

BSBMGT402

Implement operational plan

Release 1

Learner guide

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Aspire Version 1.1

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BSBMGT402 Implement operational plan Release 1

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Before you begin

This learner guide is based on the unit of competency *BSBMGT402 Implement operational plan*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this learner guide

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

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



Foundation skills

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

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

Foundation skill area	Foundation skill description
Learning	<ul style="list-style-type: none"> Actively reinforces learning by applying new knowledge and skills in mentoring, coaching and supervising others
Reading	<ul style="list-style-type: none"> Identifies, interprets, analyses and reviews textual information related to the operational plan and monitoring of operational performance
Writing	<ul style="list-style-type: none"> Communicates relationships between ideas and information, matching style of writing to purpose and audience Researches, plans and prepares workplace documentation for relevant stakeholders using organisational formats
Oral communication	<ul style="list-style-type: none"> Participates in a variety of spoken exchanges with a range of audiences varying structure and language to suit the audience
Numeracy	<ul style="list-style-type: none"> Selects and uses familiar mathematical techniques to organise timely supply of adequate resources for the operational plan and to use budgetary information to monitor performance
Navigate the world of work	<ul style="list-style-type: none"> Monitors adherence to organisational policies and procedures and considers own role in terms of its contribution to broader goals of the work environment
Interact with others	<ul style="list-style-type: none"> Selects and uses appropriate conventions and protocols when communicating with diverse individuals to build rapport, seek or present information Collaborates with others to achieve joint outcomes, playing an active role in facilitating effective group communication, influencing direction and taking a leadership role on occasion
Get the work done	<ul style="list-style-type: none"> Takes responsibility for planning, organising, implementing and monitoring tasks required to achieve required outcomes Uses systematic, analytical processes in complex, non-routine situations, setting goals, gathering relevant information and identifying and evaluating options against agreed criteria Evaluates effectiveness of decisions in terms of how well they met stated goals Recognises and addresses an increasing range of familiar problems by implementing contingency plans

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 Implement operational plan	1.1 Collate, analyse and organise resources with relevant personnel	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1.2 Implement operational plans to achieve organisational outcomes	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1.3 Use key performance indicators to monitor operational performance	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1.4 Manage contingencies by adjusting the implementation of the operational plan	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1.5 Develop and present resource requirement proposals	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2 Implement resource acquisition	2.1 Recruit and induct employees within organisational guidelines	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2.2 Implement plans for the acquisition of material resources and services	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

continued ...

... continued

Topic	Key outcome	Rate your confidence in each section
Topic 3 Monitor operational performance	3.1 Monitor performance systems to assess progress	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3.2 Analyse financial information to monitor performance	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3.3 Identify unsatisfactory performance and take action	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3.4 Support staff to use resources effectively, economically and safely	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3.5 Present recommendations to vary operational plans for approval	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3.6 Implement systems, procedures and records associated with performance	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic 1

Implement operational plan

Developing an operational plan involves a number of steps that identify what the team needs to do to achieve its goals, the resources needed to successfully carry out the tasks and the processes that will be followed to monitor and measure performance. Frontline managers play an important role in planning the tasks, supporting the team and providing ongoing progress reports. They need to follow project planning principles and use appropriate tools such as Gantt charts and critical pathways.

In this topic, you will learn how to:

- 1A Collate, analyse and organise resources with relevant personnel
- 1B Implement operational plans to achieve organisational outcomes
- 1C Use key performance indicators to monitor operational performance
- 1D Manage contingencies by adjusting the implementation of the operational plan
- 1E Develop and present resource requirement proposals

1A

Collate, analyse and organise resources with relevant personnel

Most organisations develop long-term strategic or corporate plans that outline future directions and the strategies they will use to achieve their goals and objectives. From these broad plans, each department, section or team sets its own goals and develops plans to show what they will do to help achieve the organisation's goals.

These plans, known as operational or action plans, are quite specific in content and generally cover a medium- to short-term period.

An operational plan sets out how the team plans to achieve its own goals and targets by systematically:

- breaking down major goals into smaller, manageable activities
- identifying the personnel needed to carry out activities
- identifying time lines for activities
- allocating a budget for activities
- developing strategies to counter arising problems
- devising processes that will be used to monitor and measure performance.

What is an operational plan?

An operational plan is a document created to give clear direction on how the various segments in a business will work to meet the business's overall strategic goals.

An operational plan is prepared for all routine business operations. They can also be used for one-off large-scale projects. The plans usually cover a 12-month period or the length of the project. A monitoring process helps the manager know if plans need to be revised during the course of the activity. Otherwise, plans are revised on an annual basis. Regular reports are prepared to investigate and/or demonstrate the organisation's level of achievement.

In addition to the organisation's strategic plan, operational plans are derived from and closely linked with other important organisational statements and documents. These plans and documents detail the type of business the organisation is in and what it is trying to achieve. They often include mission and vision statements, annual reports and key performance indicators.

There are just as many ways of implementing and measuring the success of a plan as there are types of operational plans in existence. This is partially due to different organisations having unique cultures and operating in very different industries and markets.

How is an operational plan developed?

Operational plans will vary greatly depending on the size and nature of the organisation they are created for. Most plans, however, are developed and implemented using the following steps.

Step 1: Review the vision and mission statements

What is our purpose?

A vision statement sets out the very broad and long-term aims of the organisation, often in a market-oriented or community context.

A mission statement describes, briefly and broadly, what an organisation plans to do to reach its vision. Both statements refer to the purpose of the organisation.

Step 2: Review the strategic plan

What do we need to do in order to fulfil our purpose?

Strategic planning involves an understanding of the environment in which the organisation operates and the factors that affect the organisation's success, such as:

- political and economic change
- competitors
- customer needs
- staffing and
- resources.

By monitoring and analysing trends and likely changes, an organisation can be confident that its strategic plan reflects the nature of the environment.

Step 3: Create the operational plan

What activities do we need to do in order to achieve our major goals?

An operational plan outlines what teams, sections and/or departments need to do in order for the business to meet its strategic goals. The plan sets out the activities that are to occur, the resources that are needed and the milestones that are to be reached.

Step 4: Implement the operational plan

How are activities undertaken?

Everyone has a responsibility towards implementing the organisation's plan. The role of a frontline manager is to help staff implement the parts of the plan that are relevant to their department or group.

Step 5: Reporting and reviewing progress

Did we achieve our goals?

Did the implementation work?

What do we need to do better?

The activities or tasks detailed in the plan are linked to outcomes, responsibilities, time lines and regular reviews that enable managers to decide whether the activity is being implemented successfully.

Resource requirements

To be an effective frontline manager, you must help achieve organisational goals and objectives. To do this, you must review the capacity of existing resources and pre-empt the resources required to complete projects, tasks or activities. Part of this process involves acquiring resources, establishing budgets and ensuring effective communication between all stakeholders. Resources are everything you need to implement the operational plan. Resource requirements may refer to:

- goods and services to be purchased or ordered
- human, physical and financial resources (both current and projected)
- stock requirements and requisitions.

The frontline manager must understand the organisation's strategic goals, the needs of clients/customers, the budgets and the time lines before they can accurately outline resource requirements.



Allocate resources

Once you have identified steps and time lines, you are ready to allocate resources to the tasks. You must ensure your team can carry out their tasks efficiently and on time. You should also have some indication of the resources you need to allocate to each task.

Here is a summary of resource requirements and considerations.

Personnel

- What skills are needed? Allocate tasks according to team members' expertise and experience. You will discover whether there are any skills gaps preventing you from achieving the goal.
- Will you require additional staff or do you need to alter current rosters?
- Do you need experts? If so, is this a short-term or long-term requirement?
- Will current staff need training?
- Will you need to take people on as contractors?
- Do staff have planned leave or will they be absent for any period, especially long service leave or maternity leave? If so, how does your organisation manage these situations? Can you hire temporary staff to replace absent employees?

Training

- Is any additional training required for existing staff?
- What kind of training is needed? Would coaching and mentoring be sufficient? Or will staff need formal instruction or training? Is this training to be conducted in-house or through a third-party training provider?
- Will induction training be necessary for new staff?
- How long might training take?

Workspace

- Do staff have adequate room to work in?
- Will additional space be needed in order to implement the plan?

Equipment

- Will staff require additional equipment?
- What equipment will any new staff need?
- Is the necessary equipment available or will it need to be purchased?
- Is the available equipment suitable for the job?

Time

- What is the time frame for implementation?
- Is there enough time to recruit and train new staff?
- Is the plan short-term, long-term or ongoing?

Budget

- Has the team been allocated a budget or do you need to request extra funds?
- What does the budget cover? For example, is there an additional budget for implementation or will you have to work within your existing budget?
- Will you need to request additional funds?

Stock

- Do you have enough stock to implement the plan successfully?
- Do you need to purchase extra stock?

Goods and services

- Do any goods need to be ordered or purchased?
- Do you need to organise specialist services?

Deal with constraints and considerations

Once you have listed the required resources, you also need to list any constraints imposed on these resources. Constraints must be considered during early planning stages so the team can think about how to manage them. For example, if you need to recruit a new staff member, you should include the time it will take to advertise, analyse the applications, conduct interviews and induct the new person into the organisation. Similarly, how long will it take to upgrade a team member's skills so they can complete the tasks to the standard required? What modifications do you need to make to accommodate deadlines?



Here are some examples of primary resource constraints.

Primary resource constraints
Budget; for example, there may not be enough funds to employ a consultant
Space; for example, there may not be sufficient space for personnel or for storing necessary equipment and stock
Company policy and procedures; for example, staff recruitment must follow organisational policies, which may involve lengthy procedures
Time frame; for example, deadlines are unrealistic considering the complexity of the activities
Staff; for example, new or expanded responsibilities, deadlines or key performance indicators show staff could be placed under greater pressure

Legislative requirements

An important consideration when looking at human resource requirements is the legislation, codes, national standards and work health and safety (WHS) regulations that apply. Managers and human resource (HR) departments need to be aware of Commonwealth legislation and any relevant state or territory legislation or regulations. Your organisation should provide you with details of legislation and guidelines that are relevant to your team. These are often conveyed via the organisation's workplace policies and procedures. It is a manager's responsibility to ensure the team follows organisational policies and procedures at all times.

Consult with others

When planning your resource requirements, you will find that consulting with other people within the organisation can be a great help. Most large companies, and many smaller ones, have specialist groups and/or divisions you may need to consult with. People in these areas can advise you on company policies, procedures, safety issues and legislative requirements. They can also assist in planning your resources and may even offer some creative solutions if your budget is tight.

Relevant personnel you may need to consult can include:

- colleagues
- specialist resource managers, such as HR managers
- other managers and supervisors, such as purchasing department managers
- other people with specialist responsibilities, such as those involved in workplace health and safety committees
- other employees.

Benefits of consultation

It may be helpful to consult with other managers and supervisors involved with, or affected by, the implementation of the operational plan. You may find some crossover in activities where resources can be shared. Other teams may have additional resources that can be seconded or loaned to you. You can also learn from someone else's experience and insight.

Finally, resource planning must be undertaken in consultation with your team. The chance of difficulties or areas of uncertainty arising will be considerably reduced if team members have been involved from the beginning. You may also find that a staff member is hoping to take holidays at a critical time or they feel that they don't have the experience or ability required to implement aspects of the plan. These are issues that you will need to take into account when allocating resources.

Example: coordination of volunteers

Since 1950, the Australian Red Cross has been conducting an annual door knock appeal called Red Cross Calling. This is a large project and as soon as one year's appeal ends, the organisation only has a short time before it needs to start planning for the following year.

Perhaps the most complex and critical task is planning and organising the resources required for this nationwide appeal. Because the Red Cross is a not-for-profit organisation, the appeal is run on a very tight budget. All collectors are volunteers. Every year, the organisation has to make sure it has enough volunteers to cover the whole of Australia.

It also has to plan and organise other resources, including:

- a volunteer's collection kit
- collection tins and signage
- permission from local councils and police to collect at intersections
- regular letters and communication to collectors to maintain momentum throughout the campaign.

The resource planning alone for this appeal is an enormous task. Managers need to liaise with Red Cross staff, volunteers and goods and service providers while working within a very tight budget. They also need to ensure they prepare a back-up plan for collections in case something goes wrong.



Practice task 1

What does an operational plan set out?



1B

Implement operational plans to achieve organisational outcomes

Operational plans may be organisation-wide. They may also be tactical plans developed by a department or team for a particular reason, such as to review product or service performance.

An effective frontline manager needs to be a leader, an administrator, a coordinator and a supervisor, especially when it comes to implementing an operational plan.

Frontline managers must:

- effectively use the skills and knowledge of the team
- lead the team by providing direction, focus and motivation
- handle administrative functions, such as resource planning and budgeting
- coordinate people, tasks and time
- provide ongoing supervision, measurement and reporting to ensure goals are achieved
- be aware of what they are trying to accomplish in terms of the goals and objectives to be achieved
- be aware of the factors that may hinder success.

The importance of communication

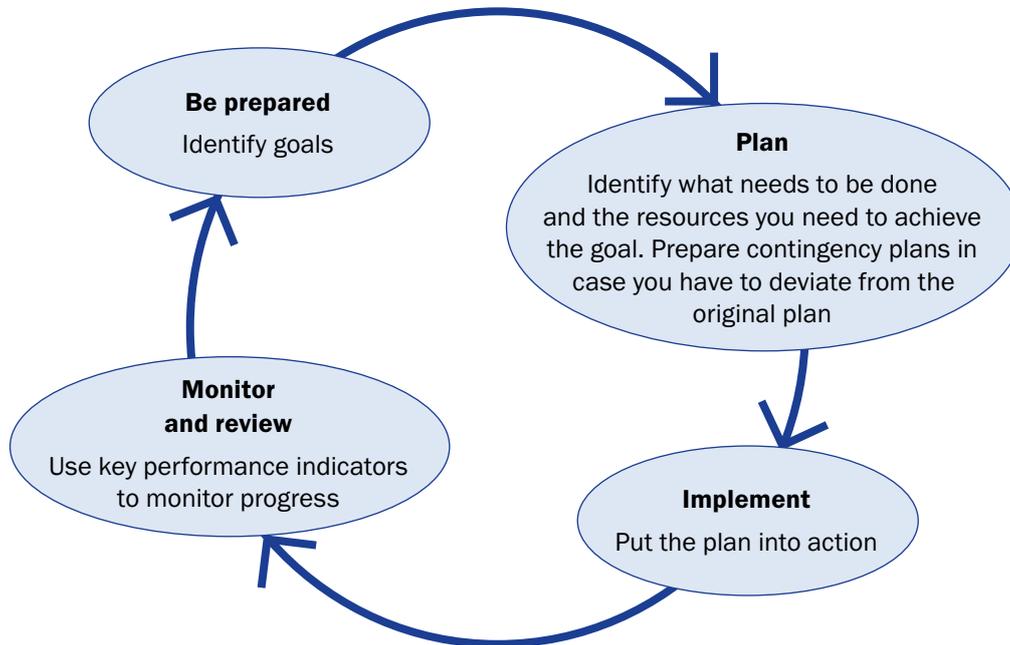
Communication is crucial in planning and implementing operational plans. You need to make sure all those involved have opportunities to contribute, whether at planning and development stage, during implementation or when monitoring and reviewing outcomes.

Meetings, brainstorming sessions, emails, newsletters and other processes all provide a means of informing your team and others about what you are doing. They also provide the means and can encourage people to provide feedback (including ideas and suggestions) to you. Effective communication means that people know what their roles are, issues are clarified and difficulties are resolved. Open communication also promotes a sense of belonging, which is a powerful motivator.



Processes of operational planning

Different people have created different models of operational planning, but most models have similar processes. These processes are expressed in this flow chart.



Example: three-stage model of implementation

These processes are present in the three-stage model of implementation of operational planning developed by business academic Hidetoshi Shibata.

Stage 1	Stage 2	Stage 3
An intra-organisation setting that needs leadership, vision and goal sharing and an understanding of why the plan is being developed in the first place.	An inter-organisation setting that involves acquiring resources, establishing budgets, and ensuring everyone consults and cooperates.	A processing stage that involves the actual implementation as well as recognising and praising achievements against the plan, noticing problems or situational changes and recommending remedial actions. This stage constantly loops back to the previous two stages.

What the frontline manager must do

The frontline manager must ensure the operational plan reflects the organisation's strategic goals, meets the requirements of the customers, is undertaken within the designated budget and is implemented on time.

Prior to implementing the operational plan, you should have prepared an outline of the activities and tasks your team is going to undertake. You should also have an understanding of the resource requirements.

Have you:

- examined the strategic plan to identify activities your team needs to do to help the organisation achieve its goals?
- listed the goals you expect your team to achieve?
- listed the activities needed to achieve the goals?
- broken down the activities into manageable tasks?
- split the tasks into a series of chronological steps?
- specified start and finish times?

Link between staff tasks and broader goals

A sense of purpose is generated when people can see how the task they are responsible for helps their organisation achieve its goals. The links between staff tasks and the broader goals may not be obvious to everyone, especially since activities are broken down into a variety of separate tasks.

The frontline manager's role is to ensure the team knows and understands the organisation's goals and the relationship between organisation and team goals. You can do this at team meetings, when you are helping team members prepare their individual work plans or when you notice a staff member having difficulties with their role.

The importance of planning cannot be overstated. The operational plan outlines all the steps you need to take to achieve the required outcome. It acts as a guide for you and your team and helps you maintain control of the process and keep everything on track.

Break down activities

Once everyone is clear about the purpose of their work, you need to plan how you are going to implement it. You've already made a start by looking at your resource requirements – now you need to look at the task itself.

You must break down the operational plan into tasks, then allocate the time to complete them. You can use management tools such as predecessor charts, Gantt charts (which show planned work targets for completion of work) or software programs specifically designed to make planning easy for you.

Example: develop a training video

Task	Who	Date	Time	Cost
Preparation of project plan	Hannah	28 Apr	4 hrs @ \$46 ph	\$184
Meeting with video company 1	Nila	29 Apr	1 hr @ \$35 ph	\$35
Meeting with video company 2	Nila	1 May	1 hr @ \$35 ph	\$35
Producing video	Video production company TBA			\$27,000
Concept discussion	Hannah and video company	9 May	1 hr @ \$46 ph	\$46
Writing script	Lucas	16 May	5 hrs @ \$40 ph	\$200
Writing script	Lucas	23 Jul	7.5 hrs @ \$40 ph	\$300
Writing script	Lucas	25 Jul	7.5 hrs @ \$40 ph	\$300
Meeting with producer	Hannah	27 Jul	2 hr @ \$46 ph	\$92
Progress meeting and further action	Hannah	1 Aug	1 hr @ \$46 ph	\$46
Incorporating feedback into scripts	Lucas	15 Aug	1.5 hrs @ \$40 ph	\$60
Filming supervision	Hannah	20 Aug	22 hrs @ \$46 ph	\$1,012
Photographer	Blue Skies Photography	25 Aug	Quoted fee	\$350
Finalising video	Hannah	5 Sept	3 hrs @ \$47 ph	\$141
Writing viewers guide	Nila	6 Sept	15 hrs @ \$35 ph	\$525
Editing and proofing	Nila	10 Sept	7 hrs @ \$35 ph	\$245
Desktopping	Emu Publishing	12 Sept	Quoted fee	\$1,800
Preparing video cover and label	Nila	6 Sept	2 hr @ \$35 ph	\$70
Printing viewers guide	One-Stop-Shop Printers	14 Sept	Quoted fee	\$2,500
Total				\$34,941

Example: replace the telephone system

If the operational plan requires the telephone system in the office to be replaced, this activity could be broken down into seven component tasks:

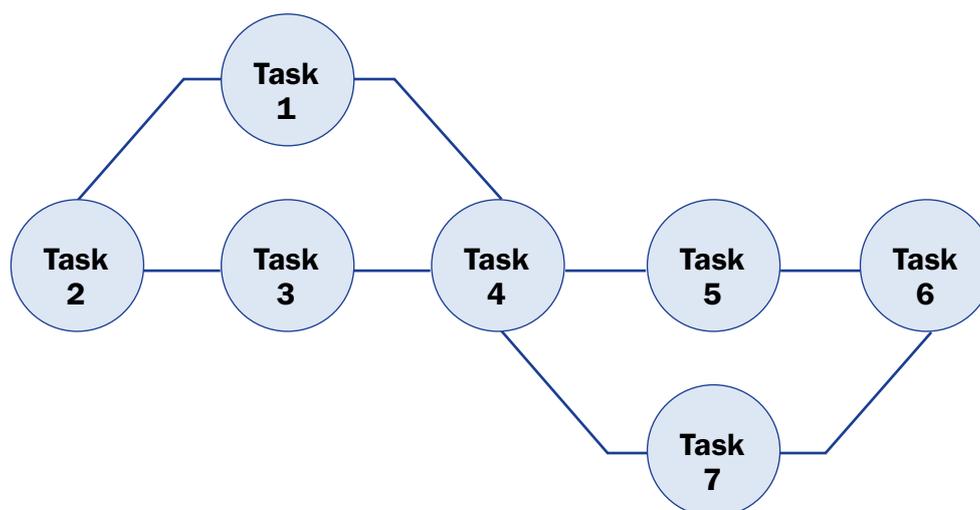
1. Advise staff about the new system
2. Remove old system
3. Put in new wiring
4. Connect new system
5. Test new system
6. Fix any problems
7. Train operators

If you were to look at the list of tasks and note which must be completed before the next task can begin, and which ones can be done concurrently with other tasks, you may be able to shorten the time frame for implementation.

