Your Workforce
A guide for employers

www.dob.nt.gov.au
Published in 2012 by the Northern Territory Government
Updated November 2014

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## Contents

**INTRODUCTION**  2  
Workforce Planning wheel  3  
The essential human resource management process  4  

**1. WORKFORCE PLANNING**  6  
Workforce planning: what to consider  7  
How to undertake workforce planning  8  
Workforce gap analysis and data evidence  8  
Develop and implement a workforce plan  10  
Review the workforce plan  12  

**2. ATTRACT, RECRUIT AND SELECT**  14  
Attracting employees  15  
Recruitment process  18  
Selection  27  

**3. INDUCT, TRAIN AND DEVELOP**  31  
Induction  32  
Identifying training needs  36  
Employee development  42  

**4. MOTIVATE, MANAGE AND REWARD PERFORMANCE**  44  
Motivating employees  45  
Performance management  48  
Rewarding performance  56  

**5. RETAIN AND SUPPORT**  60  
Retaining employees  61  
Supporting employees  66  

**6. LEAD AND COMMUNICATE**  72  
Leadership  73  
Communication  76  

**REFERENCES**  78
How to use this guide

Information in this guide has been organised into six sections identified in the Workforce Planning wheel.

The human resource management process is illustrated in the essential human resource management process flowchart, which corresponds to relevant sections of the Workforce Planning wheel.

Useful resources such as checklists, templates and fact sheets have been developed for particular topics and are located on the web page of the Workforce Planning Guide - Your Workforce available at http://www.dob.nt.gov.au/Employment/force-development/your-workforce/Pages/default.aspx in Microsoft Word and Acrobat PDF formats.

Workforce Planning wheel

The Workforce Planning wheel identifies the six groups of activities that contribute to a better workplace.

1. Workforce Planning
   Prepare your business for change by forecasting future workforce needs, setting goals and planning.

2. Attract, Recruit and Select
   Know how to attract new employees and recruit, advertise and select the right employees.

3. Induct, Train and Develop
   Understand the importance and benefits of inductions, identifying training needs and planning to develop your employees.

4. Motivate, Manage and Reward Performance
   Know what motivates your employees and develop better ways of managing and rewarding their performance.

5. Retain and Support
   Understand the factors (including flexible work arrangements) that will help you to support your employees so they are more likely to stay with you.

6. Lead and Communicate
   Become a better leader and implement workplace practices to help you achieve your business goals.
Introduction
The essential human resource management process

This flowchart illustrates the essential human resource management process. The elements of the process are colour coded to match the relevant sections of the Workforce Planning wheel:

- **Attract, Recruit and Select**
- **Induct, Train and Develop**
- **Motivate, Manage and Reward Performance.**

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**Introduction**

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**Flowchart**

**Business has changed/new position required**

- **OR**

**Someone leaves business - obtain feedback, consider employee exit interview**

- **Recruit new person?**
  - **NO**
    - Move current employee to the new position or add to current position description
  - **YES**
    - Consider remuneration

- **Consider - job analysis - job description**

- **Employ staff?**
  - **NO**
    - Engage contractor/temp
  - **YES**
    - Advertise vacancy internally and/or externally

- **Conduct selection process**

- **Select and appoint employee**

- **Induction process**

- **Set goals and performance expectations**

- **Undertake training needs analysis (TNA)**

- **Skills/ training required?**
  - **YES**
    - Plan and conduct individual or group training
  - **NO**
    - Monitor performance

- **Skills achieved?**

- **Appraise performance**

- **Review reward strategies and remuneration**

- **Evaluate training outcome**
Resources

Throughout this guide you will see the following icons:

**Checklist**  This icon indicates that a checklist has been provided to summarise the section.

**Flowchart**  This icon indicates that the essential human resource management process (page 4) is relevant to this section.

**Fact sheet**  This icon indicates that a fact sheet has been provided.

**Template**  This icon indicates that a template has been provided.

These resources are available at http://www.dob.nt.gov.au/Employment/workforce-development/your-workforce/Pages/default.aspx in Microsoft Word and Acrobat PDF formats.

Recognition of the application of this guide

The information contained in this guide was not designed to be assessed or to contribute to a formal qualification. However, there may be opportunities to have the practical application of the information recognised by a Registered Training Organisation (RTO) as evidence of your competency in a range of business units from nationally recognised qualifications.
1. Workforce Planning

Overview

Workforce planning is a crucial element of business planning.

Workforce planning is crucial. It is a process of forecasting your workforce needs to ensure sustained business success and growth, and deciding on strategies to attract, develop, engage and retain employees.

This section of the guide can assist you to develop your own simple workforce plan and covers the following topics:

1. workforce planning considerations
2. how to undertake workforce planning.

Create your own Workforce Action Plan checklist. Refer to template 1.1 on the Your Workforce - a workforce planning guide for employers webpage.
1. Workforce planning: what to consider

Workforce planning: the process of forecasting workforce needs and determining the broad range of policies and systems that will create and sustain the workforce in line with business strategy.

Workforce planning assists businesses to undertake expansions, restructures, reforms or downsizes in a strategic manner ensuring that the right staff are recruited or retained to take the business forward.

The workforce plan sits beside business and financial plans as a fundamental tool in realising the goals of an organisation. These planning components go hand in hand – it would be difficult to set a goal to expand production by 20% if you were unsure how much capital investment is required or whether you could get the right people.

The Territory working age population (aged 15+ years) is estimated to be around 180 700 persons in 2012 and is projected to increase to 236 100 persons by 2030, reflecting an average annual increase of 1.5%.


If you can answer ‘yes’ to some of the following questions, you are already doing some workforce planning.

Are you aware of the workforce challenges facing your industry/business as a result of competing projects, emerging industries, the ageing population and other demographic issues?

Do you have processes to collect and keep workforce information such as:

- the total number of employees
- the number of casual, permanent or temporary employees and full-time, part-time or seasonal employees
- age and gender breakdown of your workforce
- employee qualifications and skills
- geographic location
- visa status for overseas citizens
- results of exit interviews
- supply and demand
- turnover rates
- retirement intentions?

Are you experiencing any difficulty recruiting workers or developing employee skills?

Have you considered strategies to both retain existing workers and attract new people?

Workplace Documents template. Refer to template 1.2 on the Your Workforce - a workforce planning guide for employers webpage.
1. Workforce Planning

2. How to undertake workforce planning

It is very useful to incorporate a systematic approach to workforce planning into your normal business and financial planning processes.

To help your business attract and retain the staff you need it is very useful to incorporate a systematic approach. It is also important that workforce planning is based on evidence. Workforce planning has three stages:

Stage 1: Conduct a workforce gap analysis to provide data evidence.

Stage 2: Develop and implement a workforce plan.

Stage 3: Review the workforce plan.

Stage 1: Workforce gap analysis and data evidence

Before writing your workforce plan you need to gather some information on your workforce. Conducting a workforce gap analysis can provide fundamental information to help businesses understand their current and future workforce needs. Once complete this information will be the basis for developing strategies to attract and retain the skilled and talented staff you need.

Conducting a workforce gap analysis involves five steps.

1. Gather information and evidence on your current workforce

Use the Current Workforce Profile template to identify your employees by job group, skill level, experience, age group, length of service, and any other categories that may provide insight into the people in your business.

You will need access to data on employees including age, gender, skill sets and time working in the business or industry. Refer to the Workplace Documents checklist for a useful guide of key information to keep on file. In addition gather as much evidence from your employees as possible to make your workforce planning meaningful.

Consider the following:

- What is the average age of your staff? Are there any risks made obvious from your current workforce profile ie. ageing workforce, several employees with long tenure etc?
- What are the strengths and development needs made obvious by the workforce profile?
- Retirement intentions – knowing when your employees plan to retire and whether they plan to phase their exit or leave for good.
- Working preferences – would your employees prefer to work full-time, part-time or on a casual basis? Would they like to work more hours over the year in return for more paid leave?
- Employee Feedback survey – consider undertaking a survey to find out what your employees think of their workplace. This can provide you with a good indication of how you can improve your business to meet their needs (also refer to Section 5 – Retain and Support).

Employee Feedback Survey template. Refer to template 1.4 on the Your Workforce - a workforce planning guide for employers webpage.
1. Workforce Planning

(2) Calculate your workforce supply forecast
The supply forecast is the current workforce less predicted losses. You can estimate the predicted losses from each work area including retirements, promotion to other work areas and usual turnover based on the evidence gathered during step (1). This takes into account the various pathways into employment including vocational education and training, higher education and overseas workers. Add your findings into the comment section of the Current Workforce Profile template.

