Staff performance and business objectives

Relationship between staff performance and business objectives

The capabilities and behaviour of staff can have a significant influence on a business's productivity and achievement of business objectives. <u>Human resource managers</u> are responsible for effectively managing employees to ensure they feel valued, encouraged, and motivated to perform to the best of their ability.

Effective management strategies include: Clearly communicating goals, motivating employees, and supporting employees

Underperforming staff may complete work tasks incorrectly or poorly which may result in businesses providing customers with low-quality goods or services. Alternatively, high-performing staff are more likely to complete tasks to a high standard and provide a positive customer experience. High-quality goods and services can positively contribute to a business's goals, such as developing a positive reputation as a result of customer satisfaction, which increases sales and profits.

Table 2 The relationship between staff performance and business objectives

Business objective	Description	Relationship with staff performance	
To make a profit	To make a profit, a business needs to earn more revenue than its accumulated expenses.	High-performing staff may complete business activities efficiently and produce high-quality goods and services. In turn, sales may increase, leading to higher profits.	Underperforming staff may complete business activities incorrectly or poorly, increasing the cost of wages, as more employees may be needed to produce goods and services.
To increase market share	To increase market share, a business needs to increase the total sales it makes within its industry.	High-performing staff may produce high-quality goods and services which may increase sales.	Underperforming staff may produce low-quality goods and services which may reduce business sales.
To meet shareholder expectations	Shareholders expect a return on the investment they make in a business. To meet shareholder expectations, businesses should generate consistent profit to return some to their shareholders.	High-performing staff may complete business activities efficiently, which can increase profit, as well as the business's returns that are distributed to shareholders.	Underperforming staff may complete business activities incorrectly or poorly, which can decrease profit and limit the returns distributed to shareholders.
To fulfil a market need	Businesses can fulfil a market need by offering goods and services that meet customer needs.	High-performing staff may provide innovative ideas and insights to produce high-quality goods and services that meet customer needs.	Underperforming staff may produce low-quality goods and services that do not meet customer needs.
To fulfil a social need	Businesses can fulfil a social need by using their operations to benefit the community and the environment.	High-performing staff may provide innovative ideas and produce high-quality goods and services that positively impact the community and environment.	Underperforming staff may result in a business focusing on improving employee performance, rather than using its resources to benefit the community and environment.

Staffing Needs

Staffing needs

Staffing needs are the requirements a business has for employees. For a business to identify its staffing needs, human resource managers must consider the business's direction, as well as the goods and services that the business produces. Managers are also responsible for conducting human resource planning to determine the number and types of staff that are required to meet business objectives.

Staff knowledge and skills

Businesses may choose to recruit new staff when there is a requirement for certain knowledge and skills within the business's workforce. A business may face a gap in its workforce if it is expanding, or if new types of goods or services are being produced. When recruiting staff, human resource managers should consider the relevant knowledge and skills employees require for the job description. Depending on the requirements of the job, employees may require a certain standard of knowledge and skills.

Source of skills or knowledge include: experience (working in a related field for several years), education (specialised education such as a diploma or bachelor's degree), and qualifications (legally recognised licenses and certificates - it may also be necessary to have experience or specific education before receiving a qualification)

Staffing ideas

In many businesses, employees are often able to contribute new ideas and strategies. Newly hired employees can provide a unique perspective on current business processes, policies, and procedures. Recruiting new staff, who may have fresh ideas, can therefore encourage existing employees to constantly adapt their behaviour and ways of thinking. In addition to identifying necessary knowledge and skills, human resource managers should focus on employing individuals from a wide variety of backgrounds. A diverse workplace includes individuals of different genders, ethnicities, and ages who have unique personal and professional experiences. Having a diverse workforce can contribute new ideas to the workplace.

Technological developments and staffing needs

The effects that developments in technology have on staffing needs

Developments in technology, such as software, artificial intelligence, and robotics, have affected business staffing needs in all industries. Technological developments have both positive and negative impacts on staff. Technology can allow for greater flexibility in working conditions and roles within the workplace, which may be appealing to staff. However, technology can reduce the number of employees in the workplace as technology can work more efficiently and effectively than human labour. Utilising technology can transform business processes and can significantly change a business's staffing needs.