Task	Time to complete	Predecessor
1. Advise staff about new system	0.5 day	None
2. Remove old system	0.5 day	None
3. Put in new wiring	2.0 days	Task 2
4. Connect new system	2.0 days	Task 2 and 3
5. Test new system	0.5 day	Task 4
6. Fix any problems	1.0 days	Task 5
7. Train operators	3.0 days	None

Example: replace the telephone system

With this information, you can construct a flow chart demonstrating how the tasks can be accomplished in the shortest possible time frame.



continued ...

... continued

The arrows that run through the middle of this figure show the critical pathway. This line joins critical tasks that are dependants; that is, they cannot be undertaken until the previous task has been completed. For more complex implementation tasks, you may not be able to show your critical pathway as a straight line as there may be multiple critical tasks with the same predecessor tasks.

To calculate how many days are required to complete the implementation of a new telephone system, add the days for those tasks that lie on the critical pathway (as the other tasks can be completed at the same time). You will now find that the time required is just 6.0 days – a time saving of 3.5 days.

Another advantage of using this planning method is that it allows you to identify those tasks that, should any delays or problems occur, will affect the time taken to implement the plan. These are the tasks that lie along the critical pathway.

Gantt chart

A Gantt chart is a time line chart that graphically displays the required tasks in sequence, including those that can be done at the same time.

Here is an example of a Gantt chart that incorporates the tasks from an operational plan and allocates dates during which the tasks should be undertaken. The chart is being used to organise a planning day.

	2 May	3 May	4 May	5 May	6 May	9 May	10 May	11 May
Prepare program								
Obtain guest speakers								
Organise team activities								
Organise catering								
Design and layout program								
Print out program								
Distribute program								

Practice task 2

The tasks in this table shows the steps required to prepare a planning day for your team to focus on future directions.

Task	Time to complete	Predecessor
1. Prepare program	2.0 days	None
2. Obtain guest speakers	2.0 days	Task 1
3. Organise team activities	3.0 days	Task 1
4. Organise catering	1.0 days	Task 1
5. Design and layout program	1.0 day	Tasks 1, 2 ,3 and 4
6. Print out program	1.0 day	Task 5
7. Distribute program	0.5 day	Task 6

1. Use this data to construct a flow chart showing the critical pathway.



2. How many days would it take to implement this project?



1C

Use key performance indicators to monitor operational performance

The activities or tasks detailed in operational plans are linked to outcomes, responsibilities, time lines and regular review processes that enable managers to decide whether the activity is being implemented successfully. The feedback you receive from monitoring your activities helps you track how the implementation is going and identify any areas of concern. To do this effectively you need to have a system of measurement in place. In most cases, this will involve setting, measuring and recording progress against goals.

Key performance indicators

The most common way of tracking progress is to set some goals or targets that are simple to understand, measure and report on. These are called key performance indicators (KPIs). KPIs may be measures for monitoring or evaluating the efficiency or effectiveness of a system. They may also be used to demonstrate accountability and identify areas for improvement.

KPIs must be easy to measure. They should relate closely to the project goals and not be dependent on guesses or assumptions. KPIs are often expressed numerically; for example, if a goal is to have satisfied customers, then the KPI to measure performance against this goal may be to have zero customer complaints.

Organisations typically use a combination of indicators to monitor how well they are implementing all aspects of their operational plan, although indicators are usually based on either performance or profit.

Set, measure and report on KPIs

Setting, measuring and reporting on KPIs is a way of controlling the implementation of the plan so it remains within the parameters you have established. KPIs allow you to identify issues, identify areas for improvement and introduce corrections if progress is not what you expected.

Both quantitative and qualitative measurements can be used.

Quantitative measurements

'Quantitative analysis' means something is measured numerically. Here are some examples of quantitative KPIs:

- 95 per cent of all tasks must be completed on time: (goal = tasks completed on time; measurement of the goal = 95 per cent)
- 95 per cent attendance record for all staff working on a project
- Fees for guest speakers must come in at no more than 100% of the allocated speakers' budget.

These KPIs can be easily measured and reported on at each stage of the project. This enables you to track the progress of the plan and address problems as they occur. For example, you may find that a guest speaker is asking for more money than you budgeted for; you may have to make a decision about whether the speaker is essential and whether you can compromise with catering costs to offset the increase in the speaker's cost.

Qualitative measurements

In many cases, less specific KPIs need to be set. This may be because the activity a person or team is working on is difficult to measure or qualitative in nature. Here are some examples of qualitative KPIs:

- working well as a team
- producing high-quality work.

These KPIs may be measured through team reflection and discussion on how well the group worked together or by using a set of criteria to measure high-quality work.

Control implementation

To effectively control the process of implementation, the frontline manager must verify that all activities confirm the operational plan, the instructions issued and the principles established.

KPIs help to identify areas that need improvement. For example, a KPI that measures the number of times the computer system crashes will highlight a problem if results consistently show the system operating at only 85 per cent efficiency.

Here are some guidelines for setting KPIs.

Easily understood

KPIs must be easily understood

Don't establish confusing KPIs. They must be clear, concise and easily understood by all relevant stakeholders.

Communicated

KPIs must be communicated

All stakeholders must be aware of the KPIs. This helps staff understand the importance of their tasks, inspires and motivates them to achieve, and builds a strong sense of team.

Appropriate

KPIs must be appropriate

Don't set a KPI that requires a complex activity to be completed within a week. KPIs must be relevant, appropriate to the task and achievable.

Measured accurately

KPIs must be measured accurately

For each KPI you put in place, note how it will be measured. Wherever possible, try to implement measures that are quantifiable.

Example: use KPIs to promote continuous improvement

The Point Arnold Port Corporation's vision is to be the preferred Tasmanian cargo port. Its operational plan calls for the Corporation and other service providers at the port to provide the most efficient and effective means for the movement of goods off ships and docks. In order to track the efficiency and effectiveness of their operation, staff need to measure their performance against KPIs, identify and rectify any weaknesses and use this data to promote continuous improvement.

Every month, the Corporation publishes results of its performance against its operational plan in a comprehensive report that is made available to the public on the port's website. The report contains detailed graphs and charts presenting the performance data on quantifiable KPIs such as:

- ship arrivals (by number of vessels)
- average arriving vessel delay (in hours)
- average departing vessel delay (in minutes)
- cargo volumes (in metric tons).



Practice task 3

The tasks in this table show the steps required to prepare a planning day for a team to focus on future directions.

Task	Time to complete
1. Prepare program	2.0 days
2. Obtain guest speakers	2.0 days
3. Organise team activities	3.0 days
4. Organise catering	1.0 days
5. Design program	1.0 day
6. Print out program	1.0 day
7. Distribute program	0.5 day

Establish three quantitative and three qualitative operational planning KPIs for this small project.

1D

Manage contingencies by adjusting the implementation of the operational plan

Once you have developed your implementation plan and list of required resources, you need to anticipate any problems that could arise that may affect your ability to meet your goals. This is called contingency planning.

Contingency planning involves identifying risks and how they may affect your ability to successfully implement your activities. Contingency planning also involves developing strategies to avoid or minimise the impact of risks.

Examples of contingency planning strategies

- Outsourcing tasks or functions
- Diversifying outcomes
- Finding cheaper or lower quality raw materials
- Increasing sales or production by using recycled materials or minimising waste
- Hiring equipment or finding alternative ways of purchasing materials, equipment or stock
- Reducing costs through restructuring
- Identifying, assessing and managing risks
- Seeking more funding
- Planning for succession

Problem-solving

Identifying problems that could emerge is an important component of contingency management. In the context of contingency planning, this is called risk identification, where possible problems are seen as risks to the successful implementation of an operational plan.

Unlike problem-solving in real time, risk management involves identifying problems using either historical data or a variety of predictive tools that try to model how a problem may eventuate.

A potential problem or difficulty may be something that you have personally experienced or observed. This is a good starting point for identifying potential problems that could affect an operational plan.

Common workplace problems include:

- work not completed on time
- instructions or regulations not followed
- breaches of legislation, including WHS and anti-discrimination guidelines
- difficulties meeting team or organisational objectives
- difficult customers
- excessive workloads
- low staff morale
- lack of punctuality, absenteeism
- poor performance or inadequate work standards
- breakdown of communication or cooperation between staff members
- equipment failures or inadequacies
- budget restrictions.

Identify the extent of the problem

Developing contingencies to deal with potential problems requires some knowledge of the possible extent of the problems. Because you are dealing with possible future problems, it is necessary to evaluate the extent of the problem in terms of the likelihood that it may occur and the severity of the consequences that may arise if it does occur. When using historical information to identify the extent of problems, there are some simple guidelines to follow.

Guidelines for using historical data to identify the extent of a problem:

- Gather the facts
- Do not rely purely on hearsay
- Speak with relevant people
- Establish the causes
- Avoid drawing simple conclusions
- Analyse all aspects of the problem

How do you identify the risks?

When identifying potential areas of risk in your plan, you should look at each event along your critical pathway. What are some of the things that could go wrong?

Here are some of the internal and external factors that can go wrong.

Internal factors:

- System failures
- Staffing issues; for example, illness, lack of appropriate skills
- Budget adjustments
- Deadline changes; for example, a deadline is brought forward
- Administration errors; for example, incorrect costs charged
- Security breaches; for example, break-ins

External factors:

- The weather; for example, storms, fire, flood
- Electrical blackouts
- Power surges
- Supply failure; for example, goods not delivered on time

Categorise potential risks

You can further categorise potential risks.

You can categorise potential risks into the following categories:

- Human resources; for example, staff
- Technology; for example, computers, equipment
- Building-related; for example, safety, security
- Operational; for example, management
- Environmental; for example, natural disasters, political and economic conditions

The likelihood of the risk occurring

Once you have made a list of the potential risks against each task, you should rate the likelihood of these events occurring, from very high to very low, and the potential impact they will have on your ability to implement the plan. This can then be used as a guide for developing your contingency plan.

Here is an example of a grid you can use to rate the likelihood of the risk and its potential impact.

Likelihood of event occurring	HIGH (possible)	LOW (unlikely but could happen)
Impact on plan if event occurred	HIGH (would affect task very much)	LOW (would not affect task very much)

Once you have entered all the risk factors for a particular task into the grid, you are able to prioritise your contingency planning. An event with a HIGH-HIGH probability will need much more attention than an event with a LOW-LOW probability. Some events with a LOW likelihood and a HIGH impact should be placed high on your prioritisation list because if they occur, recovery would be critical.

Example: potential risks for a customer mail-out

A planned mail-out to customers consisting of a mail-merged letter, a marketing catalogue (printed by an outsourced printer) and a flyer advertising the month's special offer (developed in-house) may have a range of potential risks.

These potential risks are listed in this likelihood/impact grid. The tasks that appear in both HIGH cells of the grid should be addressed immediately.

Likelihood of event occurring	HIGH <ul style="list-style-type: none"> • Staff may be away for a day • The printer may not deliver on time • No supply of envelopes • Photocopier may break down • Not enough time is allocated 	LOW <ul style="list-style-type: none"> • Information needed for the catalogue is not received • Key people may become ill • The typesetter may not be skilled enough to format the new design
Impact on plan if event occurred	HIGH <ul style="list-style-type: none"> • The typesetter may not be skilled enough to format the new design • Information needed for the catalogue is not received • Key people may become ill • Photocopier may break down 	LOW <ul style="list-style-type: none"> • Staff may be away for a day • No supply of envelopes • Not enough time is allocated • The printer may not deliver on time

Develop solutions for each risk

Once you have identified and prioritised risk factors, you must develop a solution or alternative for each potential risk. The greater the priority, the more comprehensive your contingency plan will need to be.

A contingency plan should state:

- a rationale for the contingency plan; that is, what it sets out to achieve
- a description of the risk and how the risk can affect the progress of the activity
- what can be done to prevent or minimise the chance of the event occurring
- what you will do if the risk eventuates (list actions, resources and time frames)
- the expected outcome of initiating the contingency plan
- resources required to implement the plan
- how you can rectify the situation as swiftly as possible
- monitoring processes and when the plan will be reviewed
- procedures for implementing the plan.

Example: national contingency planning

Emergency Management Australia (EMA) is a federal government body whose role is to plan for emergencies and implement contingency plans.

EMA is responsible for the day-to-day management of this coordination function. It also coordinates Australian Government physical assistance to states and territories, upon request, during major disasters.

The organisation promotes a national approach to emergency management in Australia through comprehensive measures that embrace prevention, preparedness, response and recovery activities. EMA works closely with a wide range of Australian authorities, state and territory agencies, local government and industry bodies. It also maintains close links with similar agencies throughout the world.

EMA conducts extensive training on emergency management and has a large library of brochures and publications for the general public that raise awareness and offer information on how to minimise risk if a disaster should occur. This specialist training and public awareness are key factors in lessening the effect of any emergency situation.



Contingency planning checklist

It is critical that managers incorporate contingency planning and risk management activities into their schedule to minimise the risk to their team and the organisation.

A contingency planning checklist can be used by managers and teams to identify the potential impacts of a situation or problem occurring.

Here is an extract of a checklist that can be used for a variety of situations. The activities included in it are operational activities frequently found in many organisations.

Activity	Risk and impact involved	Contingencies
Procure required materials, equipment and stock	<ul style="list-style-type: none"> • Not enough raw materials, leading to no product manufactured for distribution to customers, leading to unhappy customers and opportunity for competitors to supply 	<ul style="list-style-type: none"> • Identify alternate suppliers • Maintain adequate stock levels of raw materials to last for a reasonable time • Implement stock warning triggers when stocks reach certain levels
	<ul style="list-style-type: none"> • Equipment not replaced quickly enough in breakdown, leading to manufacturing coming to a stop 	<ul style="list-style-type: none"> • Identify alternate equipment providers • Train staff to repair equipment • Switch to readily available equipment providers

Team input to contingency planning

When preparing your contingency plans, use the experience and knowledge of other staff. They can tell you what went wrong when they were managing a project, advise you how to avoid mistakes they made and explain what they would do in future to resolve a similar problem.

Share and discuss the plan with your team so everyone is aware of its aims and objectives, their responsibilities for its implementation and how it will be monitored and reviewed. Brainstorm with the team to make sure you cover all possible events that may occur. Ask the following questions:

- Is any training needed?
- How can we be sure the plan will work?
- How did we minimise risks in past activities?

Consultation processes

Even though managers are responsible for work groups, divisions or teams of people, planning, implementation and monitoring of operational plans must be undertaken in consultation with employees, other managers, external stakeholders and more senior staff within an organisation.

At the very least, it is vital that team members, other departments and senior management within the organisation receive clear communication from you regarding your work plans and success in achieving goals.

It is also important that team members feel they have the opportunity to provide input and feedback into the implementation process. You should welcome and encourage the insights and ideas team members can offer – after all, they are the ones doing the work that, if undertaken effectively, will help the organisation reach its goals.

Consultation methods

There are a number of ways to ensure that team members and key stakeholders are kept informed and have the opportunity to add insights into the planning and implementation of team activities.

Meetings

Meetings where staff feel free to voice concerns or raise issues, in either a formal or informal way, can be used.

Interview

Interviews can be used on a regular basis during operations or at the end of an activity to discuss specific issues on a one-on-one basis.

Brainstorming session

Brainstorming sessions within a group to generate ideas, raise concerns and discuss issues in a direct yet informal setting can be used.

Email

Email/intranet communications can be used when teams are not located at the same site or staff work different shifts to ensure information is available to all employees.

Newsletter

Newsletters are particularly useful in larger settings or in multi-site operations.

Videoconferencing

Other consultation processes can be also used, such as workshops, noticeboards, suggestion boxes, planning conferences or videoconferencing to link remote teams.

Practice task 4

The tasks in this table show the steps required to prepare a planning day for your team to focus on future directions.

Task	Time to complete	Predecessor
1. Prepare program	2.0 days	None
2. Obtain guest speakers	2.0 days	Task 1
3. Organise team activities	3.0 days	Task 1
4. Organise catering	1.0 days	Task 1
5. Design program	1.0 day	Task 1, 2,3 and 4
6. Print out program	1.0 day	Task 5
7. Distribute program	0.5 day	Task 6

Assess all of the tasks required in the preparation for this planning day and note four potential high-risk factors, along with possible contingencies that are needed to manage the risk event.

Activity	Risk and impact involved	Contingencies

continued ...

... continued

1E

Develop and present resource requirement proposals

You may need to obtain approval for resource requirements from senior management responsible for allocating budgets. In this case, it is critical to ensure senior management is provided with well-presented, clear arguments that present a strong case for the resources required, especially if resource requirements mean you need to increase your operating budget.

Your submission might be in the form of a comprehensive business case documenting all relevant facts and incorporating these in a cohesive report explaining what, when, where, how and why you need the resources. Your argument will need to be compelling and demonstrate that approval will deliver a real benefit to the business.

What to include in your business case

Many organisations will have a business case template you are required to use when preparing your document.

If there are no formal tools to assist you in writing your business case, include information that covers these questions:

- What is the operational plan you will be implementing?
- How will this plan address the issues or opportunities facing the organisation?
- What are your recommended resource requirements?
- When will the resources be required?
- What are the anticipated short- and long-term benefits to the company of acquiring these resources?
- Can the company afford not to create this position/hire this person/purchase this equipment?
- How will these resources improve your ability to implement the plan successfully?
- How soon will the new resource pay for itself by helping with the successful implementation of the operational plan?
- What will happen if the business case is not approved?
- How much money, people and time will be needed to implement the operational plan successfully?

The role of the business case

The role of the business case is to show that your resource requirements meet the business's needs. Sometimes, submitting a business case is the only way you can receive funding and approval to move forward, so make sure it includes all relevant information and arguments. Remember to keep the business case clear and concise. Stick to the facts, and avoid jargon. Make sure that it is relevant to your team's and the company's goals.

In your plan, outline the total cost, including benefits, training time, other staff time and furniture. Consider how much money the company may be losing by not having a fully staffed team. For example, in a busy retail store over Christmas, how many sales opportunities are you missing by not having enough staff serving customers? If the plan is not implemented on time, what are the implications?

Organisational requirements

Proposals should indicate the type of activity being undertaken, the resources needed and an approximate costing, generally with a breakdown of costs for each task. The style and amount of information included will depend on the circumstances and the organisation's requirements. For example, a comprehensive business case might be needed to justify the purchase of expensive new resources, while a simple list of activities with a breakdown of costs might be sufficient in other cases. Ask other managers for help or look at how others in the organisation have prepared resource requests.



A business case should present all possible outcomes and their benefits and provide a strong argument for the desired outcome. Potential objections are countered with facts and the financial analysis strengthens the case.

Example: a business case for the commercial reforestation of land

In January 2003, a large part of the wood plantation estate surrounding Canberra was completely destroyed by fire. This estate was unique in Australia due to its proximity to the city centre. After the fires, many residents and other community members, including local government representatives, were reluctant to replant the plantation and wanted to change the way the land was used.

ACT Forests wanted to use the land for commercial reforestation. Prior to preparing its business case, the organisation consulted with stakeholders representing the forestry industry, the ACT Government, conservation groups, land managers and fire-management authorities.

Business case developers used this information to present a business case for the development of a working forest that integrates commercial forestry with significant community benefits using a mix of commercial plantations, native forests and urban forests in parts of the landscape.

The business case argued that the working forest would provide employment and revenue opportunities, recreation opportunities and biodiversity. It would also protect water catchment areas and have well-monitored fire-management initiatives.

Practice task 5

The tasks in this table show the steps required to prepare a planning day for your team to focus on future directions.

Task	Time to complete	Predecessor
1. Prepare program	2.0 days	None
2. Obtain guest speakers	2.0 days	Task 1
3. Organise team activities	3.0 days	Task 1
4. Organise catering	1.0 days	Task 1
5. Design program	1.0 day	Task 1, 2, 3 and 4
6. Print out program	1.0 day	Task 5
7. Distribute program	0.5 day	Task 6

Prepare a brief business case to request that catering for this event should be organised through external caterers rather than organised by in-house staff. The additional cost for using external caterers is \$400.