It is useful to carry out one year, two year and three year forecasts. If your workforce has a high number of professionals, five and 10 year forecasts are also useful.

Consider using Exit interviews as a way to identify the reasons for someone leaving. This may allow you to make changes in the workplace so that others do not leave for the same reasons. (See employee exit in Section 4 – Motivate, Manage and Reward Performance.)

(3) Calculate your workforce demand forecast
You can estimate your demand for labour for each work area by considering predicted impacts of growth or reduction in product or service demand and other internal and external factors.

At this point it is useful to consult your business plan which will contain your business goals, for example, your expansion plans and whether you will need more staff or staff with different skill sets. This takes into account any restructures, reforms or new types of workers you predict you may need.

It will be useful to carry out one year, two year and three year forecasts. Similarly five and 10 year forecasts are useful in some industries.

Use the Future Workforce Profile template to identify and record the job positions, skills or competencies you will require in the future.
(4) Calculate your workforce gap
The workforce gap is demand forecast less supply forecast. Based on what you know about your current workforce and what you want your desired workforce to look like, determine where your workforce gaps are.

- Will you have a shortage or surplus of staff and in what areas of the business?
- Is there capacity to take on new work?
- Is there an opportunity now to develop employees in preparation for future growth?
- Do you have difficulty in filling and/or retaining the roles that are critical to your business?

(5) Review the estimated workforce gap
In reviewing the estimated workforce gap, you will need to consider the following external factors:

- Social, technological, environmental and economic trends – what’s happening or predicted to happen in your community/region/NT/nationally? How will trends or changes in these factors affect work patterns of people entering the workforce?
- Demographic trends – what impact will an ageing population have on your capacity to ensure you have a skilled workforce?
- Political and legislative trends – is the law changing? How will this affect your business? For example, how might you need to change the way you administer superannuation or Pay As You Go tax if the law changes? Visa and migration changes?
- Competitors – what are your competitors doing? Are they offering different employment packages or conditions to their employees?
- Other sources of information including the Australian Bureau of Statistics, Australian Government Productivity Commission, employer associations, trade journals, research papers, news media, competitors’ annual reports, government agencies, community groups and employee representatives may assist you to keep abreast of the trends that are likely to affect your capacity to have a skilled workforce. Global institutions such as the Organisation for Economic Cooperation and Development and international labour organisations can provide an international perspective.

Stage 2: Develop and implement a workforce action plan

Your Workforce Action Plan will identify the workforce planning and development areas to focus on and specific initiatives to bridge those gaps.

Developing a workforce action plan involves the following five steps:

(1) Document the results of your gap analysis and highlight the workforce issues that will impact on your organisation’s ability to achieve its goals
This first step builds on the workforce gap analysis. For example, one of the priority issues may be that you have a number of workers nearing retirement who have many years of experience and hold significant skills and knowledge.

(2) Assess the risk of not resolving the identified workforce issues
Scenario planning is a useful technique to assess risk by asking ‘what will I do if …?’ For example, if you rely on particular skilled workers you might consider the impact of these workers taking extended leave, choosing to reduce their hours, resigning or retiring. What are some of the options you could take to avoid losing valuable people? How could these options be managed?
1. Workforce Planning

(3) Develop initiatives aimed at improving attraction and retention

At this stage you need to work out how to address each workforce issue that has been raised in your gap analysis.

For example, you may decide to address an ageing workforce by offering work experience or traineeships to younger people along with appointing key older workers as mentors.

One proven method for developing initiatives to attract and retain staff is simply to ask your current staff – they are in the best position to offer advice on what will keep them happy and productive in the workplace. For more information refer to Section 5 – Retain and Support.

Consider initiatives in the areas of attraction and recruitment, development and retention. Approaches may involve a range of the following, or others that are not included in this list:

• Mobility/rotation/relieving in higher duties
• Targeted development for job roles/skills required/needs analysis
• Provide a shadowing/’buddy system’ for new employees
• Modifying work practices (e.g. job redesign)
• Greater use/purchase of technology/equipment
• Recruiting staff – targeted recruitment, recruitment of trainees/graduates/under-represented diversity group members
• Family-friendly/work-life balance strategies (vary working hours, job sharing or part time work)
• Reskilling and re-training
• Professional development, including mentoring, structured training or workshops
• Management skills training
• Leadership development
• Flexible work arrangements
• Staffing mix to meet needs of clients and work-life balance requirements
• Building and maintaining a safe and healthy work environment.

Underpinning all or any of these initiatives will be the need for effective leadership and an organisational commitment to the value of your people.

It is important to keep initiatives simple – creating a better workplace involves taking simple, targeted steps that do not have to cost a lot of money.

Succession planning: the identification and tracking of employees potentially capable of filling other roles or higher level managerial positions.

Succession planning is an important tool to ensure that key roles can be filled from within your business when the time comes to replace employees who are retiring, resigning or going on extended leave such as long service or parental leave. This helps to maintain corporate knowledge and transfer this knowledge internally, reducing the risk of corporate memory loss.

Skills and knowledge loss is a significant issue for small businesses that often rely heavily on a few key employees.

(4) Establish an action plan with timeframes

The action plan should identify up to 6 actions that are most likely to impact positively on your workforce challenges. It will provide responsibility and accountability for a return on any financial investment or time taken to deliver on the agreed actions. Timeframes should be realistic. A good action plan will include a review date and be endorsed by key decision makers.
1. Workforce Planning

(5) Establish how and when you will evaluate the effectiveness of your initiatives

To determine whether you are successfully managing workforce issues it is useful to set goals expressed in numbers. For example, in your workforce gap analysis you may have identified a critical work area with high turnover and discovered that staff have left or are finding it difficult to stay because their working hours interfere with family commitments. You may have developed an initiative to offer flexible working arrangements to address this issue. Such a plan can be evaluated by using measurements based on turnover figures.

Some other useful ways to evaluate your initiatives include:

- Analysis of targets against actual results in areas such as, for example, identifying reductions or increases in labour turnover and the reasons for them, numbers of vacancies filled and people trained or labour cost reductions.

- One-on-one discussions checking in periodically with people in supervisory and frontline positions will give managers first-hand knowledge of how plans are progressing and where changes are needed.

- Conducting informal focus group discussions regarding the business and its direction, which can be done as part of a regular staff meeting.

- Employee Feedback forms allow staff to give confidential feedback on the workplace. For example, questions may be formulated to find out how satisfied people are with their jobs, how their workplace might be improved and how committed they are to staying with the business. This can provide managers with a good indication of how to improve workplace structures or processes in order to retain the staff they have and to attract the staff they may need in the future.

Stage 3: Review the workforce plan

Like business and financial plans the workforce plan should be a living document that is reviewed periodically to keep it relevant.

The workforce action plan should be reviewed and updated each year. Changes in personnel and the intentions of staff need to be reflected in the workforce plan. Your evaluation of workforce initiatives forms the basis for adjustments or the development of initiatives.

It may also be necessary to redesign the workforce action plan in response to changes in the organisation’s goals and its environment.

It is important to remember that workforce planning does not need to be complicated but it does require thought and engagement with your staff. Many businesses, including your own, are probably already doing some workforce planning. Therefore the processes discussed in this section are more than likely an extension to your current activities.
2. Attract, Recruit and Select

Overview

Businesses compete for talented staff. Employers can make their business attractive to job seekers by having good recruitment plans, making new employees feel welcome, and by being clear about what is expected of employees.

This section of the guide will cover the following topics:

1. attracting employees
2. recruitment process
3. selection process.

Attract, recruit and select checklist. Refer to template 2.1 on the Your Workforce - a workforce planning guide for employers webpage.

If you want more help with attracting, recruiting or selecting employees you might consult recruitment agencies or job search agencies.
1. Attracting employees

It is important to look at what will attract job seekers to your workplace. Businesses need to be smart in presenting job opportunities, including offering good pay and other rewards that will meet the needs of those you wish to attract and retain.

Considering a diverse group of male and female employees from different generations (including mature-aged workers) and from different cultural and ethnic backgrounds will broaden your pool of potential recruits (refer to Section 5 – Retain and Support).

Studies indicate that the following factors, in order of importance to new recruits, are considered attractive (Hooper 2007):

- training and development opportunities
- remuneration and upfront salary advertising
- the promise of an enjoyable place to work (workplace culture and environment)
- flexible hours and working arrangements (work-life balance)
- straightforward application process.

