team	Sam Pritchard Ruby Collins Tim Symonds Amanda Bernhard

Project Review – Human Resource Management

Successes – What went right and why?	▪ The decision to hire three additional labourers and two tradespeople, as well as having daily hire workers on stand-by to cover for absences. ▪ Use of PFC Labour Hire as a reliable labour hire company.
Failures – What went wrong and why?	▪ Initially opted to use Budget-Direct Hire, which proved unreliable and expensive. ▪ Lacked internal technical expertise to manage issues relating to connectivity and systems integration. This delayed the completion of testing protocols. ▪ Estimation of budgeted overtime costs was well under actual figures.
Lessons learnt	▪ Consult third party SMEs in risk planning and technical analysis of systems. ▪ Seek high-level IT System Analyst for ongoing permanent role. ▪ Add 5% to budget to cover labour needs. ▪ Do not use Budget-Direct Hire for future projects.

Practice Task 12

Question 1

List four questions you could ask your project team to help identify human resource management lessons learned.

Question 2

Which of the following needs to be included when documenting human resource issues and improvements? Tick all that apply.

- ◯ Be clear and to the point.
- ◯ Support your recommendations with as much evidence as you can find.
- ◯ Explain what the recommendations will achieve in terms of benefits to the organisation or client.
- ◯ Share your first draft of recommendations with all stakeholders and ask for feedback.
- ◯ Use industry-specific terminology where possible.

Summary

- At the end of a project, the employment contracts will also cease and your project team will no longer be required on the current initiative.
- The Project Manager will need to take care of a number of sensitive and important tasks to effectively manage the team in the project closure stage.
- At the completion of the project, team members will need to be moved on to other opportunities in or outside of the organisation, this includes redeployment, voluntary or involuntary redundancies, expiry of contract or retirement.
- Exit interviews should be conducted in accordance with organisational policies and procedures. They provide project team members with the opportunity to give feedback about their experiences on the project, which can be helpful in identifying improvements to the HR management system.
- Minimum notice periods under Fair Work laws need to be considered when ending employment arrangements for full-time and part-time employees.
- The final stage of the project life cycle may be referred to as the finalisation, handover or closure phase. This is the process of finalising all activities of the project; to formally complete the project.
- A major task of Project Managers in the closure phase is to identify and document human resource issues and make improvement recommendations to the project stakeholders.
- The performance of a project management team can be divided into two groups: performance of the individual workers; and the performance of the human resources management process.
- Upon the completion of every project, it is useful to reflect on what worked well with the project and what could be improved upon – these are called the lessons learned.

Learning Checkpoint 4
Finalise project HR activities

Part A

1. Identify three benefits of conducting an exit interview with team members at the conclusion of a project.

2. Which of the following statements are correct? Select yes or no for each one.

a) Team members must be notified in a face-to-face meeting on the day of their termination.	» Yes	» No
b) Notice of termination can be sent by post.	» Yes	» No
c) The minimum period of notice depends on the team member's position and remuneration level in the company.	» Yes	» No
d) An employer must provide notice of termination to team members employed for specified periods of time and specified tasks.	» Yes	» No
e) An employer needs to provide notice of termination to casual project team members.	» Yes	» No

3. What information needs to be gathered for an analysis of project team performance? Tick all that apply.

- ◯ Project schedule including variations
- ◯ Organisational hierarchy chart
- ◯ Planned and actual budget
- ◯ Client feedback
- ◯ The amount of staff leave used during the project
- ◯ Counselling and staff performance reports

Part B

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

Case Study

Bonita has been working as the Project Manager for Fast Fitness for the past six months establishing a new fitness training centre as part of the organisation's planned expansion. The project has involved scoping out a location, business registration and compliance, securing a lease on a commercial property, ordering equipment and materials, completing the gym fit-out, marketing strategies to attract clients, and establishing the IT systems and infrastructure. The Project Sponsor is the Business Director, Paul Tippet.

Bonita's team consists of the following people:

- James Berry – responsible for all IT systems and hardware activities
- Mike Field – responsible for all marketing activities
- Sally Mitchell – responsible for business registration, property leasing and compliance.

In addition to managing the progress, budget and overall performance of the project, Bonita was responsible for ordering the equipment and managing the fit-out of the gym. This included organising a third-party supplier to deliver and install the equipment, complete the painting and signage, and manage the construction of the gym facilities. Bonita hired three contractors to assist with the fit-out, which included a painter, a labourer and a specialised equipment installer.

Bonita has gathered the following key information in preparation for the final project review meeting:

- HR budget: $74,000
- HR actual budget: $102,500
- Estimated completion time: 5 months, 7 days
- Actual completion time: 6 months, 13 days
- Reasons for delays include: an unplanned two-week annual leave absence from James Berry holding up the IT installation, insufficient staffing hours planned for the fit-out, lack of supervision and management of installation team, long response times when communicating with council, and hold-ups when managing key issues and complaints.
- Key issues identified: three complaints from prospective clients regarding marketing claims, two IT connectivity issues, three non-compliances with council regulations, and one complaint from a neighbour regarding a noise disturbance relating to works undertaken before 7am.

1. Draw a line to match each of the following HR issues to the correct category.

» Unplanned two-week annual leave absence from James Berry holding up the IT installation	» HRM system issue
» Complaints from customers regarding marketing claims	» HRM system issue
» Lack of supervision and management of installation team	» HRM system issue
» Noise disturbance complaint	» Team member performance
» Insufficient staffing hours planned for the fit-out	» Team member performance
» IT connectivity issues	» Team member performance

2. List three improvements to project HR management practices that Bonita can recommend for future projects.

3. Outline a process that Bonita should follow to document HR issues and recommended improvements.