Summary

1. Developing an operational plan involves identifying what the team needs to do to achieve its goals; the resources needed to successfully carry out the tasks and the processes that will be followed to monitor and measure performance.
2. All activities designed to achieve organisational goals must be broken down into manageable tasks with logical steps and commencement and finish dates and times.
3. Operational plans may be organisation-wide or they may be tactical plans developed by a department or section for a particular reason, such as to review product or service performance.
4. Key performance indicators must be easy to measure. They should relate closely to the project goals and not be dependent on guesses or assumptions.
5. Key performance indicators can be measured in a quantitative or qualitative way.
6. Map your activity tasks using a critical pathway.
7. Managers should incorporate contingency planning and risk management activities into their schedule to minimise the risk to their team and the organisation.
8. A contingency planning checklist can be used by managers and teams to identify the potential impacts of a situation or problem occurring.
9. Team members, other departments and senior management within the organisation should receive clear communication from you regarding your work plans and success in achieving goals.
10. You may need to obtain approval for resource requirements from senior management responsible for allocating budgets. This information must be well-presented, clear and present a strong case for the resources required, especially if resource requirements mean you need to increase your operating budget.

Learning checkpoint 1 Implement operational plan

This learning checkpoint allows you to review your skills and knowledge in implementing an operational plan.

Select a workplace project or conduct some research on one of the following projects:

- implementing new organisational procedures
- upgrading a computer system
- moving office premises
- updating plant machinery.

Write down your responses to the following tasks.

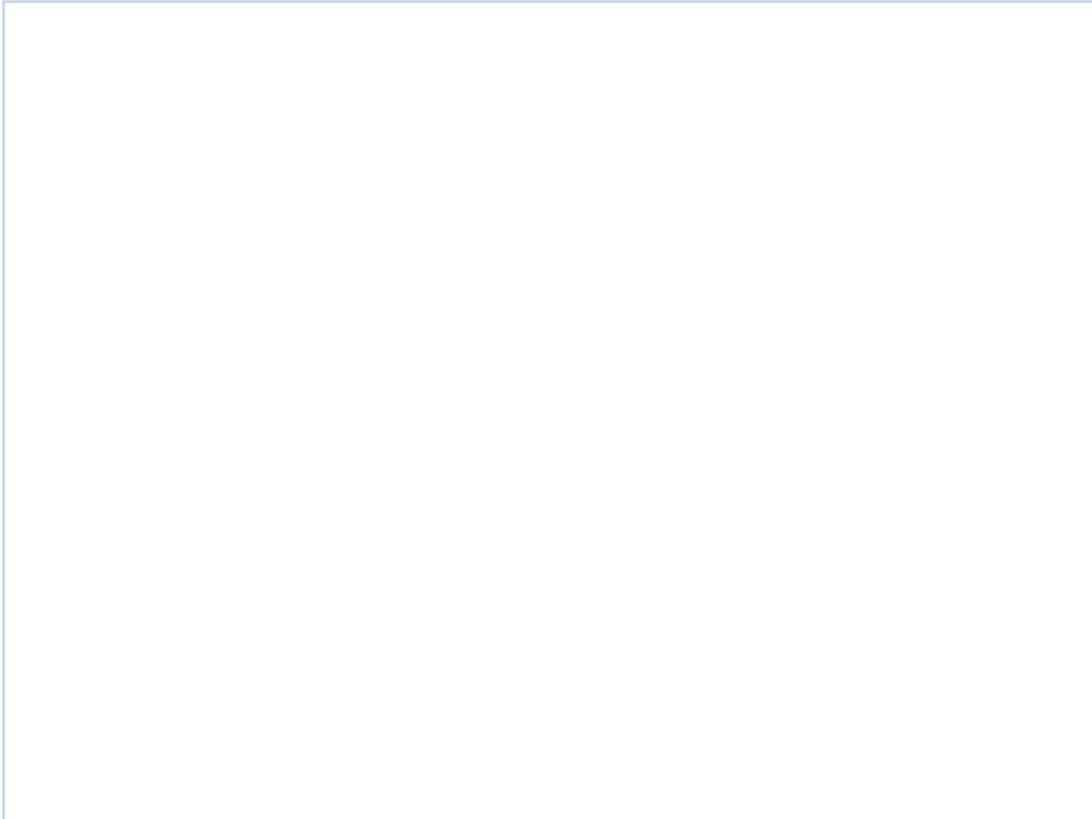
1. Explain the project you are undertaking.

2. Identify the aims of the project.

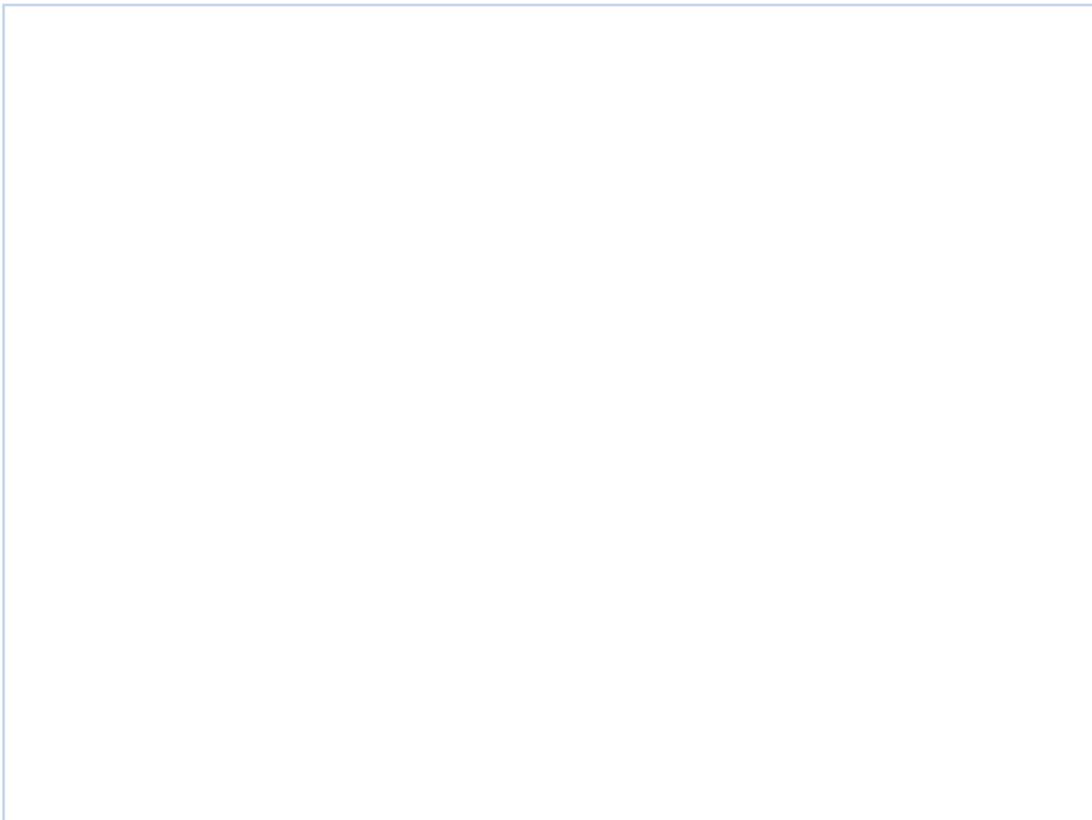
3. Present the operational plan for the project, including a flow chart that shows the stages of the plan.



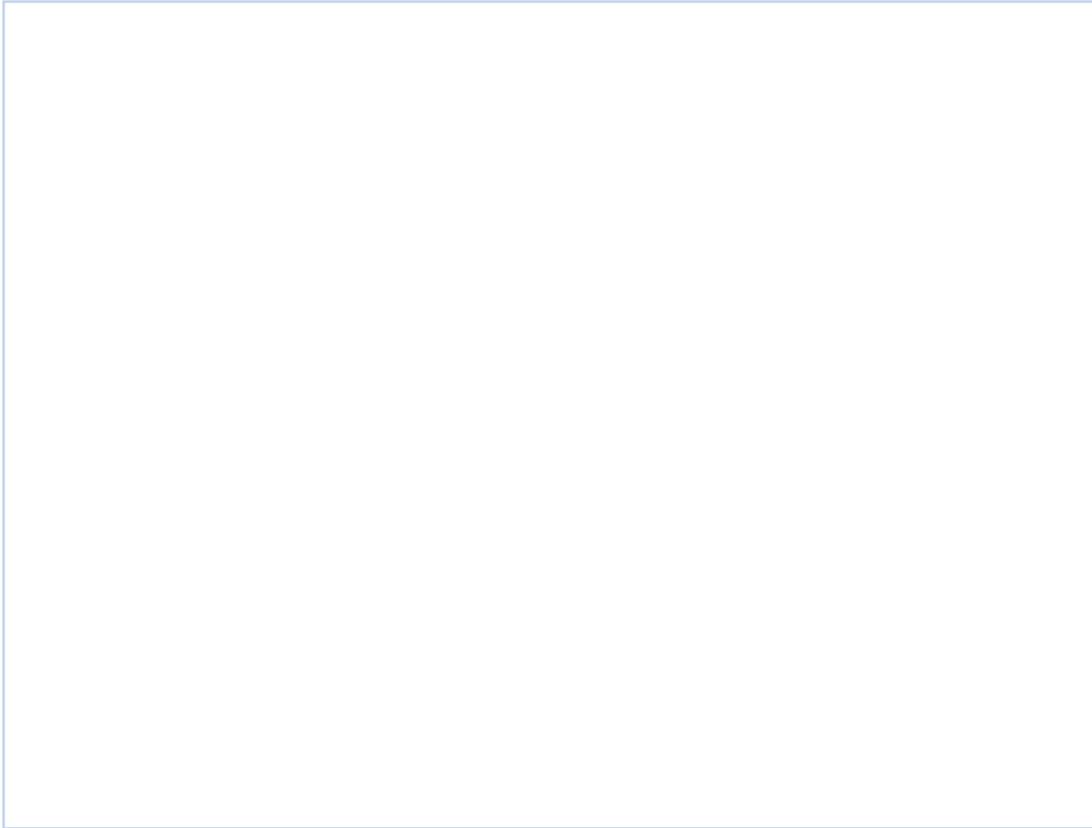
4. Detail the resource requirements – human and physical – that you will need to implement the plan.



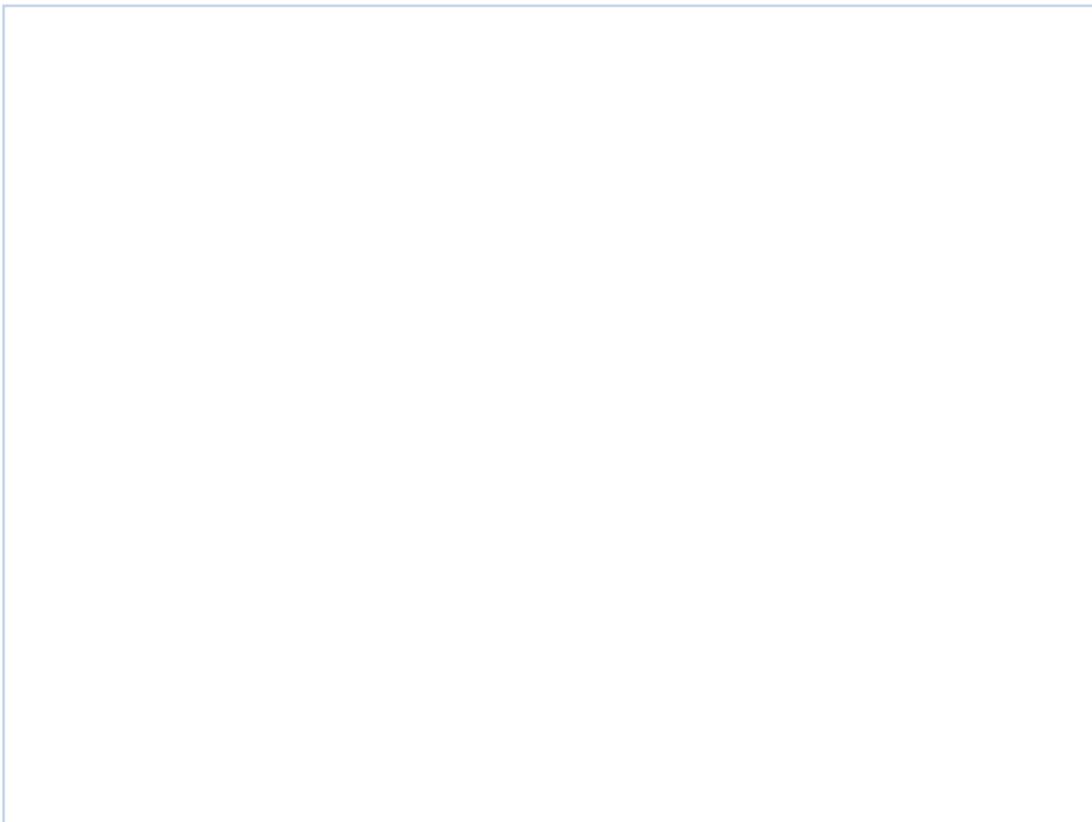
5. Identify any potential risks.



6. Outline your contingency plan for dealing with those risks should they occur.

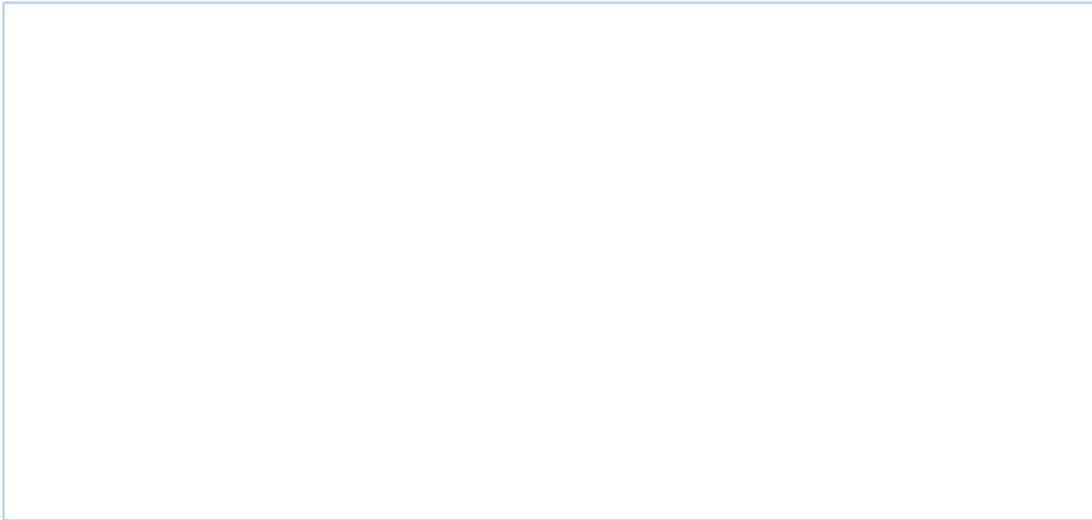


7. Develop a set of key performance indicators (KPIs) to measure the stages of the operational plan.

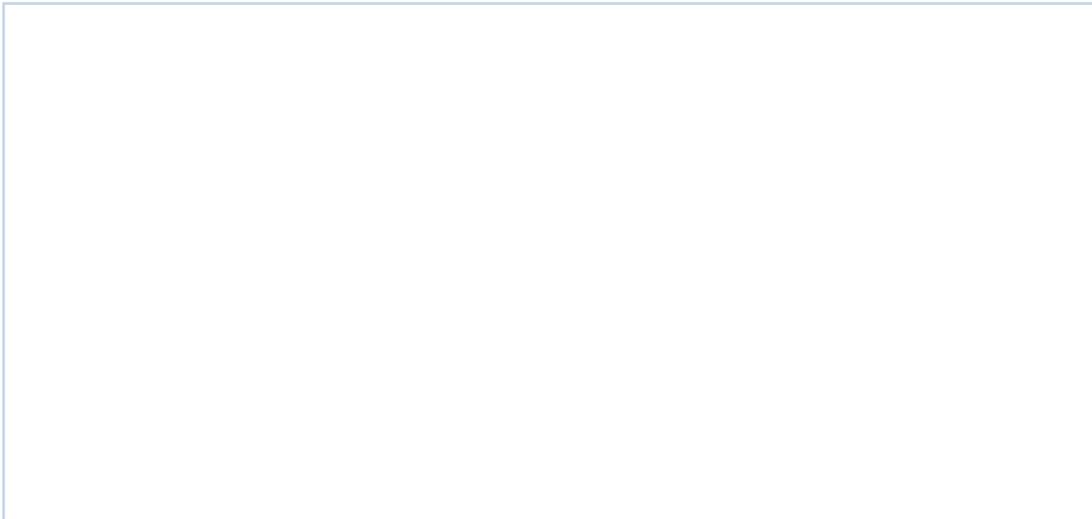


8. Explain how you will use these KPIs to measure the outcomes of the team and of

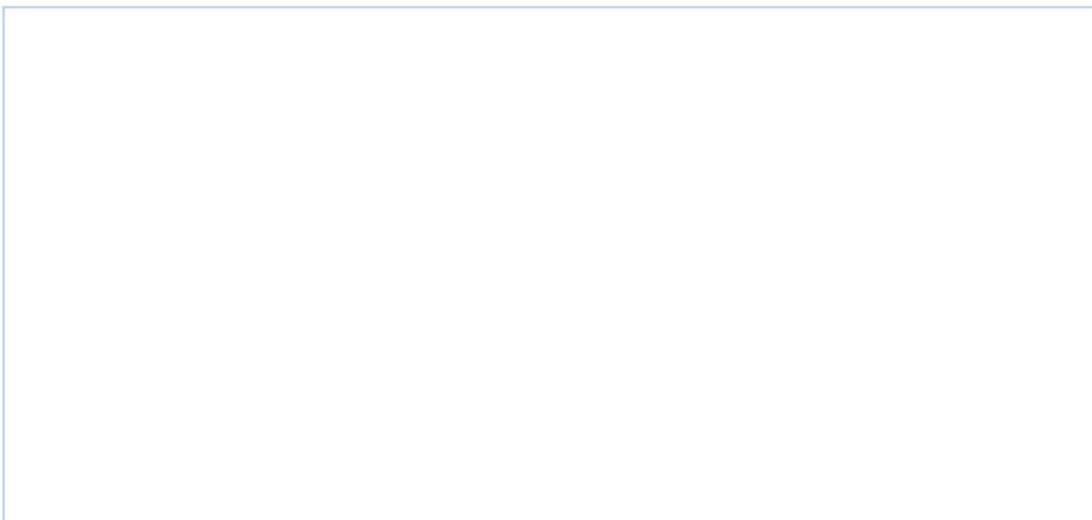
individual team members.



9. Explain who you will consult during the implementation of the plan.



10. Describe the consultation methods you will use.



Topic 2

Implement resource acquisition

Acquiring resources – employees, goods and services – to help implement operational plans is one aspect of a frontline manager’s responsibilities.

Resource acquisition can be the most costly part of any implementation plan, but is also one of the most critical. After all, how can you implement a plan successfully if you don’t have the right tools for the job? Activities relating to resource acquisition should follow the guidelines, rules, procedures or practices used within your organisation, such as human resource and purchasing policies, standard operating procedures (SOPs) or undocumented practices that have not been formally adopted by the organisation but are accepted as part of its processes.

In many organisations, recruiting staff and purchasing goods and services are specialist functions undertaken by human resources (HR) or purchasing departments. Sometimes, recruitment is outsourced to specialist recruitment agencies.

In this topic you will learn how to:

- 2A Recruit and induct employees within organisational guidelines
- 2B Implement plans for the acquisition of material resources and services

2A

Recruit and induct employees within organisational guidelines

Staffing levels are closely linked to an organisation's strategic plan. They are governed by the organisation's business activities as well as the size of the workforce needed to achieve the organisation's goals. Existing and future staffing needs are constantly monitored and reviewed, so the need for new staff can be addressed in the organisation's annual budget.

Identify staff requirements

A frontline manager's responsibilities include identifying staffing needs and subsequently hiring staff. This is a critical part of implementing any operational plan. Without employees to do the required work to achieve the organisation's goals, frontline managers are unable to implement the part of the organisational plan they are responsible for.

Typical questions when identifying recruitment issues include:

- What skills are needed?
- Does the employee need to have any special experience or qualifications?
- Is there a position description for the role?
- What personal attributes and aptitude are required for this role?
- Are new employees needed or can I use existing staff from another team?
- How urgently does the role need to be filled?
- Do I have a budget available to pay for advertising or any special testing?
- What is the salary or wage assigned for this role?
- Does my organisation have guidelines I need to work by?
- Will HR specialists or recruitment consultants help?

Organisational documents

Organisational documents that support and guide recruitment are explained below.

Job audits	Skills audits	Job descriptions
Job audits determine the type of job the organisation requires now and in the future. They are driven by the business plan.	Skills audits identify the type of skills staff currently have and how they match the work being done.	Job descriptions describe the context of the position in relation to the organisation, the duties and tasks involved, the skills and knowledge required and key selection criteria or competency profiles.