Collection of benefits and your competitive advantage

It may help to develop a collection of benefits that will fit with the type of job on offer, your workplace and the type of rewards that your ideal employee may be seeking.

These factors are summarised in the following diagram, and in addition to the factors indicated above, include:

- location and job match to personal needs
- positive brand and business reputation in the community
- other benefits such as gym memberships, health insurance discounts and childcare assistance.

Also consider what your competitors are offering. Your business is more likely to attract the best and brightest if you offer a better or different collection of benefits from those of your competitors.
2. Attract, Recruit and Select

Reputation and employer branding

Brand: reputation and the image that people associate with the business; it tells people what the business stands for.

Employers compete for skilled employees. Your reputation and the image of your business can determine whether or not you will attract job seekers to come to work for you. What do people think of when they hear about your business? Is it considered a good business? Is your business known as a good place to work?

Positive employer branding attracts candidates

If your brand is well known and respected in the labour market, then you are more likely to attract more candidates for job vacancies. Just as you sell your business to your customers, you should also sell what you do and how you do it to potential employees.

A business with a positive employer brand will:

- attract more suitable candidates and therefore have the pick of the best candidates
- create a business identity that is seen and promoted by current employees, attracting like-minded job seekers to your business
- have the best employees and therefore be more competitive.

Reinforce your brand with your human resource management and business processes

In the same way that your employer brand is a reflection of the quality of your products or services, the processes that you adopt to recruit, select, induct, lead and manage your staff should reinforce your employer brand.

What tools can I use?

To develop a consistent approach to branding for potential employees, you can use the following tools:

- Clear and consistent policies and procedures – these ensure all employees know what they are supposed to do and how to go about it.
- Induction – conduct thorough inductions so that new employees understand what is expected of them (refer to Section 3 – Induct, Train and Develop).
- Training and professional development – in an environment where a skilled workforce makes the difference between a successful business and a mediocre one, ensure your employees are equipped to do the job for today as well as being able to meet the demands of your customers tomorrow (refer to Section 3 – Induct, Train and Develop).
- Leadership and management behaviour – if you want people to behave and work in a certain way, make sure this is supported and adopted by all managers and leaders in your business (refer to Section 6 – Lead and Communicate).

Above all, have a clear picture of how you want your business to be seen and deliver on your vision. Remember that word of mouth is the most powerful form of advertising and that extends to recruitment advertising as well.
2. Attract, Recruit and Select

Your business and its place in the community

People like to work for good employers. Acting in a socially responsible and ethical manner can generate profit, and win you points in becoming an employer of choice.

Job seekers are likely to be attracted to a business that has a respected place in the community and deals ethically with its staff, customers and the community. Furthermore, businesses that recognise and respond to social, cultural and environmental obligations are more sustainable.

Corporate social responsibility requires business and managers to behave ethically and strive to improve the quality of life for employees, their families, the local community and society in general.

Corporate social responsibility: the continuing voluntary commitment by businesses to establish and maintain the responsible management of environmental, social, economic and governance issues.

Ethics: the general term used to refer to both moral beliefs and ethical theory. At its heart is the notion of ‘doing what one ought to do’.

Even the smallest business can be a good corporate citizen by maintaining, for example, responsible management practices beyond minimum legislative requirements in regard to:

- Workplace Health and Safety
- health and wellbeing practices (encouraging walking at lunch time, where appropriate, or providing fruit)

- non-discriminatory policies in recruitment, selection and workplace practice
- sustainable development practices such as recycling, waste minimisation (power saving, carbon offset programs and car pooling)
- recognising family responsibilities and making appropriate allowances
- maintaining honest and transparent business practices with suppliers, employees and customers
- promoting and participating in community event days (such as the Cancer Council’s Daffodil Day)
- implementing corporate giving programs where donations are made through the business (money, unwanted items, mobile phones)
- encouraging volunteering among employees (some companies give employees time off to undertake community volunteering programs or to donate blood)
- ensuring that all marketing communication is ethical (honest, non-offensive and non-discriminatory).

While some businesses see these sorts of things as a cost, research suggests that customers are more likely to support businesses that openly support their community. It also creates a sense of community within the business – keeping your employees engaged and generating loyalty.

Ethics in business is high on the list of things that prospective employees are looking for in an employer. People like to work for decent employers. Acting in a socially responsible and ethical manner can generate profit, and win you points in becoming an employer of choice. It makes good sense to contribute to sustainable and supportive communities.
2. Attract, Recruit and Select

2. Recruitment process

Recruitment: the process of finding a number of candidates from which to choose a successful candidate.

There is a logical set of steps involved in the process of recruiting staff. Follow the flowchart included in the introduction to this guide to keep your process on track:

- Identify that there is a vacancy.
- Undertake a job analysis to make sure you know what skills, knowledge and abilities are needed as well as the type of employment to be offered.
- Make sure the job description and selection criteria are accurate and up-to-date and modify if required.
- Determine how you are going to assess each candidate’s suitability for the role. Will you interview? Will you apply a test?
- Devise your recruitment plan. How are you going to tell people about your vacancy and generate a pool of candidates to choose from? (For example, trade journals or websites.)
- Undertake a short listing process. Apply the selection criteria to eliminate applicants clearly not suitable or qualified for the role. Ensure your short listing process is fair and non-discriminatory.

There are useful tools that can be used to create a recruitment system. Once you have this system, review it occasionally to ensure that your business needs are still being met. To start, you can use the templates that accompany this section and modify them to suit your own business needs.

1. Job analysis

Job analysis: the study of the duties and responsibilities of a job.

Conducting a job analysis will help you to:

- identify how the job contributes to meeting your business goals/plans and what outcomes are needed to adequately meet those goals
- determine the actual tasks conducted by the employee and the tools used to do it effectively
- identify the skills, knowledge and attributes that are required to effectively perform the job and the conditions under which the employee will be employed
- determine the lines of reporting and levels of responsibility to other employees and/or departments
- identify new tasks or responsibilities that a new employee will need to undertake due to changed circumstances in the business, for example, ability to use a computerised payroll administration due to a change from a manual system.

Skills: the levels of proficiency required to perform a particular task.

Knowledge: the actual or procedural information necessary to successfully complete a task.

Attributes: the characteristics or traits of an individual that are expected to be effective for this role.

If you are filling an existing position, identify the tasks that the employee is doing that may not be in their job description. Employees often undertake tasks or responsibilities because it is convenient for them to do so like taking business
mail to the post box on their way home. If this discretionary effort is not built into the new job description, functions or tasks may be missed altogether, disrupting the way your business runs.

Encourage other employees and managers in your business to make suggestions about how the job should be structured. They may be able to suggest changes that improve effectiveness and efficiencies.

**Discretionary effort:** the contribution or effort that employers often seek from their employees over and above what is included in their job description.

What does the business need from the role?
The business may be experiencing rapid growth where, for example, the vacant payroll clerk position may instead become a personnel officer role to cope with both payroll and staffing issues. Therefore the previous payroll officer job description will not be suitable.

How do I define the new role?
Ask the employee to fill in a job analysis template. This template captures all the tasks that are undertaken. It also identifies the qualifications or training needed to do the job efficiently and effectively.

You can also ask employees who work with the person (in other departments, the supervisor, the frontline employees) if there are different or additional tasks that could be undertaken to increase the efficiency of the workplace as a whole.

I have the information, now what?
You are ready to prepare the job description and selection criteria.

2. Job description

**Job description:** a list of the tasks, duties and responsibilities of a job.

**One of the most important sets of documents that a business can have is a current and clearly expressed set of job descriptions.**

Now that you have undertaken the job analysis you can turn that information into the job or position description. One of the most important sets of documents that a business can have is a current and clearly expressed set of job descriptions.

Clear job descriptions will:

- allow employees to know exactly what is expected of them
- help identify training needs
- underpin ongoing performance management, and clarify obligations and responsibilities
- indicate working environments and locations
- identify qualifications or licences required for the role.

This is a key document as it enables you to write your job advertisement and compare job applicants against the skills, knowledge and attributes required for the job.

**Putting a job description together**

Most job descriptions have five parts:

- general information
- objectives
- task description, duties and responsibilities
- selection criteria
- organisational information such as company values, commitment to Equal Employment Opportunity (EEO) and Workplace Health and Safety (WHS) and the work environment.
2. Attract, Recruit and Select

It is important to remember that a job description is often the first place a job applicant will learn about your organisation. It therefore represents an opportunity to sell the job and your organisation.