Software

Software is the programs used on computers and other electronic devices. Software is used by businesses to complete specific tasks or enhance business processes. Computers and other electronic devices can enable employees to complete their work faster and with fewer errors than if it were completed manually. With developments in technology, employees are now able to use software to communicate from various locations at any time. Consequently, employees are more productive and businesses may require fewer staff members to complete business activities.

Different types of software include: communication software, mobile and computer applications, and accounting software.

Artificial intelligence

Software that's able to mimic the behaviour of humans. AI is a powerful tool that allows machines to perform functions that would otherwise require human input.

Different types of artificial intelligence include: Chatbots, facial recognition technology, and recruitment processes.

Robotics

Programmable machines that are capable of performing specified tasks. These specialised devices can be organised within a business's operations system to efficiently complete specific tasks with high levels of precision and accuracy. Robotics can reduce the need for human labour within a business and often coordinate dangerous, repetitive, or complex tasks. Therefore, employees can benefit from the use of robotics as their risk of injury at work is likely to decrease. Robotics have a significant impact on business operations as they can complete tasks with greater precision, efficiency, and stamina than manual human labour.

Different types of robotics include: drones, self-service checkout, and automated production lines

Job Analysis

Job Analysis

The process of identifying the essential duties, tasks, and responsibilities of a specific role. In order to hire the applicant who is most suitable for the given position, a business must identify the specific requirements of the role, such as responsibilities and key tasks that must be completed. Human resource managers use the information gathered in job analysis to select and hire the most appropriate person for the job who has the required knowledge and set of skills to complete the role within the business. Job analysis is the process that a manager should focus on first, as it is used to create job descriptions and specifications, as well as job design.

The process of completing a job analysis includes:
1.   Select a specific job
2.   Collect the information about the job
3.   Determine the key tasks to be completed
4.   Determine the necessary action and responsibilities required to complete tasks
5.   Determine the necessary skills and knowledge required to complete tasks
6.   Create a summary of the tasks and responsibilities as well as the required skills and knowledge

Job description and specifications

The final step of a job analysis is to use the collected information to develop a job description, which is a summary of the duties, tasks, and responsibilities of a specific role. Additionally, a business must also outline job specifications, which are the necessary skills, knowledge, and qualifications for a specific role. Written job descriptions and specifications are often included in job advertisements to attract potential candidates that match the role. Job descriptions and specifications also inform the potential employees of the tasks, skills, and knowledge required to perform a job. This ensures that a candidate has all the necessary attributes before applying for the job.

Job design

After conducting a job analysis, human resource managers gain a better understanding of the requirements of a specific role. Job design can then be conducted, which is the process of organising several duties, tasks, and responsibilities into one specific role. Effective job design can provide employees with a variety of tasks and enough challenge to prevent the role from being too repetitive or boring.

Internal recruitment methods

Internal recruitment

The process of filling job vacancies with existing staff at the business. This form of recruitment provides an opportunity for a current employee to take on a new role and different responsibilities within the business. Internal recruitment often involves an employee being promoted to a higher position within the business, but in a similar area of work.

Intranet

A private computer network used to share information within a business. A business's intranet gives employees online access to the business's updates and news. A human resource manager may use a business's intranet to advertise job vacancies. Intranet advertisements are usually used to inform employees of opportunities to transfer to a different department or role within the business.

Word of mouth

A verbal communication of information between individuals. This method of recruitment can involve employees and managers verbally sharing information about vacant job positions within the positions.

ADVANTAGES VS DISADVANTAGES of INTERNAL RECRUITMENT

Advantages:

- Business is already familiar with the employee and their skills
- Employees are provided with a chance to advance their careers
- Employees can learn different skills and gain experience in different roles
- Employee is already familiar with the business's culture

Disadvantages:

- Limited number of candidates to select from
- Existing employees may not have the skills required or knowledge about the role
- Businesses may not gain new ideas or perspectives from existing employees
- Employees who fail to receive internal promotions may become demotivated and resentful of their fellow employees

External recruitment methods

External Recruitment

The process of filling job vacancies with individuals outside of a business. This is the most common method that businesses use to fill vacant job positions. Job positions often become vacant when a business grows and creates new roles that need to be filled, or when existing employees leave the business.

Websites

A collection of webpages and content, published on atleast one web server, that is identifiable by a common domain name. Businesses can use their own website or an online employment marketplace to advertise vacant job positions. Advertising job vacancies on a website can allow a business to provide detailed information about vacant roles, the general culture of the business, and job specifications.