Recruit new employees

Once you have identified the type of skills required, you need to decide whether you will recruit more staff or use your existing team. You may also need to consider the time frame for your activity, as recruiting more staff may make it easier to meet the deadline. The way organisations manage the process of implementing their operational plan varies widely, and the recruitment of employees is no exception.

Key factors that affect the way organisations go about recruiting employees include the:

- cost of recruitment
- time frame or time period in which the employee needs to be appointed
- type of job and the demands it places on the employee
- culture of the organisation
- size of the organisation
- presence of any internal staff or departments who can assist with recruiting and other HR functions
- contracts or policies an organisation may have with external recruitment providers
- recruitment experience and ability of frontline managers.

Cost of poor recruitment

Poor recruitment can be very expensive for an organisation. An incorrect appointment can result in an employee's early resignation or termination. The organisation will then need to bear the cost of a second round of advertising, interviewing, inducting and training, as well as the production downtime while the new employee is learning and adjusting to the role. Direct and indirect costs of recruitment are estimated to amount to around two-thirds of the employee's annual salary, which means a significant amount of money is wasted if a mistake is made in the recruitment process.



Example: recruitment process in a government agency

Hopeful Western Australian police officers must undergo a rigorous recruitment process before being accepted into the police force.

The initial stage of the application process

Initially applicants must successfully complete a numeracy, literacy and reasoning test; have reasonable vision; have a motor car licence; be an Australian citizen; have basic computer and keyboard skills; and have a senior first aid certificate.

The second stage of the recruitment process

Once their application has progressed to the next stage, candidates must undertake a comprehensive integrity check that includes:

- attendance at a realistic job preview
- a physical performance evaluation
- a psychological inventory
- a formal panel interview
- a formal psychological interview
- a final medical examination
- reference checks.

Once the applicant has successfully completed all checks

Once an applicant has successfully completed all of these checks, they are placed in a pool of recruits who have been selected to attend the Police Academy at Joondalup. This is where they undertake a comprehensive training program lasting 28 weeks. Only after successfully completing training are recruits sworn in and ready to begin work as serving members of the WA Police.

Frontline managers participation in recruitment

As in many similar organisations, frontline managers within the WA Police do not undertake recruitment of new officers. This process is managed and implemented by a specialist unit that ensures all recruits are able to meet the high standards and special demands placed on them in this role.

Methods of recruitment

There are a number of options for recruiting the staff required to implement an operational plan. You may only need to hire casual or temporary staff, for example, to assist with busy periods or cover for team members who are unavailable due to leave or illness. You may need someone part-time to provide an additional 15 hours of assistance each

week. You may need a full-time staff member for long-term or ongoing plans, or you might need to second an existing employee from another section or team. The different methods of recruitment are explained below.



Human resources or recruitment departments

Many large companies or government departments have specialised human resources or recruitment departments that act as consultants to frontline managers. They may assist with writing job descriptions, advertising positions, reviewing applications, and interviewing and appointing candidates.



External recruitment services

Some organisations outsource the process to external companies who are experts in recruitment services. Frontline managers can consult with these external companies and work with a consultant to find the most appropriate person for the job. In these instances, frontline managers may brief the consultant, who then works to present them with a short list of potential candidates.



Recruitment by frontline managers

Other organisations provide frontline managers with guidelines and procedures for staff recruitment. They may also provide some level of specialist training in recruitment.

In smaller companies or those with less formal processes in place, recruitment processes may be more flexible and the manager's own experiences and preferences may form the basis for recruitment.

Sources of recruitment

New staff can be recruited from a number of sources.

Recruitment sources include:

- advertising within the organisation
- using employee or personal references
- job placement services, such as those approved by Centrelink
- newspaper advertisements
- employment websites
- specialist recruitment (or search and selection) agencies
- professional bodies and unions
- tertiary education institutions
- organisations that provide services to particular groups of people; for example, people with disabilities.

The selection process

If an organisation handles its own recruitment, the first step is to advertise the position. The role of the advertisement is to attract a number of suitable candidates. It needs to be clearly written and adequately describe the job. Due to budget restrictions, many organi-

sations place an advertisement on an internet careers portal and direct applicants to their website or ask them to apply directly to the organisation for a position description. Make sure you decide beforehand whether you want applicants to phone for an interview, post an application, send their application by email or supply references. Remember to indicate a closing date. All legislative requirements should be met, such as the use of discrimination-free statements relating to a person's age, gender, marital status, race and physical characteristics, unless it is a crucial element of the position; for example, the ability to distinguish between colours. Here are the steps you should undertake to facilitate the selection process.

Steps to facilitate the selection process

1**Screen the applications**

Eliminate applications that indicate the applicant is not qualified. Class the remaining applications as 'Yes' or 'Maybe'. Use a checklist and give applicants a score based on the selection criteria (the key skills or qualities that the employer needs from their employee).

Prioritise your list and select those you will interview. If you are screening by telephone, prepare questions about candidates' qualifications and experiences. Base your decision on their responses to questions. Remember to document each action you take.

2**Convene a selection panel**

Select the people you need to interview the candidates. This might be dependent on organisational policies. Selection panel members are usually chosen for their experience and familiarity with the requirements of the position.

Identify dates and times for the interviews.

3**Prepare an interview guide**

Interviews that are planned and prepared for tend to proceed more smoothly than unstructured interviews. Compile a list of relevant questions to elicit information about the candidate's experience and skills, plus questions appropriate to the position such as how they handle difficulties, their ability to communicate and how they work in a team.

4**Conduct interviews**

Interviews should start on time. Explain to the candidate how the interview will be conducted. Use appropriate questioning techniques that encourage participation and confidence and steer clear of jargon. Comply with legislative requirements; for example, it is illegal to ask candidates about their health or personal lives.

5**Assess and select applicants**

Judge each candidate against the selection criteria. Confer with the panel members. Use a grading system and score each candidate. Seek further information by contacting the candidates, asking them in for a second interview or contacting their referees.

5

Make a selection

It may be your responsibility to make a decision. Follow organisational procedures; for example, do you have to make a recommendation to your manager first?

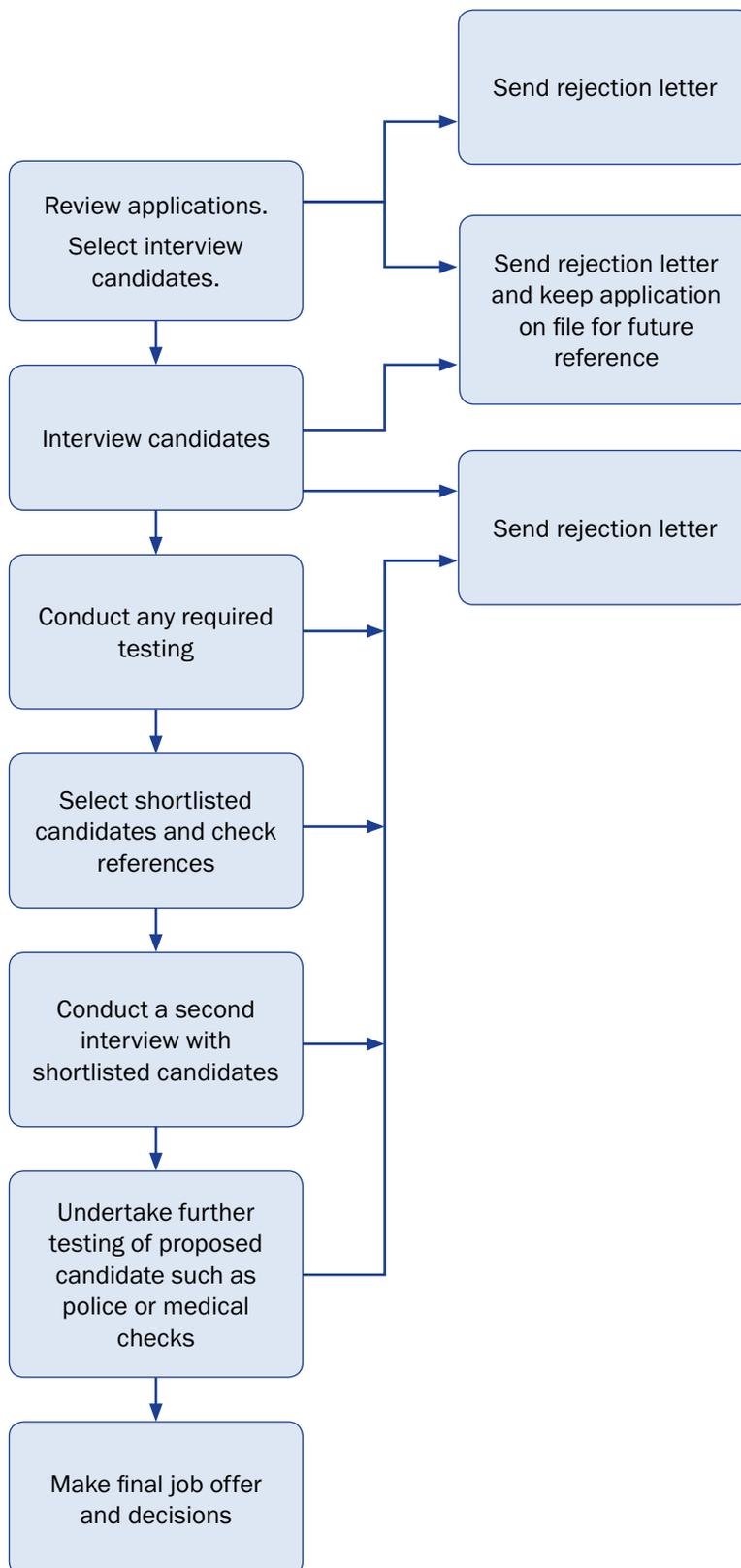
Contact the successful applicant and make an offer, followed by a formal letter of appointment and contract if the position is permanent. Notify unsuccessful candidates.

7

Document the process

Document the recruitment process by compiling a final report outlining the number of applicants you had, how many you shortlisted and interviewed, the key selection criteria, the interview process and the recommended appointment.

Example: selection process flow chart



Example: recruitment processes

Shawn Sumner is the marketing manager at Pferd Australia. Pferd is a German company that manufactures and distributes high technology industrial tools such as abrasive discs, brushes and files. Shawn's role is to oversee and manage all sales and marketing functions, as well as related business units such as customer service.

Shawn's role requires him to recruit frontline staff as he implements the company's operational plan.

'All recruitment follows a process that has been developed because it is cost-effective, quick and enables the company to appoint people who have both the skills and experience required as well as the right attitude and "fit" to complement the organisational culture and unique needs of their clients.

'For non-management roles, we advertise jobs ourselves using an internet careers portal, whereas for management roles, we usually use a recruitment consultant.'

When hiring new customer service or sales staff, Shawn writes the advertisement and posts it on the internet. He reads all resumés that are received, then creates a shortlist of applicants for interviews. The interview process is very important, since in customer service or sales jobs the character and personality of the applicant have a big impact on the customer.

Shawn then re-interviews the most promising of the applicants, who also meet with the company's managing director (MD). Once the MD has met the applicants, Shawn and the MD discuss the suitability of each candidate for the role and make a decision.

'We've had a lot of success doing it this way. It's cheap, you write the ad yourself and it's quick. It does take a bit of time to go through the resumés but we're able to appoint people who have the skill set required as well as the right fit to the culture of the organisation, and the sales environment we have here.'



Staff numbers, budgets and other issues

As a frontline manager responsible for implementing your organisation's plan, you'll be working within the constraints of a number of often conflicting issues. These issues can quickly turn into problems if they are not carefully thought through. A common scenario many managers are faced with is the challenge of getting work done on time while working under pressure from senior managers, stakeholders and investors to minimise costs.

Sometimes, staff numbers are determined by specialist or more senior managers. Frontline managers may not be in a position to hire the number of staff they believe they will need in order to get the job done effectively, yet remain under pressure to ensure their team performs. Frontline managers often find their biggest and most constant challenge is to achieve operational goals using the resources available.

Cope with limited resources

Managers often find they need to be creative in order to ensure their limited resources can meet operational goals. Some managers are able to appoint staff on a short-term basis to assist if particular projects need to be completed or if their industry is subject to busy times. In these situations, managers are often able to plan ahead and anticipate the increased demand for staff time by boosting employee numbers – albeit temporarily. The retail sector is an example of an industry that uses more staff at different times throughout the year.

Where tight budgets have affected staff numbers, different solutions are used to resolve staffing issues. For example, larger organisations may offer employees temporary transfer to another role or position.

Usually, the problem of insufficient staff numbers calls for discussion with more senior managers, a rearrangement of priorities and a focusing of team members' time on only the most pressing and important aspects of the operational plan.

Induction for new employees

Once you've hired new staff or existing staff have been reassigned, they need to undertake induction training before they start work. Effective induction training brings a range of benefits to both the organisation and the employee. In many industries, such as building and construction, induction training is vital to ensure the safety of employees while on site.

Variations in the approach to induction training

Every organisation's approach to induction training varies. Some companies have their own training departments that provide employees with complete training. Others have material on hand for new employees to review, while others still rely on frontline managers and team members to assist new staff in a hands-on approach to learning about their new position and employer.

Ongoing induction

Induction does not necessarily stop after the employee's first day or week, but rather should continue until the employee is confident in their role. A frontline manager might delegate another employee to mentor the new recruit – to support them and offer suggestions about specific policies and procedures.

Inducting contractors and temporary staff

Contractors and temporary staff also benefit from a brief introduction to their new workplace, including meeting colleagues, being briefed on key issues (such as work health and safety, company policies and facilities) and understanding why their role is critical to the organisation.

Sharing the company's vision and mission

Induction training is also an opportunity to share the company's vision and mission, its strategic goals and the specific sections of the operational plan staff are responsible for.

The benefits of induction training

For businesses, appropriate induction training improves staff retention rates. Businesses benefit from having happy employees who are confident in their roles, have good communication skills and feel that their employer values them.

Employers also report that recruitment costs such as advertising and induction training are reduced through higher staff retention rates. In addition, staff who are fully trained have developed their skills and are better able to move to other, more senior roles within the organisation.

Over time, organisations that provide thorough training to their employees see an im-



provement in financial turnover and a reduction in costs. Staff who are comprehensively trained in all aspects of their role, their employer and their rights, and who understand their obligations, cost their employers less money.

Comprehensively trained employees cost their employers less money because they are:

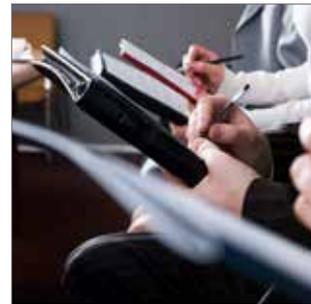
- able to work effectively within their new team as early as possible
- less likely to waste time and materials because they have been instructed in how to undertake their tasks efficiently
- able to use machinery and equipment properly, resulting in lower maintenance and repair costs
- less likely to cause workplace accidents as they have been briefed on WHS issues relevant to their roles
- more likely to show up for work each day as their level of satisfaction with their employer is usually higher.

Example: benefits of induction training

Sensis produces a number of print and internet-based products and services such as the White Pages, the Yellow Pages and TrueLocal. The company's team of trainers is responsible for delivering corporate training programs for all staff and managers, including those in sales, customer service, business support and management roles. Trainers also deliver corporate induction training.

A few years ago, the company did not have any corporate induction training programs. Surveys of employees revealed that staff were not satisfied in the area of learning and development, as they did not feel that they had all the necessary business information. As a result of this survey, the company developed an induction training program for all new staff. Follow-up surveys showed a significant increase in employee satisfaction with learning and development.

In addition to improving employee satisfaction, the program helped reduce staff turnover and increased employees' engagement with their jobs and the company.



Practice task 6

For the following situations, think of some potential problems caused by a conflict between limited human resources and pressure to meet organisational goals, and think of a way these problems could be avoided and managed on a day-to-day basis.

Write your suggestions for dealing with these situations.

1. You are the charge nurse at the maternity ward of a busy inner-city hospital. You are organising the rosters for next week but have realised that, for a variety of reasons, there are too few nurses available to work Saturday night. As a health care provider, the hospital's operational plan states that all patients should receive a high level of care.

- a) Strategies to avoid the problem

- b) Strategies to manage the problem

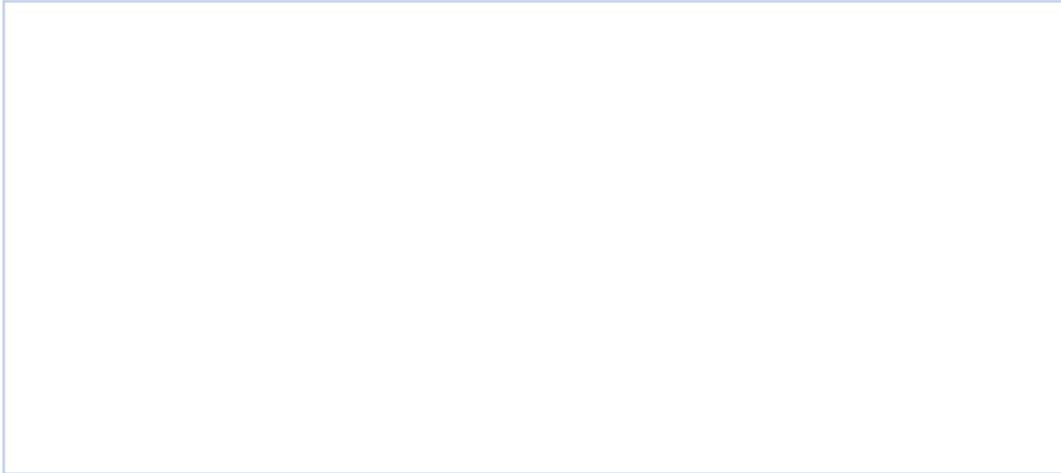
2. Current staff numbers at the telephone call centre for business activity statements queries at the Australian Tax Office have not been able to handle recent customer enquiry levels and customers have been complaining about the long wait times. The goal of the call centre is to ensure all callers to the line receive speedy and accurate advice regarding their statements.

- c) Strategies to avoid the problem

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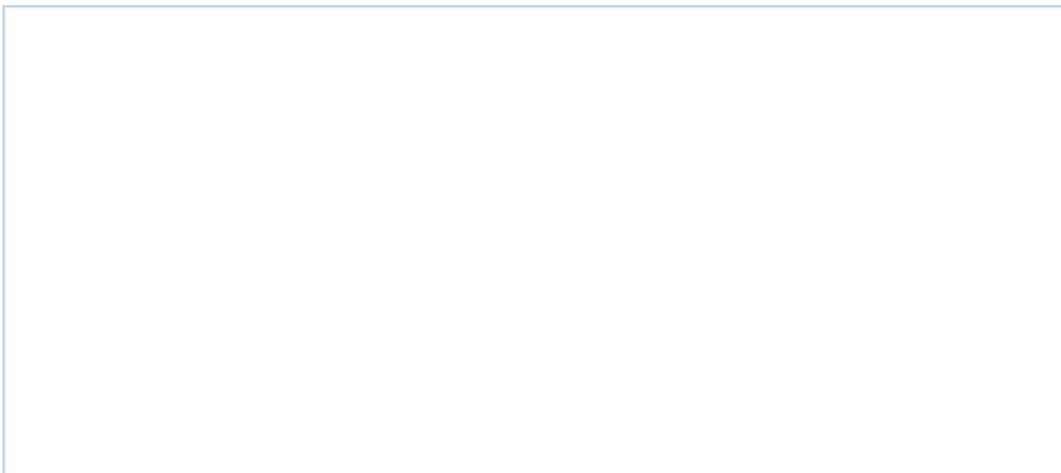
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d) Strategies to manage the problem

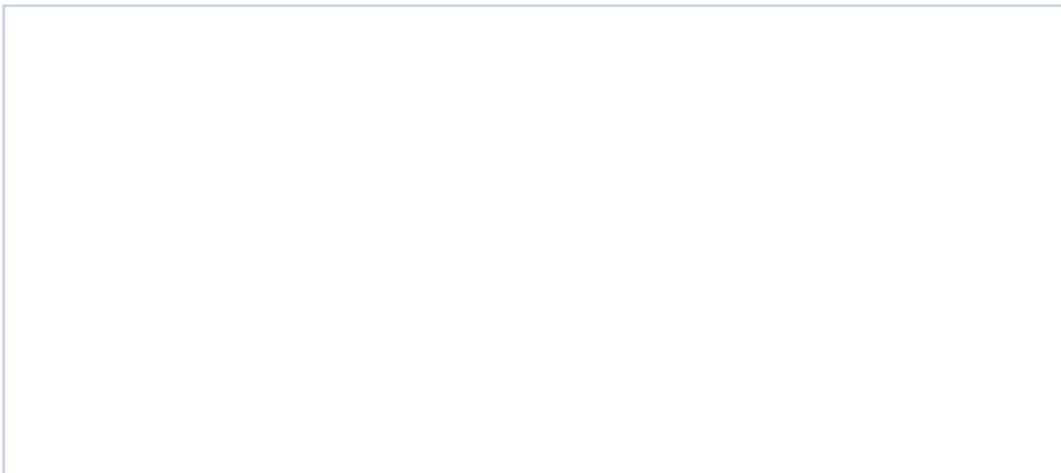


3. A retail clothing store is holding a sale over the Christmas/New Year period. You are the assistant manager and have been given a budget by the store manager to cover staffing over this period. The budget is very tight, but you need to make sure there is enough staff to deal with the large number of customers you are expecting.

e) Strategies to avoid the problem



f) Strategies to manage the problem



2B

Implement plans for the acquisition of material resources and services

Frontline managers may need to purchase goods or services to ensure the team is able to implement its operational plan. Just as processes for recruiting staff vary between organisations, processes for acquiring physical resources can also be very different depending on the organisation. For example, frontline managers may work with purchasing specialists within their own organisation, with external consultants or with supplier organisations.