General information to include
- job title, classification and/or description written in clear, straightforward language, for example, retail assistant grade 2, bakery manager, diesel mechanic
- award, contract or workplace agreement that the employee will be working under, for example, The Hometown Hotel Employment contract
- main location or worksite – if this may change from time to time, state this
- reporting responsibilities – to whom, for example, manager, supervisor, mentor
- staff management responsibilities and the reporting requirements.

The objectives of the job should be clear and concise and describe why the job exists. This statement should relate to the tasks to be performed to ensure that the objectives of the job are met. These should:
- include the task description, duties and responsibilities, or main body and should be as concise as possible, identifying no more than 10 tasks for example, cash reconciliation, ordering stock, managing payroll administration
- include a broad, open-ended statement to illustrate that it is not an exhaustive list of duties, for example, ‘other duties within the scope of this position may be required’.
- be expressed in a logical order with each task described in a short sentence or two explaining what is to be done, beginning each description with an action word such as manage or coordinate which allows employees to know what is required
- be accompanied, where possible, by appropriate measures including statements such as ‘coordinate stock control to ensure that weekly stock levels are adequate at all times’
- identify any specialist tools, software or machinery that might need to be used such as database software, welding machine, espresso coffee machine.

3. Selection criteria

When recruiting and selecting staff through a formal or informal process, it is absolutely critical to understand what you and the business need. This information is captured and illustrated in the selection criteria section of the job description.

After you have completed the job analysis and job description, the selection criteria connect the tasks to be undertaken with the skills, knowledge and attributes that a person in that job should have. It is sensible to combine the job description
and the selection criteria as one document.

The selection criteria will help you fairly distinguish between candidates during selection. The selection criteria lists both essential and desirable criteria. The essential criteria are the elements that the job absolutely requires such as certain skills, knowledge, attributes and qualifications or licences, for example, a trade certificate or a driver’s licence. Then there are the desirable criteria such as extra experience or qualifications over and above what is essential, for example, post trade qualifications or a heavy rigid driver’s licence.

Ideally anyone selected for the job should have all of the essential criteria. The desirable criteria help to distinguish between applicants who satisfy the essential criteria. If none of your job applicants meet the essential criteria, you should go back to the job description to see if you are being realistic. You may need to consider training applicants, training the staff you have, redesigning the job or engaging labour hire or recruitment companies to find the right employee.

Now that you have developed a description and selection criteria for the job, you will need to assess what type of employment will be required, for example, full-time, part-time or casual.

4. Selection methods

While the interview is by far the most common selection method, in isolation it can sometimes be insufficient or inappropriate.

In other sections we have talked about making sure you have adequate people management processes in place to attract and recruit candidates.

You can now determine the most appropriate selection method(s).

You need to determine your selection method prior to advertising your vacancy so applicants are aware of what information to include and in what form you require their application.

For example, if you were looking for a trainer, a good way of evaluating their skills would be to ask them to prepare and present a short training session. This could be done in conjunction with an interview to see if the person is suited to your business.

The following table details some common job candidate assessment methods for small to medium-sized businesses.

Reviewing the job description and selection criteria

The job description should be checked for accuracy from time to time, particularly when a vacancy becomes available. Job descriptions are often reviewed at the same time as performance appraisals (refer to Section 4 – Motivate, Manage and Reward Performance).

If the person in the role is still with you, consider asking them to help review the job description for the next person. They are the best source of current information on the job role.
# 2. Attract, Recruit and Select

<table>
<thead>
<tr>
<th>Method</th>
<th>How it works</th>
<th>Works best ...</th>
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<tbody>
<tr>
<td><strong>Written application:</strong></td>
<td>Gives you an understanding of what a person has done in the past in written form. Can be good if you need an in-depth look at what the candidate has done and if writing skill is important for the role, assuming the applicant wrote the application. Do not be tied to this method as it can be misleading and time consuming.</td>
<td>When you have time to read applications. When you need to compare a number of candidates. When you would like to keep details on file for next time. When there is a need to assess written communication for the job.</td>
</tr>
<tr>
<td>Informal chat:</td>
<td>Allows you to talk to the person to get to know them. Can be less daunting than formal methods. Not suitable when you need to compare multiple candidates. Can be an unreliable method. Not recommended unless part of a wider assessment process.</td>
<td>When recruiting for upper-level jobs. When used in conjunction with other methods such as a structured interview or practical demonstration. When you need to hire for skills other than practical competence such as management.</td>
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<tr>
<td><strong>Structured interview:</strong></td>
<td>An interview where the questions or areas for questioning are pre-determined in line with the selection criteria. The same questions are put to all candidates. Consider giving the questions to all candidates a short time prior to the interview. This type of interview is a more reliable way to rate and compare interviewees as they all have the opportunity to answer the same questions.</td>
<td>When you need to compare several candidates.</td>
</tr>
<tr>
<td>Work sample test:</td>
<td>This tests the ability of the applicant to do an actual task required for the job, for example, answering a phone, pouring a beer or changing a tyre. Work tests can be really useful if the job is task orientated and the candidate needs to have a certain level of proficiency from day one.</td>
<td>If you need to hire someone with certain skills. Can be used to determine how much training or support a candidate will need if selected. Best avoided where the job has other dimensions such as high-level decision making or managerial aspects.</td>
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<tr>
<td>Written test</td>
<td>Multiple choice, true or false, short answer.</td>
<td>Where you need to determine a level of knowledge or understanding of certain aspects of the job. Useful where a level of language and literacy is a prime concern. Be careful not to eliminate people for reasons not related to the job.</td>
</tr>
<tr>
<td>Method</td>
<td>How it works</td>
<td>Works best …</td>
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<tr>
<td>Presentation</td>
<td>Candidates prepare a presentation on a set topic for an interview panel.</td>
<td>When public speaking or presentations are part of the job, such as a salesperson or trainer.</td>
</tr>
<tr>
<td>Examples of previous work</td>
<td>If it is relevant to the position, an applicant may be asked to bring in a sample of their work.</td>
<td>Where practical skill needs to be demonstrated in a tangible format.</td>
</tr>
<tr>
<td></td>
<td>For example, graphic artists or photographers may provide a portfolio of work. Furniture makers may provide photos or actual pieces of work for consideration.</td>
<td></td>
</tr>
<tr>
<td>Reference check</td>
<td>Always conduct reference checks (verbal as well as written) and check qualifications to ensure authenticity. Preferably ask to see the original certificates.</td>
<td>When attempting to decide between closely rated candidates.</td>
</tr>
<tr>
<td></td>
<td>Ask for the names and numbers of people who will confirm the candidate’s claims.</td>
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<tr>
<td></td>
<td>Ask the referee for concrete evidence, not just opinions. Give an example of what the job entails and ask the referee to recall a time when the applicant undertook similar tasks.</td>
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<tr>
<td></td>
<td>Like any question asked of the candidate, questions to referees should relate only to the candidate’s ability to do the job. Do not ask personal questions.</td>
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</tbody>
</table>

If you choose to use the interview method you may like to consider two styles of questioning: behavioural-style and situational-style questions.
<table>
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<tr>
<th>Questioning to aid reliability of interviews</th>
<th>Works best …</th>
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<tr>
<td><strong>Behavioural-style questions</strong></td>
<td>Designed to give you examples of the candidate’s behaviour as opposed to just their knowledge or opinions. These questions allow you to describe situations, or the type of work involved in the job and allows candidates to provide examples of how they have approached similar situations or work. Example: ‘This job requires someone to prioritise varied tasks during the day. Tell me how you have managed competing priorities in your previous roles’. When you need to determine how the candidate may have behaved in the past and if that behaviour would suit your business.</td>
</tr>
<tr>
<td><strong>Situational-style questions</strong></td>
<td>A hypothetical situation based on challenging job-related occurrences is presented to the candidate and they are asked to describe how they would handle it. Examples: ‘Tell me how you would deal with an angry customer.’ ‘Describe how you might manage deliveries at peak delivery times.’ Where the applicant may not have enough work experience to be able to draw on past experiences, for example, school leavers or graduates. Also good for internal applicants applying for a job different from their current position.</td>
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</table>
5. Method of application

Before you advertise the vacancy, it is helpful to consider what you would like people to supply. You could choose one or more of the following:

- curriculum vitae (CV) or resume
- application letter
- statement addressing the selection criteria
- portfolio of work samples
- job application form.

In your advertisement you need to state how to apply and provide guidance on the amount of information (word limits or page limits).

6. The job application

Job application template. Refer to template 2.5 on the Your Workforce - a workforce planning guide for employers webpage.