Online Recruitment Agencies

A business that works on behalf of an employer to find suitable job candidates. By using online recruitment agencies, businesses can advertise vacant job positions to the public.

Social Media

The online platforms that can be used to connect with others and share content. Recruitment through social media has become an increasingly popular method of filling vacant job positions. Social media has enabled businesses to create their own profiles and advertise vacant job positions.

E.g of social media platforms that can be used by a business to advertise job positions are: Instagram, Twitter, Pinterest, LinkedIn, youtube, and Facebook

ADVANTAGES VS DISADVANTAGES of EXTERNAL RECRUITMENT

ADVANTAGES:

- Businesses can advertise to a large number of candidates
- External candidates are more likely to have the required skills and knowledge for the vacant role
- Social media apps are free to download allowing a business to promote job vacancies with no costs
- Businesses can save time as they don't have to create an ad when using an online recruitment agency

DISADVANTAGES:

- Candidate may not align with business's culture
- Candidate may not have the required skills and knowledge to perform the role
- Existing employees may be resentful if the vacant position goes to a new employee
- Businesses may need to spend additional time training the new employee
- Businesses have to pay online recruitment agencies to use their services, increasing expenses and lowering profit

Selection Methods

Interviews

A meeting that occurs between an employer and a job candidate to determine whether they have the necessary knowledge, skills, and ideas to fulfill the position. This is the most common selection method that is used by businesses and provides both employers and job candidates with the opportunity to ask questions, learn more about each other, and determine whether a working relationship can be established. Interviews can be conducted in a group setting with other job candidates, over the phone, or one-on-one with an interview panel. Candidates may attend an interview face-to-face or through an online video conferencing platform

ADVANTAGES VS DISADVANTAGES of INTERVIEWS

ADVANTAGES:

- Interviewers a provided with insight into a candidate's personality, attitude, motivation, and ability to form professional relationships
- An employer can ask detailed questions that inform the selection decision
- A business owner has the opportunity to assess a candidate's ability to think under pressure

DISADVANTAGES:

- Interviews may be biased and influenced by their own personal preferences and opinions
- Candidates may be dishonest in an interview in order to present themselves as more suitable for the role
- Some candidates may not perform well in an interview setting

Psychological Testing

A scientific method of examining a job applicant's behavioural style and reasoning skills. It includes a number of different types of tests, with the most common categories being aptitude and personality tests. Employers use the information collected in psychological testing to identify characteristics of a candidate that are difficult to determine from a face-to-face interview; e.g style of working and ability to solve problems

ADVANTAGES:

- Business owners are provided with insight into a candidate's personality and working style, which can be used to assess whether they're suitable for the job
- Tests are standardised, meaning every candidate is given an equal opportunity
- Candidates with poor interview skills may be able to prove themselves through psychological testing instead

DISADVANTAGES:

- Candidates may not provide honest responses in order to present themselves as more suitable for the role

- Some candidates may not perform well under test conditions, and their results may not reflect their true capabilities
- A suitable technological device is required to be able to complete the test

Work Testing

The process of administering practical or written assessments to determine the suitability of a job candidate for a position. These tests are generally job-specific, and candidates may be required to complete tasks they would perform during a typical day on the job.

ADVANTAGES:

- Existing employees in the business are provided with the opportunity to work alongside the candidate
- Applicants can gain a better understanding of the job requirements and position
- Multiple candidates can be assessed at once if conducted in a group environment

DISADVANTAGES:

- It may not be suitable for positions where tasks take days or weeks to complete
- Some candidates may be nervous and unable to demonstrate their full capabilities
- This type of testing is a time-consuming process for both employers and candidates

Online Selection

The process of choosing an employee based on online forms completed by a job applicant. It is becoming increasingly common for businesses to use online forms as part of their selection process, as they are quick and easy to administer and conveniently provide information to a business about the applicant

ADVANTAGES:

- A business can reach a wider range of candidates, increasing its chances of finding the most suitable person for the position
- Candidates can conveniently complete their online application when it suits them
- Online selection can be more cost-effective than other available selection methods, such as interviews

DISADVANTAGES:

- The process may be interrupted by technological issues
- Candidates can only complete the forms if they have internet access
- It can be time-consuming for a business to develop an online form for online selection