Be aware of your organisation's purchasing policies and procedures by asking:

- Does the organisation order in advance and store items, or is it more likely to do just-in-time ordering?
- Does the organisation buy in bulk?
- Does the organisation have a procedure for obtaining quotes?
- Can staff members order resources or must an order go through a frontline manager or a purchasing officer?
- Is purchasing done by a tender arrangement?
- Do you need to understand an inventory system to know if something is in stock?
- Are there policies about the type of item purchased, such as only buying recycled paper or Australian-made goods?
- Are there procedures for when the item arrives to ensure the required quantity has arrived and that it is in good order?
- Who is responsible for specific purchasing procedures?

Consultation and approvals

It is important that you know and use the purchasing policies, procedures and guidelines for your organisation. These rules ensure that all procurement is carried out in the same way and each purchase is correctly approved and recorded.

Generally, you need to seek approval for purchases before the order is placed. It may be necessary to submit an explanation of why the purchase is required, particularly for more expensive goods and services. You may need to speak with a number of people to get the information that you need to complete the supporting documentation necessary for a purchase application.

Many larger organisations permit different levels of management to approve varying expenses to the limit of their budget and a prescribed maximum purchase amount.

Alternatively, a purchasing officer or department may carry out all the procurement for a business or organisation.

Identify resource needs

The first stage in acquiring resources is to identify your needs. This should be a relatively simple task if the activities being undertaken by the team have been set out clearly and in detail in the operational plan. Acquiring resources does not necessarily mean you need to purchase them. For example, if you are arranging an office for a new staff member, you might allocate existing equipment to the new location.

Resource needs might include goods such as stationery, paper, computer equipment, clothing, tools or equipment, and furniture. Services might include those from specialist consultants, contractors such as cleaners, and suppliers such as payroll and distribution.

When identifying resource needs, prepare a brief plan outlining:

- what needs to be purchased or procured
- the quantity required
- when the resource needs to be available
- where you will obtain the goods or services
- procedures for obtaining resources.

Example: resources for new office employees

Here is an example of the way resources could be allocated for new employees.

Resource	Quantity	Needed by	Source	Procedures	Budget
Footrest and document holder	One of each	1 Sept	Watson's Office Supplies	Complete purchase order form	\$50
Training	One induction session	3 Sept	In-house	Discuss with team	
Workstation, bookcase, paper recycling bin, rubbish bin	One of each	1 Sept	In-house	Arrange for furniture to be installed in office	\$450
Stock (writing pad, pens, stapler)	One of each	1 Sept	Storeroom	Arrange with administration assistant to supply stock	

Procedures for resource acquisition

It is generally the role of the frontline manager to acquire items – by either purchase or procurement – when a need arises. Usually, though, all staff are responsible for identifying any goods or services they require to do their work efficiently.

Here are some key considerations when acquiring resources.

Purchasing process

All staff should be familiar with the organisation's purchasing guidelines. These guidelines help managers purchase goods or services effectively while ensuring that suppliers meet relevant standards, costs are minimised and purchases are made in a consistent manner across the organisation.

Some organisations have less formal processes in place. Many companies simply have an order book. Senior members of staff have authority to sign off or provide approval for purchases of goods and services up to a nominated level. As each request is made, it is assessed based on need and the cost of the item. Larger items may need to receive multiple sign-offs or approval from a board of management or directors.

Purchasing criteria

While many purchasing practices and policies are focused on ensuring an organisation gets good value for money, many organisations consider other criteria when purchasing goods and services. In these situations, the method of purchasing may help to achieve a goal or reflect the company's vision or mission; for example, to promote environmentally sustainable products or use Australian-owned suppliers wherever possible. These criteria often include quality considerations as well as ethical considerations, such as only buying from environmentally friendly suppliers or purchasing from organisations that support particular social causes.

Selecting providers

The frontline manager needs to make well-informed choices and decisions on what resources they procure. The organisation should be assured of obtaining high-quality, value-for-money products and services that meet their needs and are delivered on time and to the requested standard. You should develop sound business relationships with all providers so you can be confident of receiving excellent customer service. Good providers are those that: listen to and understand your needs, deliver when requested, deal only in high-quality goods, are competitive in terms of prices, deal promptly and efficiently with any problems and are reliable.

Once a relationship has been established, good providers give their customers extras such as special offers, discounts and complementary goods.

Centralised purchasing departments

Many organisations have specialist internal units that procure the goods and services the organisation needs to function effectively. These resources include anything from basic everyday items (such as stationery used in offices) to more expensive items (such as computers or mobile telephones) and specialist items (such as consultancy services). The functions and benefits of a centralised purchasing department are explained here.

All purchases	Purchasing departments buy in everything the company needs – vehicles, uniforms, cleaning services, forklifts, telecommunications contracts, stationery, food supplies, catering services.
Minimise costs	Centralised purchasing minimises costs by buying in bulk for the whole organisation and ensuring that goods and services are purchased in a consistent manner.
Quality standards	Centralised purchasing also helps ensure that suppliers to the organisation meet any relevant quality or operational standards. For example, a food manufacturing company needs to ensure the companies it purchases raw ingredients from meet all quality and food hygiene standards.
Preferred suppliers	Purchasing departments manage the purchasing process in a number of ways, including tendering and appointing a preferred supplier. Many government departments tender for high-price, occasional or specialist goods or services. This means a tender document is issued, either publicly or to a select group of companies, to provide detailed information regarding the organisation's requirements. Companies are given a deadline within which they should respond to the tender. The tender document should provide information on their ability to meet the criteria, how they will provide the goods or services and the cost they will charge.
Fill orders	When a team member requires any of the goods and services stored in the organisation's warehouse, their manager will approve the request, complete a stock acquisition form and submit the form to the relevant personnel in the stock room/warehouse. This process may take time depending on the availability of the item and when the form is received, so you must plan ahead and allow sufficient time for the order to be filled.

Supplier organisations

Appointing a supplier (or group of suppliers) to provide a certain item or service is common. Whenever an item is needed, these selected companies – which have already been checked for their ability to meet certain criteria, such as quality or pricing levels – are asked to submit a quote or just supply the services or goods if a standard pricing agreement has already been arranged. Once the quote is approved, you may need to complete a purchase order.

For cheaper items and those that have less impact on areas such as quality, a list of potential suppliers is kept on hand. These companies are contacted when an item or service they provide is needed. They are asked to quote and a decision is made based on the offer that represents the best value for the company.

Example: purchase order

Here is an example of a purchase order.

Purchase order no:

Date:

PURCHASE ORDER

To:

From:

Please supply the following items.

Name of authorised person:

Signature of authorised person:

External consultants

When making a decision to purchase the services of an external consultant, you need to enter into a formal contract so there are clear parameters of what is required from your organisation, what is expected from the consultant, time lines, payment and consequences if the contract conditions are not met. Sometimes a memorandum of understanding is prepared, which details the scope of responsibilities and expectations. The procedures for developing contracts and the way they are formatted depend on the nature of the organisation. Make sure you are familiar with the standard form of contract your department uses.



Parts of a contract

There are a number of aspects that need to be included in contracts.

Typical parts of a contract include:

- a statement outlining the parties involved
- project title
- project objectives
- reporting requirements
- consultant's responsibilities
- copyright/intellectual property
- disclosure/confidentiality
- time lines
- project fee
- review and approval of work
- competing works and governing law
- signatures of relevant parties.

Different ways to manage purchasing

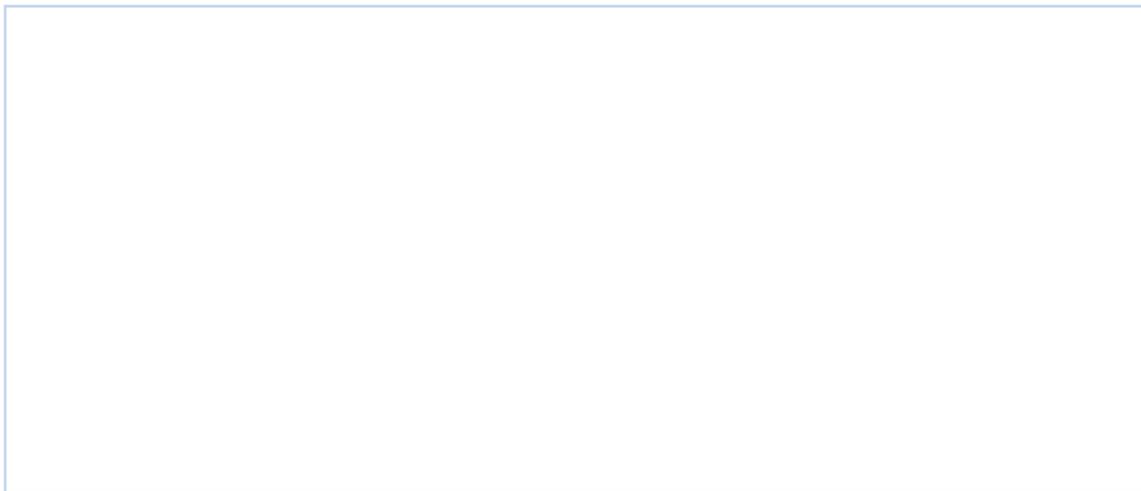
Different organisations manage purchasing in different ways. The organisations listed here have different purchasing or procurement policies, which can be viewed on their websites.

- The Fitzroy Junior Football Club: www.fitzroyjuniorfc.com.au/Policies.html
- Adelaide City Council: www.adelaidecitycouncil.com
- The University of Southern Queensland: policy.usq.edu.au
- Qantas Group: www.qantas.com.au

Practice task 7

A frontline manager is responsible for managing the purchasing of resources to support their work team's operational plan. Small items, including stationery, are sometimes purchased on an ad hoc basis through petty cash. The items are usually purchased at a competitive price. However, the time lost in having staff away from their regular duties while making these purchases means this process is more expensive than it initially appears.

List some strategies that could be adopted to improve the cost and time efficiency of purchasing small items.



Summary

1. A frontline manager's responsibilities include identifying staffing needs and hiring staff.
2. Hiring staff is an important part of implementing operational plans.
3. Poor recruitment can be very expensive for an organisation.
4. Interviews that are planned and prepared for tend to proceed more smoothly than unstructured interviews.
5. Induction does not necessarily stop after the employee's first day or week. It should

continue until the employee is confident in their role.

6. A frontline manager must make well-informed choices and decisions on what resources they procure.
7. The organisation must be assured of obtaining high-quality, value-for-money products and services that meet their needs and are delivered on time and to the requested standard.

Learning checkpoint 2 Implement resource acquisition

This learning checkpoint allows you to review your skills and knowledge in implementing resource acquisition.

Part A

Scenario

You are the manager of a retail store called Lollipops. The store is one of 30 chain stores selling children's clothing and is fully supported by a central office. The chain has been marketing itself very heavily and has developed a new range of clothing for this season and future seasons. Customers love the new range and have been buying up, which means you've exceeded your revenue targets for the past three months.

However, there is a problem. Your team has been very busy lately and many members have been working overtime and extra shifts. Some customers have been getting visibly annoyed as long queues form at the counter – especially when some staff are helping customers choose clothes, restocking and organising lay-bys and gift wrapping.

You decide you need another full-time staff member. One additional staff member will cost you \$38,500 per annum; however, you have been adding up the overtime and extra shifts you've been paying existing staff and have calculated that continuing in this way will end up costing you \$17,000 per annum in unbudgeted payroll costs. Each new staff member is trained (cost: \$1,500) and receives a uniform (\$200 twice a year).

The retail chain has a range of standard operating procedures in place. When it comes to the recruitment of additional (not replacement) staff members, the store manager must complete a business case that clearly states why additional staff are required. The business case must be submitted to the human resource manager at head office, who will then review it, discuss the issues with the store manager and either approve or reject the request after consulting with the finance manager.

Complete a business case for new staff, using the template provided below.

Business case New staff request
Name of manager:
Date:
Summary/purpose of this business case
Issue/reason for adding new staff

continued ...

... continued

Could existing staff be reassigned or used in other ways to fill the need?	
Anticipated benefits to company (short-term/long-term)	
Total cost if approved (per annum)	
Salary: Uniform:	
Other costs	
Cost if not approved (per annum)	
List any anticipated challenges/problems you foresee if: The business case is approved: The business case is not approved:	
Benefits versus costs summary	

Part B

Scenario (cont'd)

Congratulations! Your business case has been approved. You can go ahead and hire an additional full-time staff member and purchase the items they need to do their job properly and the services you'll need to hire the individual.

Your standard operating procedure states that as store manager, you must complete a business case for the supply of goods and services, and submit it to the finance manager at head office. She will review it, discuss any questions she has and then pass it on to the purchasing officer if it is approved.

You'll need to get approval for everything – from placing an advertisement in the local paper to sending the new staff member to training and buying a uniform. You need to justify why each item is required. You also need to include a uniform purchase order and request a quotation for training.

Complete a business case for the supply of goods and services, using the templates provided below.

Business case Supply of goods and services	
Name of manager:	
Date:	
Summary/purpose of this business case	
Goods and services required	Reasons required

continued ...

... continued

Goods and services required	Reasons required

Purchase order no: _____
 Date: _____

PURCHASE ORDER

To: _____

From: _____

Please supply the following items:

Item code	Description	Quantity	Unit Price	Total

Name of authorised person: _____

Signature of authorised person: _____

REQUEST FOR QUOTATION

Department: _____

Date: _____

Purchasing officer: _____ Order No: _____

Details:

Name of authorised person: _____

Signature of authorised person: _____

Part C

Scenario (cont'd)

You are about to advertise for the new staff member for your store. The HR manager has asked you to prepare a list of skills, experience and attributes you feel are important in the new staff member.

Write a list of five to 10 skills or qualities you would look for in the new team member. Provide reasons why you feel these elements are important to the role.

Topic 3

Monitor operational performance

Operational plans must be regularly reviewed against both the organisational goals and the goals set for each activity. Monitoring performance indicates how well the activities are progressing, if the team is keeping to time lines and budgets, and where there is a need to implement contingency plans. An operational plan should be a 'living' document, which means it can be adjusted when necessary to improve performance.

In this topic you will learn how to:

- 3A Monitor performance systems to assess progress
- 3B Analyse financial information to monitor performance
- 3C Identify unsatisfactory performance and take action
- 3D Support staff to use resources effectively, economically and safely
- 3E Present recommendations to vary operational plans for approval
- 3F Implement systems, procedures and records associated with performance

3A

Monitor performance systems to assess progress

Most frontline managers find their day-to-day activities revolve around implementing their organisation's operational plan. Operational plans typically have several goals that a manager and their team have to achieve or contribute to achieving.

Examples of goals an organisation may set include:

- finishing projects or tasks on time or within a deadline (for example, before the next reporting period)
- working safely
- working within budgets
- being accountable
- completing work to a series of quality standards or other measures
- working within industry guidelines or regulations
- working to achieve goals or objectives specific to the organisation.

Assess progress

As well as implementing a plan by initiating the tasks, hiring staff when necessary, acquiring relevant resources and overseeing the completion of work, it's important to regularly check that day-to-day and special activities are being implemented effectively. You should be working towards achieving the goals set for you and your team. Different organisations have different ways of measuring how well they are working towards meeting their goals. Measuring can be a formal or informal process or a combination of methods.

Formal processes

Formal processes for measuring progress against goals include:

- measuring performance against preset goals
- measuring adherence to processes used to help achieve goals
- assessing whether tasks or outcomes are completed on time and within budget
- setting out work plans for individuals or teams and allocating individual KPIs
- receiving feedback from staff as they complete tasks or achieve goals
- measuring customer satisfaction
- monitoring financial measures
- measuring the effect of continuous improvement procedures.

All methods are important and none should be singled out as a prime indicator of progress.

Informal processes

Information regarding how goals are being met can be gathered informally in many ways, such as through discussions between team members and managers or through systems set up by work groups. Managers can use informal processes to ensure staff remain informed and aware of objectives, goals and progress to date. Informal processes may include:

- holding a brief meeting once a week
- posting information on a notice board or in the lunchroom
- chatting to individuals about their work, asking for their input on certain issues and sharing broader information on progress and goals on a one-on-one basis.

Take time to review the success of a team's performance and the methods or processes used. An operational plan is ongoing and develops as the organisation does. Frontline managers need to learn from successes and failures and, if necessary, change the way the plan is implemented so teams can be more effective.

Example: monitor operational performance using performance systems

A computer help desk unit within a large organisation measures the success of the unit's ability to implement their part of the operational plan by setting goals that indicate how well the plan is being implemented. For example, the help desk's operational plan states that its role is to provide excellent assistance to staff members when they experience computer problems. This is so the rest of the company can continue its work with a minimum of downtime in the event of a computer system failure.

The help desk unit has set a number of KPIs to measure whether the team is doing this well. Staff made sure the KPIs are simple to understand and easy to report on.

To measure whether their help is effective, the help desk manager counts the number of complaints made against the unit each quarter and then compares that number to a preset target. If the target is exceeded, then the unit has not met its target and has not implement its plan well. However, if the number of complaints is below the level they set for themselves, then they know that their performance to date is on target – or better.



Key performance indicators

Key performance indicators (KPIs) can be used to monitor operational performance. In the case of a computer help desk, one indicator could be the number of complaints made against the team. This is an indicator that the team should want to keep as low as possible; however, staff should also measure their success at working towards meeting their goals in different ways using other KPIs. Some of these might be:

- answering 95 per cent of phone calls within 30 seconds
- resolving 90 per cent of all problems within 24 hours
- having less than 30 hours per month lost to faulty computer systems across the whole organisation.

The help desk manager would monitor the team's performance against these goals, re-

porting on the team's achievements at frequent intervals; for instance, once a month or once a quarter.

Example: report on help desk team performance

The summary section of the manager's report on the team's performance as they work towards implementing their operational plan may appear like the following example.

Summary of the team's performance

We met our goal to answer 95 per cent of phone calls within 30 seconds this quarter. 98 per cent of all calls to our help desk were answered within 30 seconds.

We did not meet our target to resolve 90 per cent of problems within 24 hours. We resolved 76 per cent of all problems within this time frame and 92 per cent within 36 hours.

We did not meet our goal of less than 30 lost hours due to system failure; in all, 61 hours were lost this quarter.

Performance reviews

Performance reviews provide a formal structure for measuring staff achievements. Managers use the KPIs set for their team members and, in discussion with the team member, identify whether these indicators have been met. The team member should be able to substantiate their achievement by providing examples and demonstrating how they have met their goals. Such reviews also identify areas for improvement and where training or professional development is needed.

If targets are not being set or if there are other difficulties, these can be resolved in a non-threatening way through discussion, encouragement and support. For example, the manager might assign a coach or mentor to help the person achieve their goals, or arrange for formal training. At the end of the session, the manager might set another set of KPIs for the coming six months.

Other formalised ways performance can be assessed include the use of positive performance indicators (PPIs) and comparative performance monitoring (CPM).

Positive performance indicators

Positive performance indicators (PPIs) are mainly used within the workplace health and safety field. They are used to measure compliance with processes, so management within an organisation can determine whether the non-achievement of goals is due to a systems or process failure or other factors. If PPIs and KPIs are used together, you can measure whether key areas of an operational plan



are being achieved and also know something about why goals are or are not being met.

Example: the value of PPIs

You are the shift supervisor for nursing staff in a hospital emergency ward. The hospital has trained staff to work safely; for example, they are trained on where and how to dispose of used syringes and how to properly lift patients in and out of bed. At the end of each shift, you need to complete paperwork stating how many workplace accidents have occurred during your roster. Each shift has a KPI relating to injuries.

If a nurse is injured during your shift, standard operating procedure at the hospital stipulates that you need to conduct an interview with the nurse. You need to find out whether they followed WHS procedures or not, or if the accident was unrelated to any procedures currently in place. If one of your nursing staff was jabbed by a used syringe, it would be a very serious issue indeed. In trying to minimise future injuries, it would be helpful to know whether the nurse had followed the procedure for disposal of syringes they had been trained in. If they had not followed the procedure, you would need to confirm that they had attended training and that the training was properly conducted.