Letter to applicant - acknowledgement of application letter. Refer to template 2.6 on the Your Workforce - a workforce planning guide for employers webpage.

It is useful to have an application form available for applicants to complete. You need to set this up before you place the job advertisement.

It is also a courtesy to acknowledge receipt of applications with a letter or email. Templates are provided to assist you with this.
7. Advertising the vacancy

Advertise a job template. Refer to template 2.7 on the Your Workforce - a workforce planning guide for employers webpage.

Keep in mind that the person you are looking for may already be working in your business. Training your own employees can be a good option, as sometimes it is easier to recruit from within. It sends a message to other staff that opportunities for promotion or multiskilling are available.

Finding the right employee depends a great deal on how and where the job is advertised. Businesses go to great lengths to make sure that their products and services are advertised well but job advertisements are often not thought through. Appealing to the best candidates is the first rule of successful recruitment advertising.

Just like any other advertising or promotion, you will want a return for your investment. It makes sense to put your advertisement to work where it will benefit you most. When choosing how to advertise ask yourself the following questions.

- Who am I appealing to — graduates, working mums, the unemployed, those already in work but willing to change, younger trainees or experienced operators?
- Where is my advertisement most likely to be seen by my target audience — newspapers, online, social media, trade journals, the back of the local bus, in the local shop? Consider approaching schools and universities for entry level employees.
- What will appeal to my ideal employee — flexible hours, training opportunities, work with a well-known business, career progression?
- What will the general public think of my advertisement? Is it consistent with my other marketing and branding?
- Will my advertisement grab attention or fade into the background? Will other advertisements stand out more than mine?
- How much will it cost? Will I get a return on my investment?
- How much time do I have to fill the vacancy? Do I have time to advertise or do I need someone quickly?

Where your advertisement is competing for attention, consider engaging a recruitment agency for more specialist roles.

Ask yourself: do you need to advertise at all? Do you know someone who knows someone who would be suitable? Also consider the relationship between advertising a position and advertising the business. A newly generated position indicates business growth, while frequently advertising the same position may indicate high staff turnover.

Some points to remember when advertising vacancies

There must be a bona fide vacancy to fill. If there is no real job do not advertise as if there were. There are some rules you should be aware of when advertising vacancies. They include the following:

- You must comply with legislation such as Equal Employment Opportunity (EEO) law. You cannot state that you want a person of a certain gender, age or race. For example, young fit male wanted for store work. If you need to employ a certain type of person for a specialist role, such as a female for sexual assault counselling, you should contact the Human Rights and Equal Opportunity Commission for advice on exemptions or the Northern Territory Anti-Discrimination Commission (www.adc.nt.gov.au).
- Your advertisement should be realistic and honest. Do not make promises that you will not keep as you will only waste your time, money and effort doing it again when the new person leaves. Also, this does nothing to enhance your employer brand and reputation.
- Ensure you identify a person potential applicants can contact for further information and where they are able to obtain a copy of the job description.
3. Selection process

Selection: the process of choosing the best candidate from all job candidates.

There are logical steps involved in selecting staff:

- Organise a date, place and time for the selection process and notify the candidates you wish to interview.
- Devise selection tools such as interview questions and forms to keep you on track.
- Organise other participants if you are using a panel interview process.
- Undertake a reference check of shortlisted candidates. Like the interview itself, it is worth having standard questions to ask the referee.

- Undertake the selection process ensuring it is fair and equitable for all candidates.
- Make your decision and notify the successful candidate. It pays to make sure the successful person accepts the job before notifying the unsuccessful candidates in case he or she declines the position.
- Advise unsuccessful applicants. Thank them for their interest and the effort they put in. Being polite and helpful in this way will show you care about your business’s image.
- Generate a formal offer of employment to the successful candidate outlining their working conditions.

Interviews: tips for better outcomes

Preparing for an interview checklist template. Refer to template 2.9 on the Your Workforce - a workforce planning guide for employers webpage.

Interview record form template. Refer to template 2.10 on the Your Workforce - a workforce planning guide for employers webpage.

Here are some things you can do to make your interviews more useful:

- Always devise interview questions that relate directly to the selection criteria.
- Write your questions down and try them out on your staff to ensure they are valid and unambiguous. Ensure the answers tell you what you need to know.
- Form an interview panel. Other people will be able to offer different perspectives. Consider asking the direct supervisor of the position or a team member.
- Choose a venue for the interview that is quiet and comfortable such as an office away from the hustle and bustle of the workplace and avoid creating intimidating seating arrangements.
- Allow enough time and do not rush. Interviews can take anywhere from 15 minutes to several hours. Let the applicant know how long it may take.
- Avoid interruptions. Take the phone off the hook and tell others you are not to be interrupted.
- Use a standard set of questions for each applicant. Structured interviews work best. This does not mean they have to be overly formal, just consistent for all applicants.
2. Attract, Recruit and Select

- Consider providing questions to all applicants prior to the interview, allowing them time to read the questions and make brief notes.

- Use a standard evaluation form based on the selection criteria. If you are interviewing more than one person, always take notes – no matter how good your memory is you might forget the details.

- Avoid making snap decisions based on irrelevant information such as where they went to school, where they last worked.

- Understand what it is you are looking for – stick to your selection criteria to avoid hiring for the wrong reasons.

- Let the applicant do most of the talking – the interview is an opportunity for them to provide evidence that they are most suitable for the job.

- Ask open questions that demand more than a ‘yes’ or ‘no’ answer. Use questions that begin with doing words like ‘describe’, ‘explain’, ‘how did you…’, ‘why would you…’, ‘when have you…’, ‘what would you do…’, ‘tell me about a time…’.

- Whilst being careful with your questions, do not avoid asking for information that is relevant to the role and should be explored. eg: ‘the role is part time; how many hours are you expecting to work? Our business operates through weekends and some public holidays. These hours are shared equally among the team. Are you willing to work on an equitable roster for all hours?’

- It can be beneficial to maintain a list of standard questions for each job role and have an independent person review them before you start the interviews to ensure they are current and valid.

- Maintain appropriate eye contact and body language.

- Paint an honest picture of the conditions on offer and the expectations of the role.

- Give the applicant the opportunity to ask you questions about the job at the end of the interview.

**Things to avoid at interview**

*Having well-constructed position descriptions and selection criteria will assist you to make an objective decision and give some back-up if asked to defend an accusation of discrimination should one occur.*

The decision to hire someone must be based solely on their ability to do the job. There are some questions you must not ask during a selection process. Usually you will not need to know whether a person is thinking of getting married and having children or whether they follow a certain religion, for example.

Ensure all questions are related to the requirements of the job. It is not acceptable to make inquiries about matters that do not relate to the role, even if you think you are ‘making them feel at ease’ eg: “tell me about yourself” or “what do you like to do when not at work”. Responses to these questions may lead to an inappropriate decision about their suitability for employment with your business.

A candidate should not be asked about any of the following things and must not be discriminated against on these grounds:

- race or ethnic origin
- criminal record unless a police check is a requirement of the position
- marital status
- gender
- age
- pregnancy
- disability when unrelated to the ability to do the job
- sexual preference
- union membership.
This list is not exhaustive so be aware of indirect as well as direct discrimination. That is, even though you did not ask about certain things directly, you may still be discriminating by making an issue of something else.

For example, ‘We do not hire people over size XX’ is blatantly discriminatory against people. An example of indirect discrimination is saying, ‘The successful candidate will be provided with a uniform that is a size XX. Will that fit you?’

If you are unsure of how to handle a particular situation contact the Human Rights and Equal Opportunity Commission, or the Northern Territory Anti-Discrimination Commission for assistance or visit www.adc.nt.gov.au

### Appointing the successful applicant

A letter of appointment or employee contract will make the offer of appointment official. Appointing the successful applicant includes the following steps:

- producing and sending the employee contract or appointment letter and undertaking other administration to formalise the appointment
- if a probation or qualifying period applies, it should be stated in writing at contract of employment. Otherwise it may not be enforceable.
- preparing for the arrival of the new employee
- arranging and conducting an induction
- scheduling time for an initial feedback session.

There is more information on what you should do for new employees in Section 3 – Induct, Train and Develop.
3. Induct, Train and Develop
3. Induct, Train and Develop

Overview

All employees will benefit from being properly introduced to the business and from training and development. If employees see that you are investing in their skill development they will feel valued and you will be helping them to work more effectively to ensure your business goals are met.