National Employment Standards

The National Employment Standards

National Employment Standards are the minimum entitlements an employer owes its employees, which are set out in the Fair Work Act 2009. Through the introduction of this Act, the Federal Government ensures all Australian employees' rights are regulated. The Fair Work Commission is Australia's independent workplace relations tribunal that has a range of responsibilities outlined by the Fair Work Act and ensures that businesses comply with National Employment Standards. FWC creates awards and approves agreements to mandate that all employment contracts provide employees with all NES entitlements.
- Awards are legal documents that outline the minimum wages and conditions of work for employees across an entire industry
- Agreements are legal documents that outline wages and conditions of employees and are applicable to a particular business or group of businesses

The 11 National Employment Standards include:

1. Maximum weekly hours: 38 hours per week, and overtime can be requested by an employee
2. Request for flexible working arrangements: starting or finishing later, working at home
3. Offers and requests for casual conversion: can be requested if the employee has worked 12 months or more at the same business
4. Parental leave and related entitlements: continuous work at a business for 12 months can entitle an employee to parental leave; birth-related, or adoption-related
5. Annual leave: for each year of service, an employee is entitled to 4 weeks of paid annual leave, or five weeks in certain circumstances
6. Personal or carer's leave, and unpaid family and domestic violence leave: for each year of service with an employer, an employee is entitled to 10 days of paid personal/carer's leave; which may be taken for illness or injury
7. Community service leave: employees can take leave for engaging in an eligible community service activity; including jury service, or dealing with natural disasters
8. Long service leave: an employee who's been working at the business for an applicable period of time will be entitled to an extended period of leave in accordance with their relevant award or agreement
9. Public holidays: an employee may be able to request work on public holidays as a higher rate of pay may be applicable, employees are entitled to be absent on a public holiday and still be paid for their ordinary hours of work
10. Notice of termination and redundancy pay: an employer must provide their employee with a written notice of the day of termination; the period of termination ranges from 1-4 weeks, an employee may be entitled to a period of redundancy pay if the employee's job at the business no longer exists
11. Fair Work information statement: an employer must give each employee the Fair Work information statement before the employee starts employment

Employer expectations

Contracts of employment

A legal document that outlines the wages and work conditions of an employee within a business. Most employers require a new employee to enter into an employment contract before commencing a new position, although, a small number of employers do not require their new employees to sign a contract. An employment contract typically includes details such as the job title, hours of work, and the rate of pay.

Loyalty

Employers expect employees to show loyalty, which is when an employee is committed to supporting the business achieve its objectives. Employees are more likely to be loyal to a business if the employer treats its staff ethically acts in their best interests. When employees trust and respect their employer, they are generally more productive and motivated to achieve business objectives.

Terms of notice

Written communications that an employee must provide to a business within a certain amount of time before leaving their position. Employment contracts typically outline employee's terms of notice, which can differ depending on the relevant award or agreement. Employees are expected to provide a business with adequate notice if they intend to leave the business. The notice will allow the business to make necessary adjustments and hire a replacement employee if needed.

Employee expectations

Conditions of employment

What an employer has agreed to offer the employee in return for the work they complete. These conditions are typically detailed in an employment contract and can vary depending on the relevant award or enterprise agreement. Employers must comply with the minimum conditions of employment stated in the National Employment Standards which include basic conditions such as hours of work, public holiday pay, annual leave, and sick leave.

Remuneration

The money an employee receives from an employer in exchange for the work they complete. The amount of remuneration an employee receives is usually determined by an award or enterprise agreement.The most common type of remuneration paid to employees is in the form of a wage or salary

Job Security

The likelihood of an employee keeping their job. Job security is increasingly becoming an issue for many employees due to difficult economic conditions. Having a secure job is important, as a lack of of security can mean employees are worrying about the future of their job which can make it difficult to perform at their best. When employees feel secure in their jobs, they will feel valued by the business and more motivated to achieve business objectives.

Work-life balance

The division of a person's time between the demands of their job and their personal life. Employees are placing more value on having a healthy work-life balance to allow time for both their jobs and other life commitments. Greater flexibility may result in increased employee productivity, improved motivation, and reduced stress levels, which can improve a business's ability to achieve its objectives.