If they had followed the procedure and were still hurt, then other questions may arise such as:

- What went wrong?
- Has something changed since training was conducted; for example, are different disposal containers being used?
- How could the team prevent this from happening again?
- Do you need to adjust your procedures and retrain staff?

Data collected from a number of people is even more telling. Using the emergency ward example, if the nursing staff injured over the period of a year admitted they did not follow procedures because they didn't attend training, then the real problem is ensuring nursing staff attend safety training. This way, organisational resources can be best directed toward areas where improvements can be made.

Use KPIs and PPIs together

KPIs and PPIs used together must be meaningful, easy to measure and related to each other in the context of the operational plan you are working to implement. Make sure all team members understand what these indicators are and how they will be measured.

Using both PPIs and KPIs highlights two things:

1. Processes enable staff to achieve goals. However, processes don't achieve goals – people who follow processes do.
2. Measuring the achievement (or non-achievement) of goals is a good indicator of whether an organisation is on track with its operational plan. It is just as critical to know why goals are – or are not – being achieved.

Example: use PPIs and KPIs to measure success

The construction industry in Australia uses PPIs and KPIs to measure success against workplace safety goals.

As well as documenting statistics relating to KPIs (such as the number of workplace injuries and days lost to injury), managers record how well the industry is meeting process goals. In construction, this means staff measure indicators such as how many workers attend safety briefings and how many safety audits are conducted. They are then able to assess whether the processes that have been established to try to minimise injuries are being followed. When compared to statistics on actual injuries, these PPI figures can show how well the processes are contributing toward the ultimate goal of fewer injuries as well as whether non-adherence to safety processes is contributing to the problem.



Comparative performance monitoring

Another way to monitor how well your team or organisation is tracking against goals is to compare performance indicator results. You can do this over time; for example, comparing last quarter's KPI results against the current quarter's results. Alternatively, you can compare results between teams, departments or organisations.

Comparing results achieved on the same KPI between departments or teams provides useful information for managers. For instance, if the nursing staff in the emergency ward example have a consistently higher injury rate than those in the geriatrics ward, then investigations could be undertaken to understand why. Efforts can then be directed to the relevant areas to minimise injuries.

Formal performance monitoring processes can include KPIs and other closely related indicators.

Here are some other processes or methods for measuring performance.

Specified work outcomes

Specified work outcomes are goals that are not necessarily KPIs but demonstrate the effectiveness and performance of a team, such as when work should be completed. These objectives may be more focused on areas that facilitate the team's achievement of goals, such as working well together or mentoring junior team members.

Individual or team work plans

Individual or team work plans clearly stating the exact responsibilities of a team member or team and their role in the implementation of operational plans. These documents may be linked to job descriptions, project plans or individual performance evaluation and review information.

Feedback arrangements

- Feedback arrangements where managers and team members (either individually or in groups) meet and feedback is provided to staff about their performance. Feedback on processes and performance can be top down, but can also be bottom up.
- Some organisations use a process known as 360 degree feedback, where all team members provide constructive feedback to each other in a controlled environment.

Example: comparative performance monitoring

Take a close look at the last utilities bill you received. You'll see that many utilities providers include a comparison of how much water, electricity or gas the household has used during each billing period. The information is often presented in the form of a bar graph. Customers are able to compare how much gas they've used this winter compared with last winter; or how much water they used this summer compared with last summer. This way, performance indicators (the total cost, litres or kilowatts used) are compared, helping households manage costs or contribute to environmental campaigns to reduce energy and water consumption.

Organisational monitoring processes

Many organisations use their own formal monitoring processes as well as using KPIs and other numerically based performance systems. These processes allow managers to measure the success of the organisation in achieving goals and to receive more detailed qualitative information that can assist in the identification and resolution of problems or issues.

Formal monitoring systems that are commonly used by organisations include monthly or quarterly reports. These may be free-form, where the writer can include anything they feel is relevant, or they may be more formally structured, so the writer has to report on a variety of set factors.

Many organisations don't have formal monitoring processes in place and don't have policies relating to the monitoring of performance. This represents an opportunity for managers and staff to develop their own systems for monitoring and assessing progress, on an individual or team basis.

Practice task 8

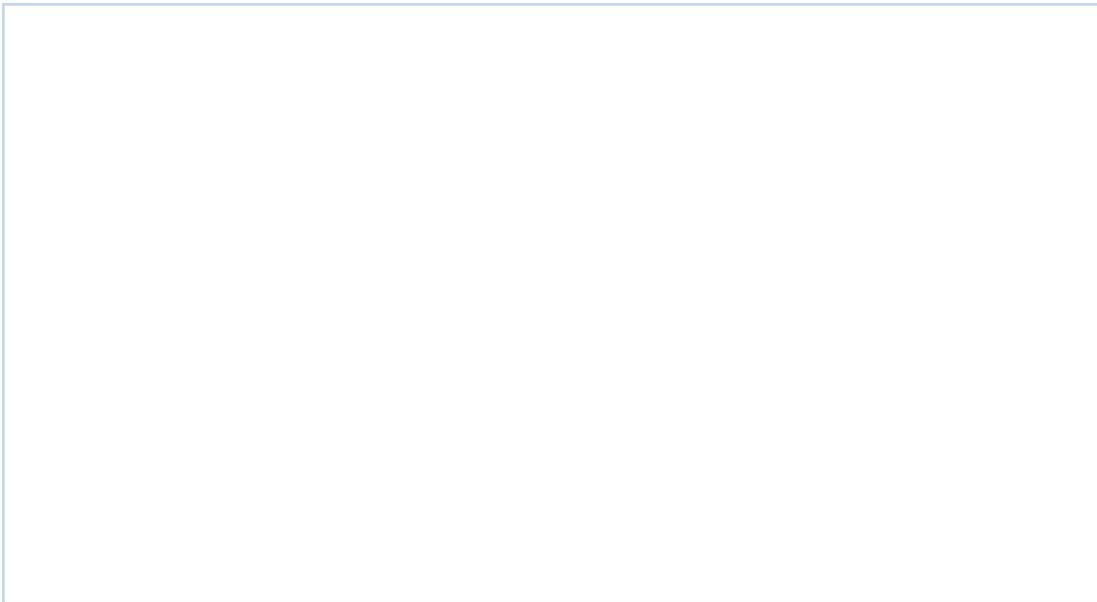
Read the case study, then complete the task that follows.

Case study

A courier service has a core business based around picking up and delivering packages to individuals and businesses. On average, one delivery person makes four calls per hour and travels approximately 10 kilometres. There are many things that can affect this average, including time spent finding suitable parking, time spent liaising with customers, traffic congestion, back tracking when a logical delivery route is not planned and wasted time when a customer is not available to receive or supply packages.

Of the four courier units, two are below the average rate and two are above the average rate.

In an attempt to analyse the differences between these four courier units, determine some KPIs that will help to analyse where the inefficiencies are occurring.



3B Analyse financial information to monitor performance

Budgets are used in almost every organisation to help them manage their money. Managers at all levels (frontline, middle and senior) provide information used to construct an organisation-wide budget.

Each department, team or project is assigned a set amount of money to spend for a given period, usually a financial year. This money is then split into smaller amounts as frontline or department managers create a budget specific to their area of responsibility. Money is allocated to various areas linked to the implementation of the operational plan. For example, a sales team may split its total budget between wages, staff training, holding an annual sales conference, upgrading computer systems, telephone calls and office supplies. Other teams and organisations will have budgets that reflect their work.

Analyse actual expenditure against projected expenditure

During the course of a financial year, budgets are used to monitor how well an organisation operates against their budgeted or financial goals. One responsibility frontline and other managers have is to ensure their team or unit uses only the money allocated to it. If a sales conference is budgeted to cost \$12,000 and it costs only \$10,000, the unit has an additional \$2,000 available for other purposes. If the conference ends up costing \$15,000, the unit needs to take finances away from another budgeted activity to cover the additional \$3,000.

Analysing the actual expenditure against the projected expenditure tells an organisation how effective it is in keeping within its budgets and where it needs to limit its spending or make cuts.

Example: spend within budget

By referring to the budget below, a manager could see that spending on personnel and external consultants was within the budget and made savings of \$1,820 and \$639 respectively. Production expenses were higher than expected by \$2,042.

	Actual (\$)	Budget (\$)
TOTAL EXPENSES	179,743	179,910
Personnel costs	81,176	82,996
External consultant costs	10,111	10,750
Production expenses	36,958	34,916
Marketing and sales expenses	15,012	12,443
Administrative and office costs	21,887	20,983
Company overheads	4,431	4,285
Depreciation and amortisation	2,371	2,370
Research and development	1,622	3,167
Other expenses	6,175	8,000

Frontline management responsibilities

Frontline managers should be aware of all the factors that affect their budget and how they might control and manage them. For example, managers must know which months spending may be high; the percentage of their budget that must be spent on consumables, staffing, promotional activities and training; how to make efficient use of available funds if the budget gets cut; and current costs when resourcing goods and services.

Team members should also be aware of the budgets they have some control over. Some managers share budget performance figures with their staff on a regular basis, just as they share other KPIs or performance measures.

The financial responsibilities of a frontline manager are detailed below.

Manager

Frontline manager

Purchase of resources

Making decisions regarding the purchase of resources

Fees for contractors

Negotiating and preparing appropriate fees for consultants or contractors that accurately reflect all the costs involved and ensure the organisation gets value for money

Budgets

Preparing accurate budgets for projects and team activities so actual expenditure meets or is below the projected expenditure

Cost reduction

Recommending actions to reduce costs

Break-even analysis

Conducting or assisting with a break-even analysis, which analyses the relationship between sales volume and profitability

Staffing decisions

Making staffing decisions; for example, deciding whether it is cheaper to outsource or use casual appointments instead of using in-house staff

Quotes

Obtaining a number of quotes from providers to ensure purchased goods and/or services represent value for money

Sensitivity analysis

Making sensitivity analyses (what-if scenarios); for example, 'What happens if the production expenses increase by 10 per cent?'

Measure team performance with financial data

Budgets can provide management with valuable information on the way a team is performing if financial data is measured and analysed well. For example, analysing a team's payroll or salary budget for a given period can reveal how much overtime is being charged by team members. A manager who is provided with such information can track the team's payroll expenditure against the budgeted amount to see if costs are being controlled, and also use the information to uncover potentially more serious problems. If the team is exceeding the amount budgeted for salary due to overtime, the manager needs to find out why. Issues that may cause such problems, such as high work volumes or insufficient staff numbers, need to be addressed to control overtime costs and avoid more complicated issues in future.



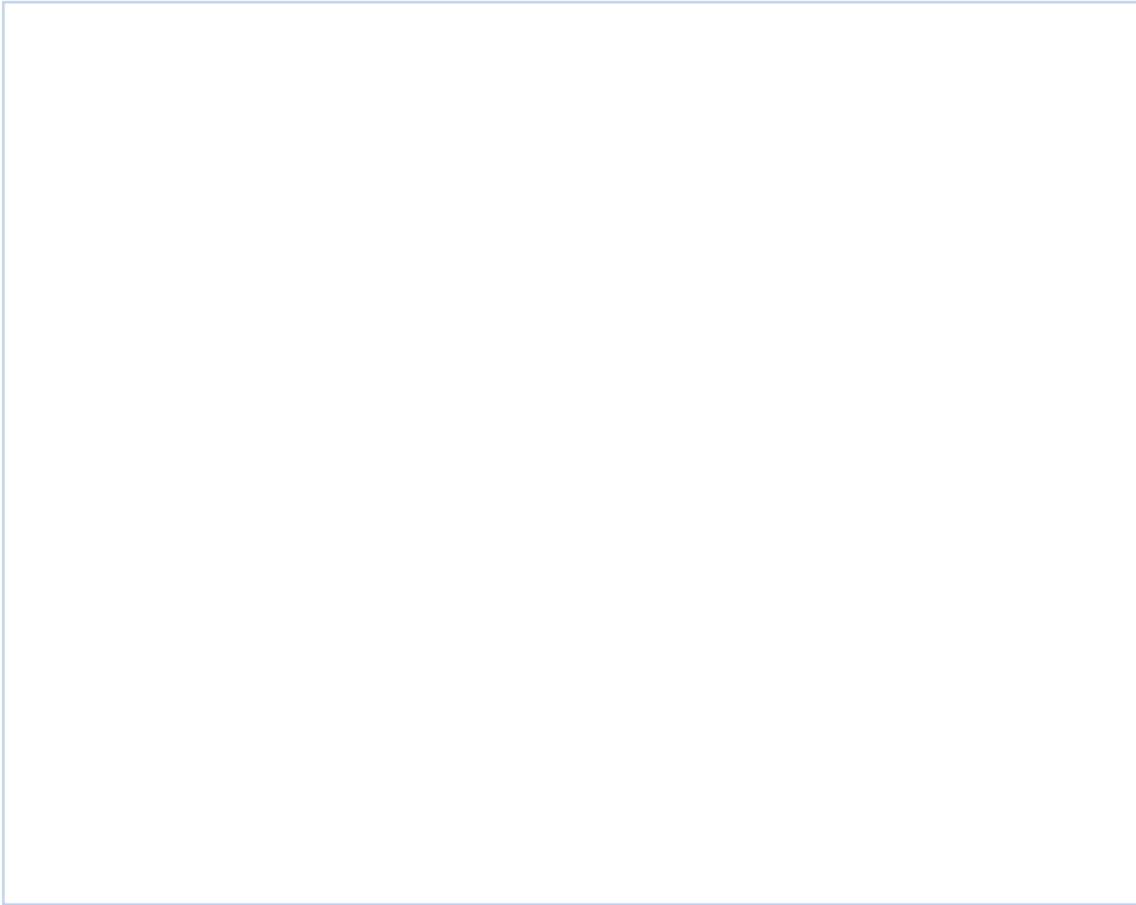
Example: profit and loss statement

Frontline managers need to be familiar with the various reports and forms used in financial reporting, such as profit and loss reporting, cashflow reporting and balance sheet reporting. The following example shows the balance of revenue versus expenses (profit and loss statement). There is a surplus of \$2,073, indicating a better performance than the budget with a positive variance of \$25,866.

	Actual (\$)	Budget (\$)	Variance (\$)
REVENUES	181,816	156,117	25,699
Product sales	171,541	146,956	24,585
Distribution recovery	6,512	6,061	451
Others/Sundry	2,563	2,000	563
Interest income	1,200	1,100	100
TOTAL EXPENSES	179,743	179,910	167
Personnel costs	81,176	82,996	1,820
External consultant costs	10,111	10,750	639
Production expenses	36,958	34,916	(2,042)
Marketing and sales expenses	15,012	12,443	(2,569)
Administrative and office costs	21,887	20,983	(904)
Company overheads	4,431	4,285	(146)
Depreciation and amortisation	2,371	2,370	(1)
Research and development	1,622	3,167	1,545
Other expenses	6,175	8,000	1,825
SURPLUS/(DEFICIT)	2,073	(23,793)	25,866

Practice task 9

Make a list of 10 items that might be covered in an annual budget for a team or department.



3C

Identify unsatisfactory performance and take action

Managing performance to see how well or how poorly a team is functioning should be a continuous cycle. Areas for improvement are to be highlighted, procedures are to be put in place to rectify the situation, action is to be taken and performance is to be measured. If everyone is clear about their task, the goals or objectives they are aiming for and how they will know when they get there, it should be easy to measure their success or otherwise. Unsatisfactory performance by providers, such as consultants, suppliers, casual employees and contractors, should also be noted as this can seriously affect a team's result. Unsatisfactory performance includes:

- not meeting the deadline
- producing work that does not reach the required standard
- displaying poor behaviour such as being dishonest, uncooperative or impolite
- continued absences
- not following instructions
- spending over the budget
- not fulfilling a contract
- being unreliable.

Use indicators to identify poor performance

The senior manager reading the quarterly KPI report submitted by the manager of the computer help desk team might ask, 'Why didn't they achieve two of their goals?' This is another very important function of measuring performance against KPIs – they allow managers within an organisation to quickly identify areas that are experiencing problems as they implement the operational plan.

Departments or teams that continuously fail to meet performance targets are obviously having difficulties somewhere. It is the frontline manager's responsibility to provide staff with information on whether the team is meeting goals and if they are not, the reasons why. The other side to this is highlighting successes and accounting for these.

PPIs are useful measures of compliance with procedures or systems and help managers understand how or why goals are or are not being achieved. Another valuable way to do this is for managers to provide their own insights in the form of regular formalised reporting, in conjunction with KPIs, PPIs or other performance indicators.



Example: extract of help desk manager's report

Here is an extract of a help desk manager's report.

Summary of successes and problems

Our team was able to answer all calls within the targets we set for ourselves this quarter. This reflects the fact that we recently added an additional staff member to the help desk team. The appointment of this additional person has helped us to respond to the increased number of calls we have experienced as a direct result of the installation of the new system.

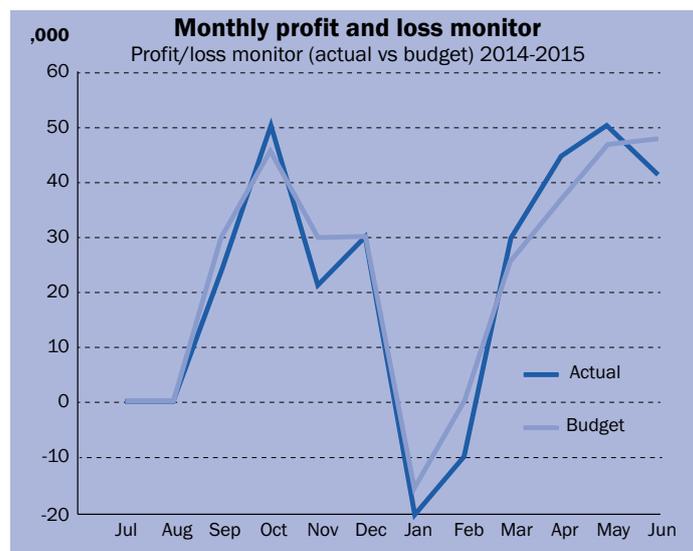
We were unable to resolve 90 per cent of problems within our target of 24 hours due to a computer virus that infected 29 computers within the organisation. Unfortunately the nature of this virus was such that the systems needed extensive repair work, all within the same week, and our staff were unable to deal with the unexpected volume of breakdowns and needed an extra day to get the systems back online. This problem also meant that more work hours than expected were lost.'

Approval of the help desk manager's request for an additional staff member has proven to be a good move. The problem of the virus might prompt management to wonder what could be done to avoid such issues in future or to implement a contingency plan to help avoid such a situation occurring again. Risk management can be undertaken to either stop the virus infecting computers in the first place or, if this isn't possible, ensure the help desk is resourced adequately so staff are able to respond to such a problem faster if it happens again.

The benefits of reports

A summary report is very useful for senior managers as it can highlight problems as well as successes.

Monthly financial reports will indicate whether a team has remained within its budgeted expenditure. Be familiar with such reports so you can easily identify whether an activity has gone over budget, if expenditure has equalled the proposed expenditure or if the activity is making a profit. In the monthly profit and loss example, the manager can see the company performed better in July, August, September, November, December, January, February and June than in October, March, April and May.



Rectify poor performance

Action to improve performance must be well-targeted and taken quickly if it is to be effective.

Poor performance might relate to an individual team member or the team as a whole. Poor work standards might result from a person's inexperience, their misunderstanding of the requirements of the task, their disinterest in their work, or interpersonal difficulties with their team leader or colleagues.

If a team does not achieve its goals, the goals need to be quickly reset, working conditions altered, additional training provided or more resources or time allocated. The actual reason for the poor performance needs to be pinpointed amid all the possible reasons. An analysis of performance might include the following questions:

- Were the goals unrealistic?
- Did employees lack a particular skill and need further training?
- Was the budget insufficient?
- Were working conditions uncomfortable?
- Was not enough time allocated to the project or task?
- Were more people needed?

Analysis methods

Brainstorming or using an established analysis method can help you to identify where a problem is occurring, why it is happening and how it might be resolved. Brainstorming a problem allows team members to put forward their opinions and make suggestions. Ideas are generated from combining different perspectives and innovative ways of solving the difficulty can be found. This is a supportive method of improving poor performance as the solution is developed within the team.

Here are three analysis methods that can be used.

Force-field

A force-field analysis is a technique developed by psychologist Kurt Lewin that identifies the driving and restraining forces associated with a situation. For example, the team might be performing poorly in the time it takes them to deal with a customer enquiry. The driving forces might be that the enquiries are very complex and the team members need to know a lot about the product or service. The restraining forces might be that the staff lack training or have hard-to-please customers. The objective is to overcome the restraining forces. Providing staff with training may be one way of improving their performance.