Employees are usually introduced to a business through an induction program. After induction it is important to address their training needs, which may vary from case to case. Employees generally will be attracted to, and feel a desire to stay in, a workplace where there are opportunities for further skill development.

This section of the guide covers the following topics:

1. employer obligations
2. induction
3. identifying training needs
4. employee development.

**Induct, Train and Develop checklist.** Refer to template 3.1 on the Your Workforce - a workforce planning guide for employers webpage.

If you would like help with training and developing your staff, you can consult your Industry Training Advisory Council. Refer to the Department of Business website for a list of Training Advisory Bodies.

3. Induct, Train and Develop

1. Employer Obligations

As an employer you will need to understand your obligations under both Federal and Northern Territory legislation that cover matters such as:

- terms and conditions of employment, including modern awards and enterprise bargaining agreements
- workplace health and safety
- managing performance and warnings
- workers compensation
- bullying and harassment
- termination of employment


2. Induction

**Induction**: the process of introducing new employees to the business, the working environment, management and other employees.

**Induction Checklist**. Refer to template 3.2 on the Your Workforce - a workforce planning guide for employers webpage.

**Best practice tips - Conducting the employee induction template**. Refer to template 3.3 on the Your Workforce - a workforce planning guide for employers webpage.

*Induction, also known as orientation, is simply the process of making new staff familiar with the workplace, other staff and management and the business processes.*

This is an important step in recruiting new staff, as it has been found that new employees decide within the first few days whether their decision to accept the job was a good one.

Although an induction process is generally intended for new employees, it also gives existing employees the information they need when moving into another position or area within your business.

**Why should I provide an induction?**

There are two key benefits your organisation will gain from good induction processes:

- reduction in staff turnover – reducing the likelihood that new staff will leave your business shortly after commencing employment
- increased productivity – a proper induction will allow new employees to be productive more quickly.

Welcoming the new person to your business and making them feel comfortable in their new workplace reduces their anxiety about starting work somewhere new. A new employee may be wondering:

- Will I be accepted and liked?
- Will I be able to do the work well?
- What happens if I make a mistake?
- Where will I park?
- What is the dress code? What if I overdress/underdress?

Helping new staff understand how things are done in your workplace will let them know what is expected of them in terms of behaviour (turning up on time), values (honesty and integrity) and attitudes (helpful and friendly).

Induction allows you to explain exactly what you want, what you do not want and what will happen if expectations are not met. This is the first step in performance management. Induction also provides an opportunity for the employee to ask questions, seek assistance and in some cases even provide suggestions that may improve the processes associated with the new role.
3. Induct, Train and Develop

A good induction process helps you to ensure that you live up to the promises you made when recruiting and selecting new employees. If you do not honour your commitments it is highly likely that you may have to recruit again. Employees will leave if they feel unwelcome, inadequately supported or not properly informed about their responsibilities and obligations.

Aside from how new employees may feel, if not properly inducted:

- The employee may be unable to provide adequate service to customers, resulting in customers taking their business elsewhere.
- Your business may lose its competitive advantage. It is possible that an ‘early leaver’ may go directly to your competitor, perhaps taking valuable information with them.
- Your personal and business reputation may be negatively affected when the employee talks about his or her experience to friends and family.

**Duty of care:** each person has a duty to ensure their action, or failure to take action, does not harm others. It is part of the Workplace Health and Safety responsibilities and obligations for employers and employees.

As an employer your duty of care extends to ensuring that all your employees are:

- aware of any risks to their health and safety and of the procedures that ensure they do not suffer injury or illness while at work
- protected, and that instructions and relevant protective equipment are provided and used as prescribed.

The new person at the workplace is most at risk of being injured, primarily due to a lack of experience. Make sure that you or responsible staff members provide proper training and supervise the new employee until you are confident that they are competent enough to be left unattended or unsupervised. Do not assume that they have experience or are familiar with safety procedures even if they have worked in similar jobs or workplaces – they must understand their obligations in your workplace.

It is your responsibility to ensure that they are safe in the workplace.

To access further information on workplace safety it is recommended that you contact NT Worksafe (www.worksafe.nt.gov.au).

**What do I include in the induction?**

All inductions should involve the following elements:

- exchange of information, such as taxation, superannuation and payroll details
- a tour of the workplace including amenities, emergency exits, other departments, staff entrances and exits
- an introduction to other employees and managers – a welcome morning tea or similar can be a quick and friendly way to introduce people and inform the new employee of what role others play in the organisation
- an introduction to the organisation’s mission, vision and value statements
- general workplace information such as:
  - work times
  - shift information
  - meal breaks
  - recording procedures for the hours worked
  - processes for notification of absences such as sick leave
  - reiteration of workplace agreement, contract or award conditions (as applicable)
  - social activities such as social club, regular social functions.
3. Induct, Train and Develop

- confirmation of legal entitlement to work in Australia (applicable for NT employers with a reliance on seasonal or travelling workers).

- an introduction to policy and procedures, which should cover the following at a minimum:
  - Workplace Health and Safety (WHS), and rehabilitation policies and procedures. Minimum OHS information should cover identifying hazards in the workplace, for example, vehicles in loading bays, working at height, working with chemicals or biological hazards and machinery; the use of any personal protective equipment such as hard hats, eye protection and gloves and how to access first aid assistance
  - employee code of conduct including your policies on harassment, drug and alcohol use
  - your service standards
  - emergency evacuation procedures
  - performance management processes
  - grievance policies.

Policy documents template. Refer to template 3.4 on the Your Workforce - a workforce planning guide for employers webpage.

- Policy documents help to prevent misunderstandings within a business. While you don’t have to regulate everything your employees do, it is useful to have policies that describe any topics that may be complicated or cause confusion.

- Policy documents should be kept as simple as possible, while describing all the things you want your employees to know and do. They should be included in the business’ employee handbook or with the induction materials.

How long should it take?

A thorough induction may take anywhere from several hours to several days. You can spread the induction over a couple of days or weeks if there is no risk to the person in regard to occupational hazards. This allows the employee to gradually learn all that they need while becoming familiar with the new work environment.

Induction is not considered complete until the new employee has sufficient information to be productive to an acceptable level. It may be useful to think in terms of what information is required in the first day, first week and first month.

There are a number of tips listed below that will assist you in designing a good induction for your business.

Anticipate arrival

Imagine how you would feel if you arrived on the first day of a new job only to find no one knew that you were coming.

A well-prepared reception will create a positive impression of the organisation from the beginning.

To make new employees feel welcome:

- let other staff know who the new person is and tell them a little about their background
- if required have a uniform ready or a fitting scheduled for the first day so the new employee can fit in as soon as possible
- arrange a workspace — a clean, organised work area will allow the new staff member to feel they have their own space, not leftovers from someone else — or worse, have nowhere to work
- create an email address, print business cards and have workplace communication directories updated
- arrange for a locker or other personal amenities where applicable
- arrange a time for you or a staff member to greet them upon arrival and to show them to their workspace.
3. Induct, Train and Develop

Informal follow-up
Set a time for informal meetings with the new employee. These allow you to ensure that their introduction to the workplace has been successful. Also you can fill in any gaps that have been missed or answer any questions.

The buddy system
Assigning an existing employee to show the new employee the ropes will give them a sense of security in their new environment. This buddy should be able to answer questions, make introductions, conduct tours and generally help to ease the newly appointed employee into the workplace.

Probationary meetings
A common practice is for probationary meetings at the completion of the first, second and third months. These should be documented and placed on the employee’s file. These allow managers to communicate expectations up front and can protect each party should something go wrong in the future. These meetings also provide an opportunity to give feedback to new employees on their performance, to provide information and address any relevant training needs.

Evaluation
The induction program should be evaluated routinely to ensure it is keeping up with workplace practices and policies and the needs of staff. Asking employees who have recently completed an induction if it gave them all the information they would have liked is a good start.

Induction needs of different groups

We know that customers have their own needs and we modify our products or services to meet those needs. The same should apply to our employees.

New employees come from all walks of life and may have differing needs when it comes to feeling comfortable in the workplace during those first few months. The particular needs of certain groups of employees are discussed below.

School leavers
School leavers typically have limited work experience and tend to be unfamiliar with the demands and habits of a workplace. They may need more support, greater detail regarding their responsibilities and obligations and may need a greater level of supervision for the first few months. It may also be the first time they have worked according to particular policies and procedures and they may need to pay particular attention to the relevance of these in the workplace.