Legal obligations for staffing

Occupational health and safety (OH&S)

The management of risks to ensure the protection of the health and safety of everyone in the workplace, including customers, employers, and suppliers. Legally, employers must provide a safe working environment for their employees. Worksafe Victoria is the main body responsible for monitoring and enforcing workplace compliance with the OH&S Act 2004 and the OH&S Regulations 2017. They have the legal authority to inspect the workplace and ensure that they are complying with OH&S laws. There are significant penalties for businesses that fail to meet their legal obligations under OH&S laws and regulations. Legal obligations of employers include:

- provide employees with necessary training and supervision
- Ensure employees are not exposed to risks e.g. excessive noise
- Ensure employees hold licenses for specific activities e.g. operating forklifts
- Provide adequate facilities e.g. toilets
- Ensure safe handling of substances
- Provide safe system of work

Equal employment opportunities (EEO)

The fair treatment and participation of all individuals in the workplace. Under the Equal Opportunity Act 2010 (Vic), it is illegal for employers to discriminate based on personal characteristics such as age, physical features, race, and gender. Employers also have a duty to take reasonable steps to eliminate discrimination, sexual harassment, and bullying in the workplace. The Victorian Equal Opportunity and Human Rights Commission is an independent body that administers the Equal Opportunity Act 2010. It also assists employers in understanding their legal obligations under the Act by offering education, training, and support services.

Employee induction

Purpose of Employment Induction

It's the process of introducing a new employee to the business. An employee induction can involve taking new employees on a tour of the workplace, familiarising them with business policies and procedures, and introducing them to other staff members. The induction process may be conducted over several days, weeks, or even months. The purpose of an induction is to support new employees and provide them with essential business information relevant to their new roles, such as informing them of relevant policies and procedures. During the induction process, new employees have the opportunity to ask questions, build relationships with other employees, and develop an understanding of the business's culture.

Methods of employee induction

The employee induction process may differ depending on the type of business, the job position, and the new employee's level of experience. Methods of employee induction include:

- <u>Elearning:</u> information delivered electronically via a digital device
- <u>On-the-job training:</u> a hands-on method where employees develop knowledge and skills
- <u>Mentoring:</u> senior employee assists a new employee in developing knowledge and skills
- <u>Induction pack:</u> physical or electronic folder containing information for new employees
- <u>Organising meeting with key staff members:</u> the new employee and other staff members in the business come together during the induction process

CSR considerations for staffing

CSR for establishing staffing

Corporate Social Resposibility is the ethical conduct of a business beyond legal obligations, and the consideration of social, economic, and environmental impacts when making business decisions. Businesses can demonstrate CSR when recruiting and selecting staff for vacant job positions. During the recruitment process, businesses should ensure that their selection criteria and processes are not biased towards a particular type of candidate, and instead solely focus on the merit of the applicant. Diversity considerations when recruiting and selecting staff include:

- Establishing a gender-balanced workplace
- Hiring a diverse range of ethnicities
- Preventing nepotism
- Hiring staff in different age brackets
- Hiring individuals with a disability
- Hiring members of disadvantaged groups
- Providing feedback to potential candidates

CSR considerations related to employment expectations include:

- Providing generous remuneration: providing more than the minimum legal remuneration to their employees
- Facilitating workplace flexibility: not requiring employees to work strict hours per day or excessive hours per week
- Providing assistance to new parents: providing more than the minimum legal leave requirements to their employees
- Providing staff with healthcare: supporting their employee's health and wellbeing both inside and outside the workplace
- Encouraging staff to participate in volunteer work: establishing policies to promote participation in volunteer work

CSR for overseas recruitment

The process of filling job vacancies with individuals who are not currently located in Australia. Many businesses use overseas recruitment to fill vacant job positions when local candidates do not have the right skills, knowledge, or experience for the role. After selecting the most appropriate candidate, overseas employees that are not Australian citizens or permanent residents must obtain a visa in order to work in Australia. Types of visas that allow international employees to work in Australia include:

- Temporary and permanent skill shortage visas
- Student visas that allow causal and part-timework
- Working holiday visas that allow temporary work

CSR considerations for overseas recruitment include:

- Host a welcoming party: host events to welcome overseas employees to both the business and country
- Provide employer sponsorship: may need to partake in the visa application process
- Provide diversity and inclusion training to all employees
- Provide employees with location flexibility
- Assist with spouse and family support