Cause-and-effect

A cause-and-effect approach to identifying problems is brainstorming on paper. Write down the problem; for example, monthly records have shown that a number of customers have complained that they have been overcharged. Then list the possible causes, such as new staff are unaware of the price, prices were incorrectly labelled, there were errors on invoices or there was human error in providing change. Categorise the type of causes and then seek solutions, such as revising procedures or introducing label checks

Process map

Process mapping involves analysing a map that outlines each step in a process. It can show where a step is being neglected or mishandled. For example, looking at the steps involved in processing an insurance claim form might show that the step 'Payment leaves office and is sent to client' is where the problem of late payments is occurring and not at any of the other steps. You would need to talk to the person responsible for this step and find out why the payments are not being sent on time.

Monitoring operational performance is not only important in terms of assessing progress in implementing a plan, but also enables problems to be identified. Solutions to these problems can then be implemented that assist staff to achieve goals and implement the operational plan effectively.

Practice task 10

Read the case study, then answer the question that follows.

Case study

A courier service has a core business based around picking up and delivering packages to individuals and businesses. On average, one delivery person makes four calls per hour and travels approximately 10 kilometres. Of the four courier units, two are below the average rate and two are above the average rate.

KPIs are introduced to monitor the performance of the four couriers. It is found that all of them are failing to meet one KPI, which measures the amount of backtracking that is required to make deliveries.

As the frontline manager of these couriers, how would you help to improve performance against this KPI?

3D Support staff to use resources effectively, economically and safely

Guiding a team to use resources wisely and complete tasks successfully requires more than simply providing induction training for staff when they begin. One of the most visible responsibilities of a frontline manager is to provide leadership by mentoring (using their knowledge and experience), coaching (using their expertise) and supervising (observing and supporting) staff. The realities of this vary depending on the activities a team is focused on and the industry or sector in which the organisation functions.



Deal with people

One of the key factors confronting frontline managers is that they, like their staff, are constantly dealing with people. Staff who report to frontline managers are the employees who deal with customers and are the face of the organisation, or they are the employees who create the product or provide the service that represents the organisation. It is vital that all frontline staff work toward achieving the goals set for their team. This is especially critical in frontline situations because customer satisfaction is almost always a top priority of the organisation. Frontline staff respond differently to various leadership styles. Some employees need and prefer to receive clear directions about what is required in certain situations, while others prefer to develop their own style as they work toward keeping customers satisfied.



Provide leadership and guidance

As an operational plan is implemented and monitored, frontline managers need to ensure that employees are able to help the team achieve its goals. In most situations, a manager focuses on three main questions when providing leadership and guidance.

Effectiveness

How effective is the team?

Can or does the team meet measurable set goals? To ensure work is carried out effectively and to the highest standard, make sure you use the team's skills appropriately. By understanding the skill level, knowledge and areas of expertise of your team members, you can allocate specific tasks to particular people and be confident they will be completed on time and to the expected level.

Time is one of the most important resources for a team and the frontline manager should make sure everyone is meeting their deadlines. Help members plan their tasks carefully by allocating realistic time lines. Techniques to ensure people are working effectively include pairing people on tasks, reducing their workload by cutting back on non-essential tasks if necessary, and providing ongoing feedback on their progress.

Be sure the team is making the best use of technology by using relevant software programs and equipment.

Economic viability

Can the team operate economically?

Can or does the team work within set budgets? Help the team to meet budget allocations by ensuring time lines are followed. Advise them on the best use of physical resources such as the telephone and paper and set appropriate limits on travel and dining expenses. By ensuring team members are aware of the budget and sharing concerns that arise, the team works together and is more likely to act responsibly.

Safe work practices

Are work practices safe?

Can or does the team meet specific measurable targets related to work health and safety matters? While this is relevant to all organisations, it is particularly important in certain industries or organisations where the workplace presents a real danger to staff, customers and the general public if safe work practices are not established and followed.

Training staff in processes, procedures, safety and basic work practices is critical if team members are to operate effectively and make a positive contribution to the team.

Formal training for WHS issues, the use of computers or the operation of machinery is commonplace in many organisations. However, organisations are increasingly using informal training programs that encourage employees to share their combined knowledge, experience and skills to promote a more efficient, safe and cost-effective workforce.

Consult with the team

As the team's performance is monitored on a regular basis – through measuring achievement of performance indicators, budgets and informal observation – managers should share these results and any feedback with team members so they can see where the team has been successful and know which areas need to be worked on. This is important on both an individual and a team level.

Don't simply monitor a team's performance by noting down successes and failures. Ask team members why the team has or has not met their goals and seek their input on how poor performance can be improved.

Offer support

In terms of helping staff achieve goals, frontline managers need to be prepared to adapt their leadership styles and offer individual team members support in different ways. One of the most significant aspects of any frontline manager's role is the time they spend mentoring, coaching and supervising their staff.

All staff will require support and assistance from their manager at some stage in order to perform their job well. This is particularly critical when staff are new in their positions or when a team is commencing work on a new project or is just beginning to work towards achieving a new set of goals.

All people are different and respond in a variety of ways to new pressures and challenges encountered at work. An effective frontline manager helps staff achieve operational goals through providing clear direction and leadership as well as the resources and support they need.



Leadership styles

There has been much research into how managers can provide the right kind of leadership, support and assistance to their staff. It is widely acknowledged that leadership can be challenging for any manager, given the different personalities and responses individuals have to various situations.

A popular theory on leadership suggests that managers need to be able to adapt the way they work with different staff members. This theory is known as the situational leadership theory, and was developed by management researchers Hersey and Blanchard in 1982. Variations on this theory are still widely used today.

The style that a manager chooses depends on the task at hand and the level of the staff members' work-related skills and technical knowledge. The situational leadership model lists four styles a manager could use as they deal with different staff members working on different tasks.

Delegating

Delegating to subordinates who are more experienced and are able to perform various work functions effectively and with confidence.

Participating

Participating with subordinates who are able to perform a job but are unwilling or unmotivated.

Selling

Selling ideas to subordinates who want to meet new challenges but lack skills or the confidence to do so.

Telling

Telling subordinates what to do if they lack confidence or ability and are working on a complex or unfamiliar task. This involves giving specific directions and supporting and encouraging employees as they learn and develop.

Motivate staff

Another aspect of offering professional support to staff is motivating them so they are able to perform effectively and contribute to the achievement of team goals. There are many theories on the topic of motivating staff. Every manager has their own views on how to energise their team and encourage them to work to their full potential.

Goal-setting approach

One of the more popular theories and one that is closely related to the topic of implementing an operational plan is known as the goal-setting approach, which is a motivation technique developed by management researchers Edwin Locke and Gary Latham. Locke and Latham's observations on goal-setting and motivation include the following:

- Giving staff specific goals they can work toward achieves better than a general goal, such as 'try your best'.
- Goals that require some effort and may be difficult to achieve motivate people more than goals that are easy to achieve.
- If staff have the opportunity to participate in the process of setting goals, they are more likely to be motivated to achieve them.
- Providing staff with feedback and encouragement increases their motivation.
- If staff accept a goal as their target, they'll be more likely to try to achieve it.

Motivators and de-motivators

Researcher Frederick Herzberg suggested that, in a work context, there are two groups of factors that affect motivation and, therefore, satisfaction and performance. These are dissatisfiers and satisfiers. Dissatisfiers, or hygiene factors, are things that have a small role in motivating people and that can have negative consequences. Satisfiers, or motivators, are factors that make people motivated and want to work well.

You may be surprised to see salary on the list of dissatisfiers, but Herzberg is definite about this classification. He reasons that employees who are paid adequately take their wage for granted and are not particularly motivated by it. If employees think they are paid inadequately, it can be the cause of much friction and unease in the workplace and therefore has a negative effect. For this reason, he does not view salary increases as a motivational tool.

The aspects of work and the workplace that fall under each of Herzberg's factors are listed below.

Dissatisfiers (hygiene factors)	Satisfiers (motivators)
<ul style="list-style-type: none"> • Company policy • Supervision • Peer relations • Subordinate relations • Salary • Job security 	<ul style="list-style-type: none"> • Recognition • Achievement • The work being done • Responsibility • Advancement • Growth

Applying motivational theories

Here are some practical applications of motivational theories that can be used in front-line management situations.

Contributing to achieving goals

Teams receiving directives from senior management regarding goals and objectives for a period should be encouraged to think about ways they can contribute to achieving these goals and to set their own objectives as a team and as individuals within these broader targets.

Achieving beyond the goal

If targets are consistently achieved by a team, further improvements to morale and motivation can be made by encouraging staff to improve on the goal by achieving beyond it.

Raising awareness

continued ...

... continued

- └ Ensure staff are aware of all objectives and targets and understand the importance of their individual and team roles in the context of the organisation. Spend time with staff explaining and discussing objectives and targets. Perhaps ask them to share with the team their own interpretations of what these goals mean to them and how they can help achieve them.

Providing feedback

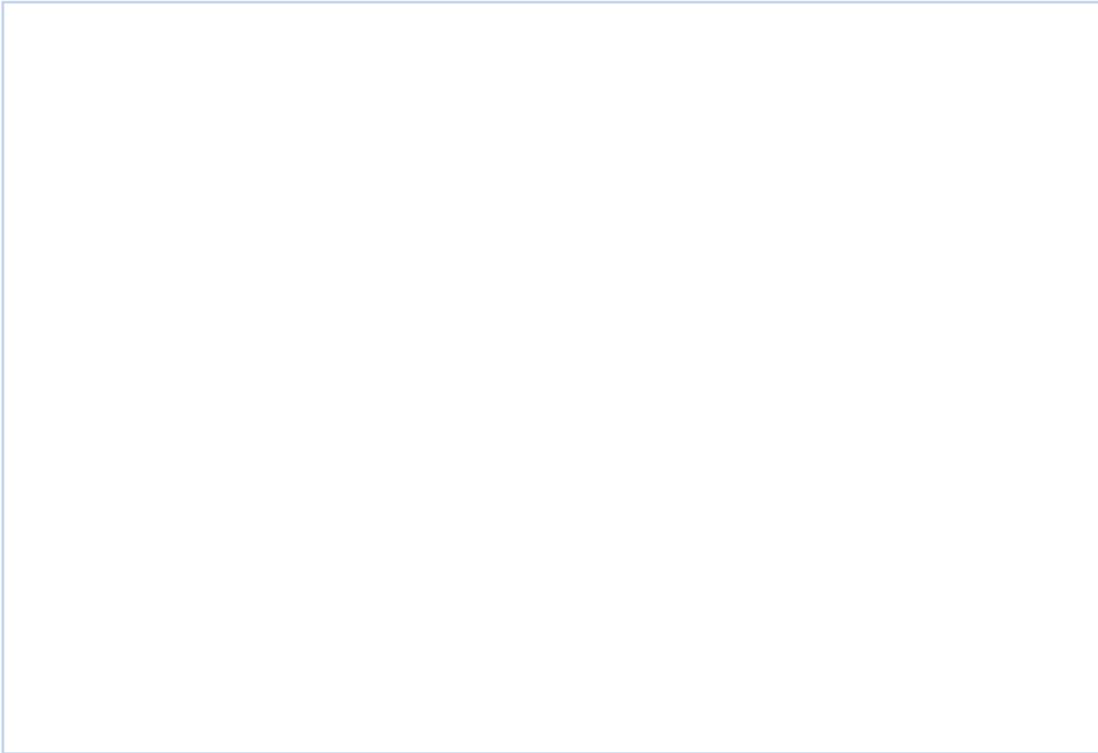
- └ As staff work toward a goal, provide them with individual and team feedback so they know how they're tracking. This could include sharing budget and KPI results, as well as any positive and (constructive) negative feedback the team has received.

Congratulating and rewarding

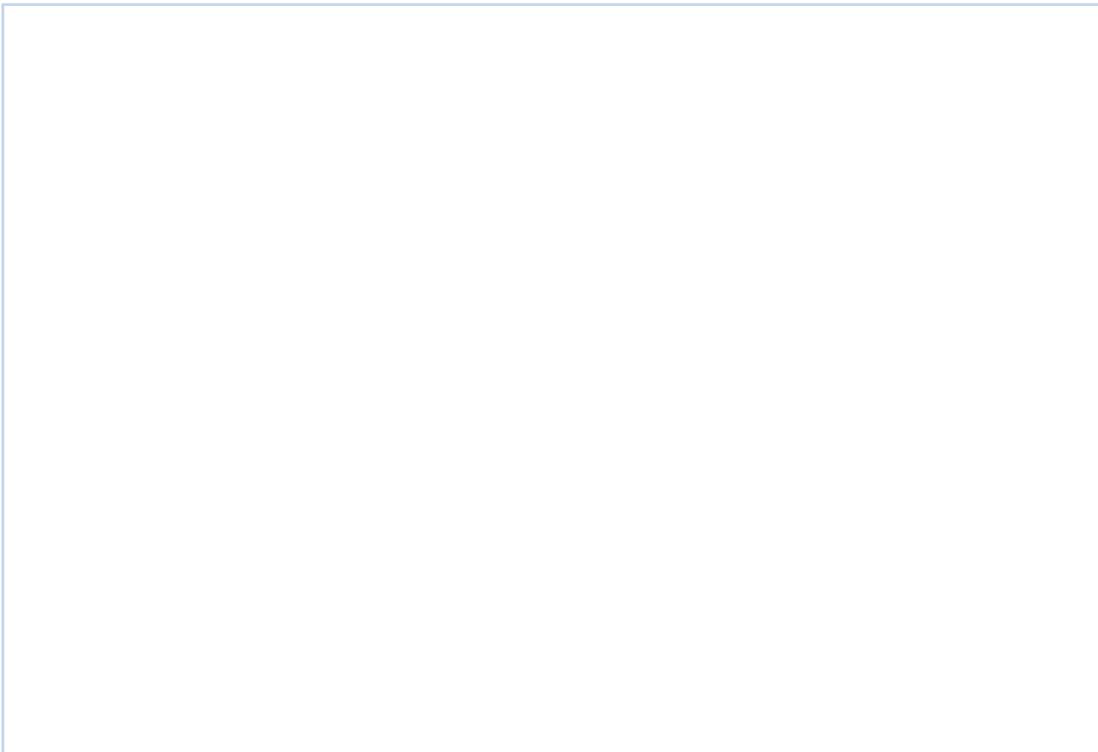
- └ An effective and simple motivator is to publicly (that is, in front of peers and colleagues) congratulate individuals and teams when goals are achieved and when a real effort is made, even if the objectives are not reached. This can be done simply by saying thanks and well done or by providing tangible rewards such as bonus payments, social functions or time off.

Practice task 11

1. Write a list of 10 practical ways you could motivate your staff.



2. Write a list of 10 different rewards you think most people would respond to.



3E

Present recommendations to vary operational plans for approval

As operational plans are implemented and performance is monitored, it may become necessary to alter or vary the original plan in order for an organisation to meet its goals. The reasons behind this can be many and varied.

Reasons for varying the original plan

The goals may be changed in response to external factors such as pressure from competitors, a merger with another company, regulatory changes or new technology.

Internal change, such as a restructure, may mean the day-to-day operation of an organisation needs to be modified to make the most of the new structure.

Other factors may affect the plan, such as unexpected budget pressures, staff shortages or industrial action.

Observations and feedback from internal staff and managers may suggest the original operational plan is not enabling the organisation to achieve its goals effectively.

Employee observations and feedback

Employee observations and feedback can make a difference to the success of the organisation. As operational performance against organisational objectives and targets is monitored, managers or team members may identify specific issues or trends that indicate the way their team is working is not effective.

For example, a call centre manager within a large bank might note that KPIs for answering calls within a certain amount of time are not being met and that results are getting worse over a period of time. In addition, weekly reports provided by team leaders are showing that clients are frustrated and angry with staff after a long wait. This problem means the call centre is not able to fulfil its obligations to the bank's operational plan.

Find the cause of the problem

The call centre in a large bank is not able to fulfil its obligations to the bank's operational plan. The call centre manager needs to review past reports and performance measure results and consult with team leaders and other managers to find the cause of the problem. The root of the problem could be any one of a number of issues, or even a combination of problems.

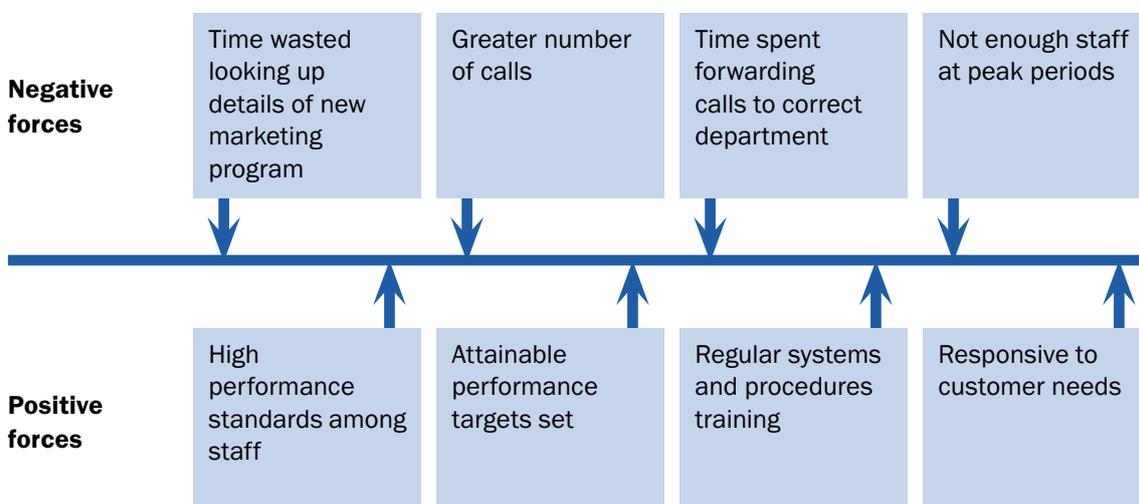
Once the real problem has been identified, the manager can determine whether the operational plan needs to vary, whether KPIs need changing or whether staff issues need to be addressed.

The manager should ask:

- Is there enough call centre staff?
- Are clients telephoning the call centre with questions or issues caused by a new marketing campaign or a new product?
- Are clients calling the right department or are they contacting the centre because it's the only place they know to call?
- Should calls be directed to other areas or could an automated system be set up to provide standard information, such as interest rates?
- Is there a lack of staff due to poor rostering and are issues such as sickness, holidays and other leave taking their toll on staff numbers?
- Have staff been resigning in larger than normal numbers? If so, why?
- Is it taking too long for new staff to be appointed through the bank's normal HR processes?
- Are staff poorly trained and not handling client issues quickly enough, therefore resulting in longer than usual calls?
- Are staff aware of the maximum wait times on incoming calls?

Develop solutions

The force-field analysis below highlights that staff are spending too much time looking up the details of a new marketing program. This is having a negative effect on their performance against the plan and making customers unhappy. On the list of positive forces, you can see that staff receive regular systems and procedures training. Therefore a possible solution would be to strengthen the training program to include training on new marketing programs, weakening the negative force of wasting time looking up this information.



Once you have developed a solution, you need to make sure it is practical. How much will it cost? What additional resources are required? What other factors need to be considered? How much impact (low, medium, high) will it have on improving performance? When you have obtained this information, you are ready to prepare your argument for the changes you require, whether they be additional resources or a change to the operational plan.

Involve other people

After a problem has been identified, information collected and analysed and a decision made by a frontline manager about changes that need to be made, more senior staff or other work groups or divisions need to become involved.

In different organisations, the same problem may take longer to address and may need to be raised in very different ways. The culture and structure of some organisations will demand that frontline managers prepare formal reports and attend a number of meetings simply to raise an issue with senior management or another division.



Present your recommendations

As in many other aspects of a frontline manager's job, you will need to use your own judgment in how to best present the data. Often this will be dictated by company policy or the culture of the organisation. Regardless of the problem and the type of organisational culture and procedures at hand, it's always useful to spend some time thinking about how you'll manage the process of recommending that the operational plan be changed.

Questions to guide what should be considered include:

- What is the problem?
- What impact is the problem having on the team's ability to meet the goals of the operational plan?
- What is the supporting data (KPIs, other formal measures, qualitative feedback from team leader or other staff members)?
- What are your recommendations on how to resolve the issue by varying the plan?
- Are there any complicating factors or barriers to implementing these recommendations?

Example: a call centre manager presents issues to management

In accordance with the bank's procedures, the call centre manager consults her own manager about the issue. She has previously mentioned the issue several times in both formal and informal meetings and today she emails a brief report to her manager ahead of their weekly meeting.

Subject: Increasing call wait times for clients

Dear Jamie,

One of the call centre's major key performance indicators is call wait time. Our KPI states that 90 per cent of all incoming calls need to be answered within 30 seconds. Until two months ago, this had not been a problem and we had consistently surpassed our KPI. However, since then we have noticed a steady increase in call wait times. As I've mentioned on a few occasions, the past two weeks in particular have seen our performance drop to less than 80 per cent of calls answered within 45 seconds.

Team leaders in all cells have reported that client satisfaction is also dropping, with many callers frustrated and angry with staff and questioning why wait times are so lengthy.