Graduates
Graduates include university graduates and those graduating from higher education institutions. Graduates are likely to be enthusiastic about entering the workforce and eager to apply their theoretical knowledge in a practical manner. To take advantage of this enthusiasm, explain how the theory may be applied to practice.

You may find it best to involve graduates in projects where their expertise can be used and where they can feel they have made a contribution to your business. Encouraging them to share their up-to-date theories and strategies...
3. Induct, Train and Develop

will make the graduate feel like a valued member of your business. Much like school leavers this group may need additional support, particularly if they have had limited work experience.

Career changers and mature-aged workers
This group may have substantial work experience so their induction should focus on filling their skill and knowledge gaps. Being over-supervised may have a detrimental effect on members of this group. The induction period can be a good time for you to identify skills and information this person has that can help your business to become more productive and competitive.

Employees with a disability or cultural difference
Australian state and territory government legislation prohibits discrimination against people with disabilities, ethnic or social minorities, people with caring responsibilities, and those from a non-English speaking background.

Reasonable adjustments may need to be made to accommodate newly employed people from these groups. Think ahead about any modifications to the physical environment, rosters, work practices and processes that may be necessary. For example, can the office accommodate wheelchairs? Can the phone system accommodate aids to hearing? Does the roster need to be more flexible for those with caring responsibilities? Is there a quiet place for people who need time for prayer?

It is important that these types of things are considered before the new employee starts work. The Australian Employers Network on Disability has useful resources to assist employers to prepare for workers with a disability (www.and.org.au).

The National Disability Co-ordination Officer Program offers assistance to employers seeking to offer training to their workers with disabilities (education.gov.au/national-disability-coordination-officer-programme)

Existing employees in new roles
Existing employees commencing new roles are often forgotten when it comes to induction.

An induction for an existing employee can be a valuable process and will increase the likelihood of this person feeling comfortable in his or her new role. This is particularly true for employees moving to new areas of your business and those who have been promoted.

3. Identifying a training need

Rarely does someone walk into a job with all the skills, knowledge and attributes required to undertake their work efficiently and effectively from day one.

There will almost always be a requirement for some form of skill or knowledge development. For example, different businesses use different software applications, machinery, customer service processes and trade related practices.

Training: the process of gaining skills (competencies) and knowledge to perform an activity. Training may be conducted on the job or off the job and is generally focussed on what is needed to get the job done.

Individual Development Plan

Individual Development Plan: the process of identifying what training might be required to bridge the gap between an employee’s actual skill level and desired level.

You will need to determine what training employees need, particularly new employees, to ensure that they are able to complete the work you need them to do. The technical term for this is training needs analysis. This can be applied across your business, from individual staff members to whole departments, and can include the entire business.
3. Induct, Train and Develop

Once the Individual Development Plan has been completed, retain it in the employee’s personal file so it can be reviewed at formal performance evaluations.

Training should be considered an investment in your business. Training delivered to address skill development needs will result in staff being able to efficiently and effectively do their work and this in turn will result in increased productivity, enthusiastic staff, higher morale, increased profit and positive business reputation.

Often, training and development needs are not properly determined, which results in irrelevant training being delivered, or the wrong delivery method being used and consequently the need is not satisfied. To ensure your training investment is properly targeted consider these questions:

- How does each staff member contribute to your business? What do you want them to achieve? For example, how does the receptionist contribute to achieving your goals and what do you want him or her to achieve?
- Does each staff member have the skills and knowledge to do what you need them to do? If not have you identified what skills or knowledge need to be gained?

It should be noted that a lack of skill or knowledge may not be the reason employees cannot do what you expect. In fact the problems may be related to interpersonal issues or staff not having the right tools (physical tools to do the job, or processes and procedures to guide their performance), or the expectations of management may be unrealistic.

Before embarking on any training program make sure you have investigated the real and underlying reasons your goals are not being achieved and why the work is not being done in the way you expect. Workforce planning can assist you to determine whether training is required. Refer to Section 1 – Workforce Planning.

If you think training is the answer to your problem, you may like to consider the following to determine who should deliver the training, how it will be delivered, who should be involved and how it can be funded:

- Can the skill or knowledge gap be addressed by mentoring or buddying with other staff members?
- Is there anyone within my business who could deliver a formal training session?
- Are there others who would benefit from the same training, skill development or professional development?
- Can we start a group learning program and therefore save money?
- Do I need to engage an external provider? Can they deliver in the workplace or will staff need to go off site? (Refer to Using a Registered Training Organisation in this section.)
- Is the training accredited or non-accredited? Is this important?
- Is there financial assistance available from the Territory or Australian government for training staff? (Refer to Using a Registered Training Organisation in this section.)

While exploring the questions above it is also important to think about how you will manage workloads to enable employees to participate in training while limiting the impact on your business. A team training plan will help to keep track of the training that your employees are undertaking.
3. Induct, Train and Develop

Growing your own talent

Developing your existing staff is a great alternative to recruiting new staff. Businesses – especially small businesses – often overlook the advantages of developing their employees’ skills.

Consider these advantages:

- Skills and knowledge are developed when you need them and can be taught and assessed in the workplace.
- Businesses can tailor the learning of individuals to meet the needs of the business – now and into the future.
- Learning can occur over a period of time so that skills are developed and used to coincide with the business’s needs and cycles.
- Training or professional development is seen favourably by employees. Creating a potential career path assists in retaining valuable employees.
- Training providers are keen to form partnerships with businesses in order to customise vocational education and learning programs.
- Financial assistance may be available to help you to take on a trainee or apprentice as well as for upskilling existing employees.

Understanding the Australian training system

Australia’s national training system aims to ensure consistency in training outcomes across the states and territories. For example, an apprentice in Northern Territory should be assessed to a similar set of performance standards and undertake similar units as an apprentice in South Australia. The exception to this is the licensing arrangements in each state or territory.

There are some things you may not know about the Australian training system:

- Businesses can choose who delivers their training from a range of public and private providers who are registered to provide nationally accredited training.
- Traineeships and apprenticeships are not only available for new or young employees. Existing employees at any age can be signed on to a training contract. There are financial incentives to train older employees. Contact your local Australian Apprenticeships Centre to find out the details (www.australianapprenticeships.gov.au)

How is the current system different from in the past?

The Australian training system is based on the concept of competence. That is, a person is issued with a qualification based on what they can do, not on the time they have spent in training. Competence is assessed against a set of performance standards that are described in industry training packages. Industry training packages exist for most occupations in Australia and are written in consultation with relevant industry bodies.

These packages are designed to cover a collection of job related tasks that, bundled together, create a qualification. Qualifications range from Certificate I (usually at a prevocational or early entry level) through to Advanced Diploma, which is often pitched at a managerial level. The following table explains the levels of qualification.
3. Induct, Train and Develop

<table>
<thead>
<tr>
<th>Qualification level</th>
<th>Indicative workplace level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate I</td>
<td>Prevocational, fundamental training for work.</td>
</tr>
<tr>
<td>Certificate II</td>
<td>Entry level, skills for undertaking supervised work.</td>
</tr>
<tr>
<td>Certificate III</td>
<td>More skilled, able to work with limited supervision.</td>
</tr>
<tr>
<td>Certificate IV</td>
<td>Supervisory level, able to work with some supervision and may supervise others within a limited workplace scope. Allows for entry to a specialised field.</td>
</tr>
<tr>
<td>Diploma</td>
<td>Able to take responsibility for self and others with minimal supervision. Able to make workplace decisions within a defined workplace scope. Para professional or Associate entry level.</td>
</tr>
<tr>
<td>Advanced Diploma</td>
<td>Managerial level. Able to take responsibility for self and others with no supervision.</td>
</tr>
</tbody>
</table>

Note: This table should only be used as a guide. Due to variations between occupations, you should speak with your local Industry Training Advisory Council to determine the likely workplace capability of individuals with qualifications in your industry.

Recognition of current competencies

The Australian training system also enables people without qualifications to have their experience and skills in chosen fields recognised. This means that existing employees can gain qualifications based on what they have learned over the course of their career or through life skills. This is known as recognition of current competency or recognition of prior learning and illustrates the philosophy that it does not matter how individuals come to learn something; it is what they can do that is important. For existing employees this can generate considerable confidence to go on to gain higher-level qualifications and develop new skills for use in the workplace.

Nationally recognised training

Nationally recognised training, or accredited training: training which has met nationally agreed standards and is part of the national training system delivered and certified by registered training providers. Training needs to be nationally recognised to attract Australian Government incentives.

Non-accredited training: training outside the national system. This training may not be recognised by other training providers or in any other jurisdiction.