Our investigations into this problem have revealed that call volumes have increased substantially. We have discovered that many of our call centre team members are dealing with calls from customers who are having difficulty using our online banking service. It appears that there have been many problems with online banking lately due to a computer virus. When a customer has a problem while online, they call our number. Most customers are not aware that we have a separate help desk for online banking problems and we have to redirect their call.

My recommendations, based on feedback and ideas from our call centre team members, are:

1. Make the help desk number more visible online and in all marketing material.
2. Record an automated greeting when clients call in so they can 'press 1' for the help desk and their call is redirected immediately.
3. Issue new and existing clients with a list of contact numbers they can keep handy.

These resolutions can be acted upon quickly and will have minimal impact on our budgets. I look forward to discussing this with you later today.

Regards,

Mai-Ling

Informal recommendations

Sometimes, managers or staff members develop a system or process for doing something better to enable a team to achieve goals faster or by using fewer resources. Often, these new and more effective systems are born out of necessity or common sense and are raised on an ad hoc or informal basis as ideas arise. Some organisations actively encourage staff ideas through a suggestion box, staff ideas program or feedback sessions.

Depending on the complexity of the new idea and the type of organisation, these new processes may be implemented immediately or may need to be subjected to examination or testing, particularly if WHS or quality may be affected.



Practice task 12

Using your own workplace or one you have researched, list three things that might mean the operational plan for a division or team needs to be changed in order to achieve your goals.

3F

Implement systems, procedures and records associated with performance

As a frontline manager, it is your role to ensure that all operational activities are recorded and implemented within existing organisational procedures and requirements. For most organisations, consistency in the way information flows through the organisation, how staff and customers are dealt with, how policies are developed and how activities are documented and implemented is vital.

The need for permanent records

Maintaining records of projects undertaken provides an organisation with a permanent record of what occurred, the outcome and lessons to be learnt. Records are also key elements in demonstrating the organisation's accountability in financial activities, WHS compliance and other legislative requirements. Documents that must be prepared and stored for easy access include operational plans, work plans, contracts, customer records, warehouse and distribution records, workplace health and safety audits, training records and financial documents.



The time spent on administrative tasks and following procedures may not heavily affect some frontline management roles but may comprise a significant part of other roles, depending on the organisation and the role their team plays. For example, government organisations are responsible to the general public and must maintain transparent and thorough reporting processes and record keeping on all aspects of their operations.

Impact of record keeping and reporting

Information, people and policies are three major areas affected by organisational requirements for record keeping and reporting.

Some implementation processes may involve keeping hard and/or soft copy records. IT staff may need to help set up folders or allow access for staff to soft-copy documents, particularly in the case of databases.

Imagine the impact of poor record keeping on any of the following situations:

- Your company is being sued by a disgruntled former customer. As an area sales manager, you need to provide accurate records of dealings with this client.
- You dismissed an employee and are being taken to the Fair Work Commission. Your company's lawyers and the HR department need accurate records from you of conversations you had with the employee and when, how and for what reason warnings were given.
- Your team has not been achieving its targets and your manager has asked you to present a report that provides reasons and supporting data explaining why this has happened.

The role of specialist staff

In many circumstances, experts within the organisation help frontline managers set up and use existing systems, processes and records so frontline management practices are in line with organisational standards and operating procedures.

Each organisation has different professionals on hand to help frontline managers use systems and other procedures. Some organisations decentralise much of the responsibility for these processes to frontline and other managers. In these situations, try to identify any commonly used or uniform practices that you can use or adapt for your own team. Specialist staff may include those identified below.

WHS

Work health and safety consultants provide assistance when you need to review an existing process or implement a new system that affects or has the potential to affect WHS issues in some way.

Human resources

Human resources staff, such as training and recruitment experts, provide assistance when you need to hire new staff or provide training to your existing staff. They also advise you on issues related to employee and industrial relations, payroll and dismissal.

Purchasing

Purchasing staff provide assistance when you need to acquire or use goods or services.

Information technology

Information technology team members help you set up computer access for staff, resolve IT issues, set up access paths, and set up computer-based processes or tools for your team to use.

Communications

Communications and public affairs staff help you clearly and accurately deliver messages and deal with issues of concern and interest to the general public.

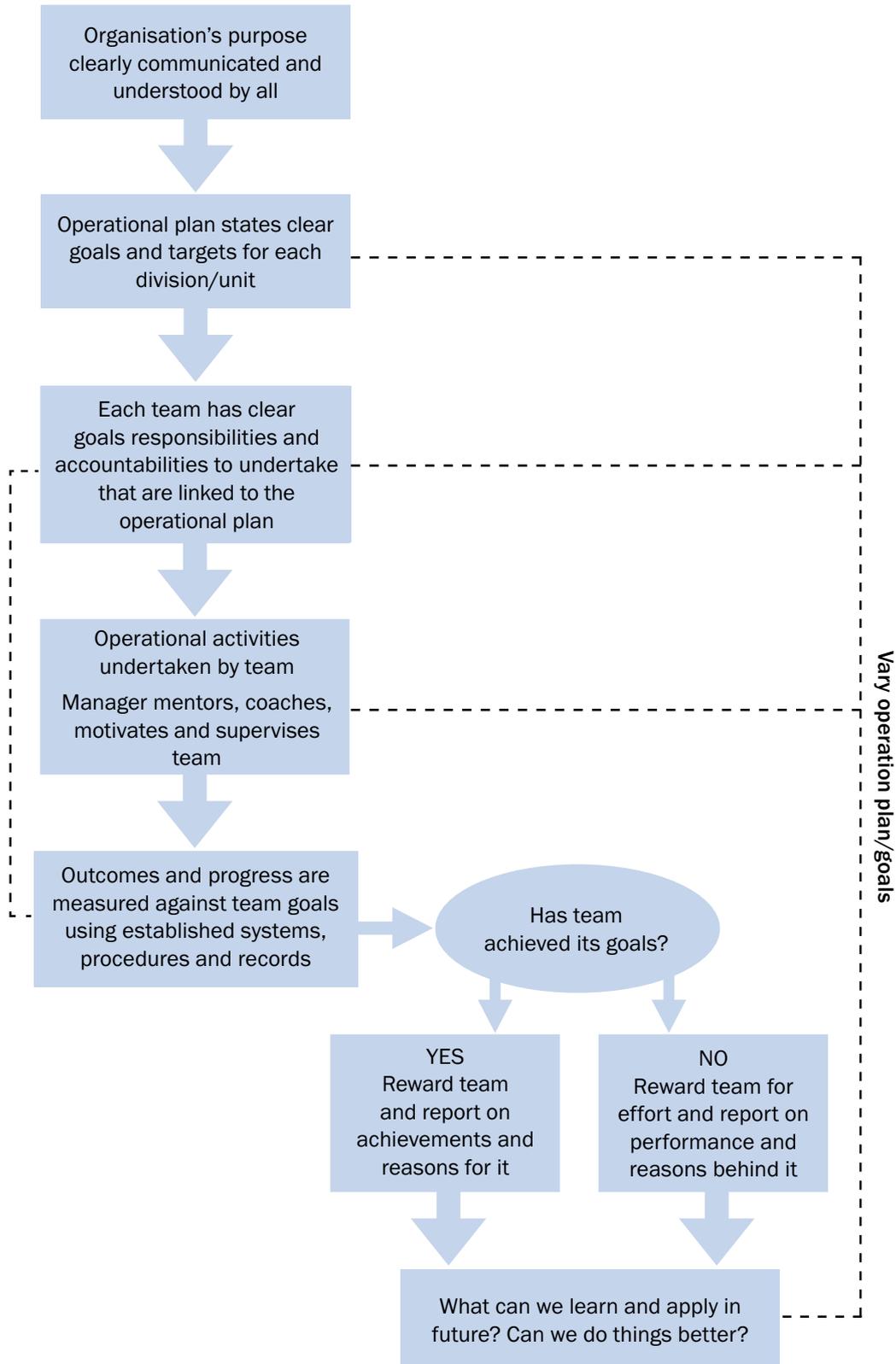
Finance

Accounting and finance staff help you with your budget or provide advice on finance-related matters that you are responsible for.

Implement an operational plan

Implementing an operational plan requires the frontline manager to demonstrate a range of management skills.

Here is a flow chart showing how all the principles covered in this unit are linked.



Practice task 13

For each of the measurement tools, procedural documents and records listed in **this table**, write the steps you'd need to take in order to first set them up for use in a workplace and then use them on an ongoing basis for the implementation of an operational plan. The first one has been completed for you as an example.

Item	Steps: setting up	Steps: ongoing
Individual performance plans	<ul style="list-style-type: none"> • Contact HR manager – are there existing templates, procedures and training systems for this? • If so, request copies, training and process information. • If not, consult with HR on developing an appropriate template and guide for creating performance plans for your team, including processes. • As per process, set up a simple system for keeping information on file (using soft or hard copies). This may involve consulting with IT staff to set up access, links or folders for staff on shared drives. • As per process, notify staff of the procedure, their obligations in the process and the impact performance plans/reviews have on their job, bonuses and career plan. 	<ul style="list-style-type: none"> • Ask HR to provide information on any internal processes and systems used to manage the process. • Provide copies (or part copies) to HR, payroll or other departments if necessary. • Provide copies to individuals after review. • Keep records filed in a way that your successor or other key staff can use easily, but is secure.
Team performance plans		

continued ...

... continued

Organisational policies		
Databases or spreadsheets		
Reports		

Summary

1. Most frontline managers find their day-to-day activities revolve around implementing their organisation's operational plan.
2. Different organisations have different ways of measuring how well they are working towards meeting their goals. Measuring can be a formal or informal process or a combination of methods.
3. Managers use the key performance indicators set for their team members and, in discussion with the team members, identify whether these indicators have been met.
4. Information regarding how goals are being met can be gathered informally in many ways, such as through discussions between team members and managers or through systems set up by work groups.
5. Formal monitoring systems that are commonly used by organisations include monthly reports or quarterly reports.
6. One of the most visible responsibilities of a frontline manager is to provide leadership by mentoring (using their knowledge and experience), coaching (using their expertise) and supervising (observing and supporting) staff.
7. For most organisations, consistency in the way information flows through the organisation, how staff and customers are dealt with, how policies are developed and how activities are documented and implemented is vital.

Learning checkpoint 3 Monitor operational performance

This learning checkpoint allows you to review your skills and knowledge in monitoring operational performance.

Visit the website of Tasmanian energy company Aurora Energy and read their latest annual report at: www.auroraenergy.com.au/about/public-communications/aurora-s-annual-report.

If you find it difficult to access the site, choose another organisation that has a readily available annual report, such as a large government body or publicly listed company.

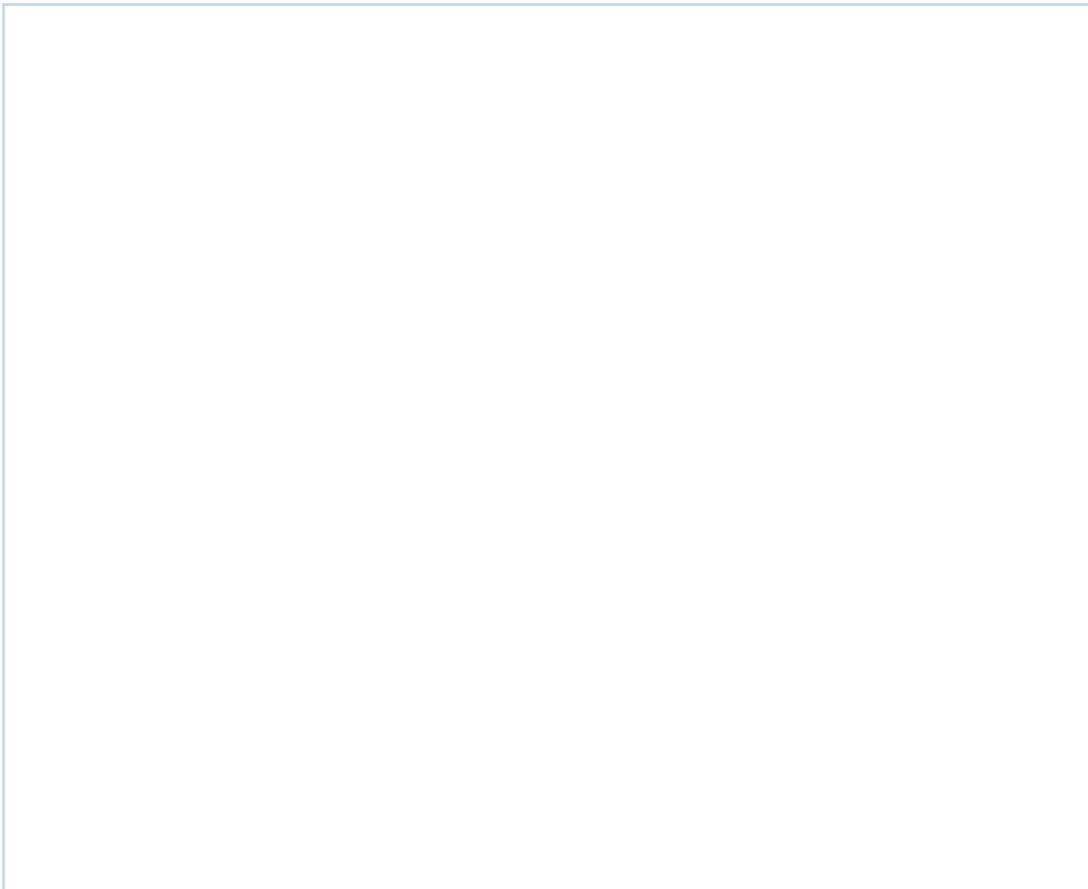
Read the annual report you have chosen. Write at least 1,500 words addressing the following questions.

1. Do you think the report shows a clear link between the organisation's vision, organisational goals and objectives and its implementation of the operational plan? Explain why or why not.

2. Identify the performance systems and measures the organisation has in place and explain how well you think its systems and measures identify the organisation's performance.

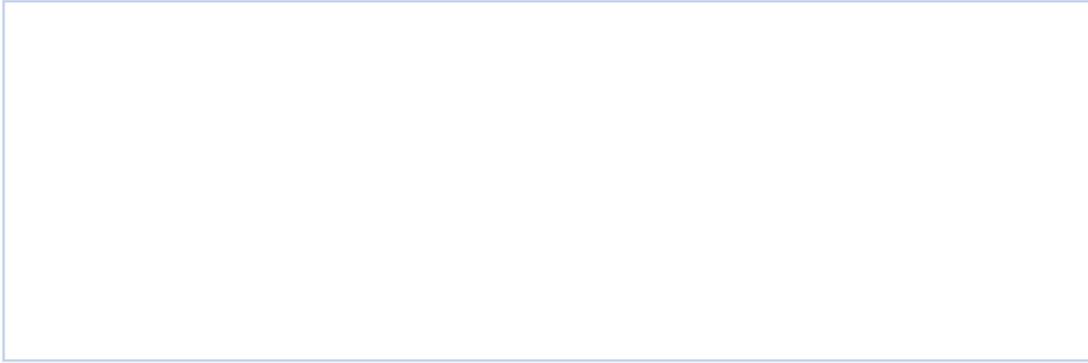


3. Describe how the organisation tracks and reports on how well it was able to operate within set budgets.

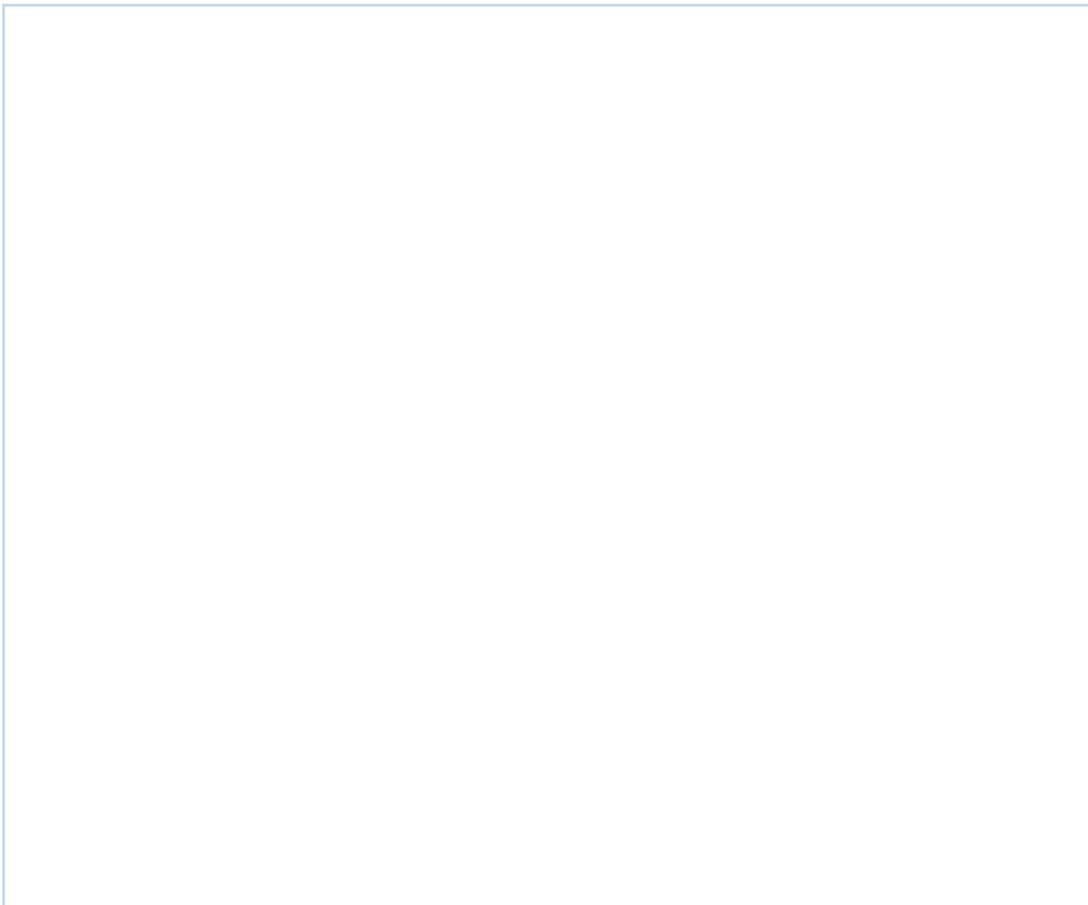


4. How does the organisation show when a division has performed to an unsatisfactory
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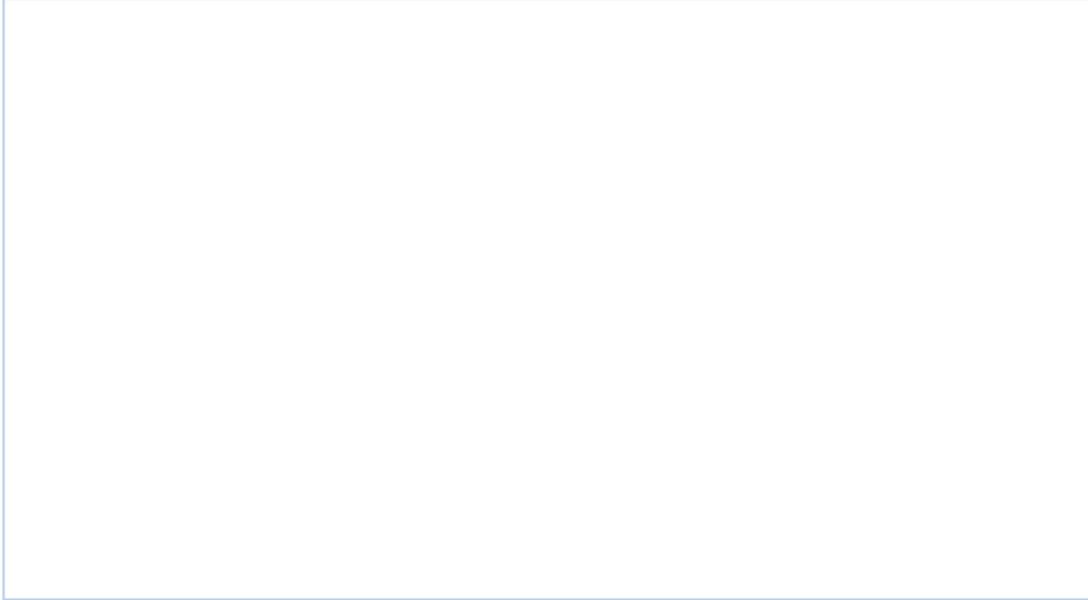
standard?



5. Describe any evidence of managers using coaching or other supervisory methods to help teams and individuals use resources effectively, in an economical way and within WHS and other safety guidelines.



6. Explain how the organisation manages information and uses systems to run the organisation more effectively on a daily basis. If the report does not disclose this, make some practical suggestions.



7. What divisions or people within the organisation do you think would be responsible for approving variations to the operational plan?