Nationally recognised training can also be funded by government through training incentives. Non-accredited training does not usually attract government funding.
3. Induct, Train and Develop

Who delivers nationally recognised training?
The national training system includes training organisations that are registered with their Australian Skills Quality Authority to deliver and assess nationally recognised training. These organisations are called Registered Training Organisations and consist of public, private and not-for-profit providers. They are audited to ensure they are adequately equipped to provide the nationally recognised training.

How do I know if a potential employee is suitably qualified?
All certification should be accompanied by a list of units that the individual has completed. The list of units will assist you to understand what skills and knowledge the qualification is made up of. You can contact the training provider to find out about the units identified on the certification.

What if the individual cannot do what I want them to do?
Evidence of competency is collected in many different ways and there may be some differences between your expectations of the employee and how he or she will approach a task.

For example, someone may come to you with a Certificate III in Hospitality (Operations). Training may have been undertaken on the job in an establishment that is different from your own.

Although your new employee may need assistance to work in the manner you want them to, they should still have an understanding, for example, of the principles of food service.

Check that the units of training the person has been certified for are closely matched with the work you have engaged them to do. All new employees will need time to settle in and find out how you want things done. However, if you are really concerned about the level of skill or knowledge that the person exhibits, contact their training organisation and find out what training they undertook. It may be that they were taught different skills from the ones you want.

Assistance with training options and funding
Australian Apprenticeships Centres (AACs) operate around Australia and will assist businesses with the administration involved in funding for apprentices or trainees. Consider contacting the Department of Business for advice or assistance that will suit your industry and business needs www.dob.nt.gov.au
Using a Registered Training Organisation

Registered Training Organisation (RTO): a training and assessment provider recognised by the national regulator. RTOs are regulated by national standards against which they are audited regularly. RTOs can deliver nationally recognised training and issue Statements of Attainment and qualifications that are recognised within the national system.

RTOs are the only training providers able to issue nationally recognised qualifications and statements of attainment.

Contact several RTOs and ask them about their services. The RTO you choose should be able to answer the following questions to your satisfaction:

- What qualification should my staff member aim to achieve?
- How much of the training, if any, can be conducted in the workplace, online or by assessment? How much time will they need to spend off the job?
- How much time will the trainer and assessor spend in my workplace?
- How will I know what to teach and how much support will I get?
- Are the people delivering the training and assessment experienced in my industry or type of business operation?
- What if I cannot properly provide training in my workplace?
- Who do I contact if I am dissatisfied with the progress of the training or standard of service provided?
- How much will the training and assessment cost? Remember that the cheapest option may not always be the best.

Choose a training organisation that understands your business and can deliver the training your people need.

Getting the most out of your RTO

If you are not happy with your RTO, or the training assessment conducted, contact the RTO directly and try to resolve the problem.

If you are not happy with your apprentice or trainee training, contact the AAC(NT). Explain your complaint or issue and they will investigate. In some circumstances you can elect to change your RTO but you must arrange this through the AAC(NT).

www.australianapprenticeshipsnt.com.au
4. Employee development

Employee development: the acquisition of knowledge, skills and behaviours that improve an employee’s capability to meet changes in job requirements and in client and customer demands.

The holistic growth of employees is beneficial to the business as well as the employee. Employee development includes skill development and career planning.

Skill development

Skill development: the acquisition of skills to improve the individual capability and proficiency an individual has to perform a particular task.

The best way to proceed with skill development is through the performance management process. Performance management allows you to:

- Assess the individual’s strengths and weaknesses – this may give you both an understanding of where their talents are best used and where future development or training may be of assistance.
- Determine how strengths can best be used in the workplace and plan for movement into other roles when appropriate.
- Develop a plan so that the business and the individual can track how much time will be spent in each job role in order to develop well-rounded skills, knowledge and abilities for future career movements. For example, movement from accounts, to distribution, to sales, to management and so on may provide well-rounded skills for the individual and an advantage to the business through multiskilling an employee.
- Identify if and when the individual will need to continue with formal study in order to progress.
- Develop a fair and equitable means of allowing time for study/training and decide how it will be funded. Some businesses make contributions to formal professional development or allow time off for study.

Career planning

Career planning: the process employees undertake to plan their future employment. Plans will usually include information about the kind of employers they would like to work for, the jobs that they would like to do and skills required.

A mutual approach to career planning can benefit both parties. Productivity can be improved by providing satisfying and fulfilling work for employees. Multiskilled employees provide a broader base of skills on which to draw therefore reducing the reliance on recruiting from outside to fill vacancies or temporary absences of other staff.

Many workers are driven by the desire for a career, not just a job. Working with employees to achieve their career goals will enhance your reputation as an employer of choice which will help foster a positive employer brand and attract job seekers when external recruitment is required.

Career planning improves employee morale and can encourage teamwork. Career planning can also be managed through the performance management process, which allows you to:

- set some career goals and develop a career plan for the individual
- determine how the career plan will be evaluated to ensure that the individual is developing the right skills for the career they want to pursue.

For more information on performance management, see Section 4 – Motivate, Manage and Reward Performance.
3. Induct, Train and Develop
4. Motivate, Manage and Reward Performance

Overview

Research has shown that a business’s ongoing success depends to a large extent on having highly-motivated employees who are productive and creative. So it is important to understand the link between motivation and performance and discover what motivates your employees. Equally important is how you manage employees performance and reward them, not just in terms of salary, for example, through recognition and other incentives. Highly-motivated employees are likely to go that extra distance for you. But offering relevant incentives is not quite enough; you also should monitor the effectiveness of the incentives.

This section of the guide will cover the following topics:

1. motivating employees
2. managing performance
3. rewarding performance.

Motivate, manage and reward checklist. Refer to template 4.1 on the Your Workforce - a workforce planning guide for employers webpage.
1. Motivating employees

**Work motivation**: the stimulation of behaviours required to achieve and maintain business goals.

An individual’s motivation will affect their attitude and commitment and will be influenced by their supervisors and other individuals. While it is obvious that employees are motivated by tangible rewards such as remuneration and promotion, we know that they also are motivated by other more intangible factors such as contributing to a common good, a moral obligation to their colleagues and mentoring or giving back. We also know that not all employees are motivated by the same things.

One of the most important tasks a manager or leader has is to create an environment that allows all employees to do their best, to achieve agreed outcomes and to feel valued. There are many good business reasons to do this.

**What are the benefits of highly motivated staff?**

Research has shown that employees who are highly motivated are likely to:

- have fewer absences from work
- deliver higher levels of performance
- work harder when workplace demands are high
- be loyal to their organisation resulting in a reduction in staff turnover and deliver higher levels of customer service resulting in greater customer retention.

Given these benefits, it is clear that highly motivated employees are likely to have a positive impact on your bottom line.

**Motivational drivers**

*Treating every employee the same is not only impossible, it’s de-motivating.*

We are all motivated by different things. It is important for you to understand what motivates each of your employees so that you can develop, increase or maintain their motivation.

There are a number of theories that explain how people are motivated and the relationship between motivation and performance. David McClelland (discussed in Robbins et al. 2000) has researched this relationship and isolated three social motives. His ‘Three Needs Theory’ suggests that people are essentially motivated by a mix of the following factors:

- **Achievement** – getting a sense of doing a job well and being recognised for it.
- **Power** – having some control over one’s own actions and perhaps the actions and outputs of others. Influence such as this can be formal, as a recognised supervisor or manager, or informal, being known as the company expert on a particular software package or having the keys to the stationery cupboard.
- **Affiliation** – feeling part of a team and having some social connection to colleagues. Social clubs, sporting teams and company dinners are common ways to generate this sense of belonging in a workplace.

Researchers have found that while some things will motivate a person to a certain point, other things are needed to create continual effort by staff. For example, when people receive their pay they do not suddenly work harder. This is because pay is an expected result of their effort. So too, things like Christmas bonuses often fail to generate better work performance because they are expected. Creating a work environment that includes a range of motivators is more likely to result in improved and sustained performance.

Here are some examples:

- opportunities for job enjoyment or sense of achievement through completing a task in a particular time or to a particular standard
- autonomy by giving individuals freedom to work in their own way
- opportunities for promotion/progression
- status or power, which can be represented in a job title
- responsibility by allowing people to work without unnecessary supervision or checking
- affiliation by fostering the building of relationships with colleagues and customers
- recognition of employees’ performance and contribution
- money or material goods – unexpected, small rewards offered frequently are often more effective than one-off big rewards that may become expected such as the Christmas party
- flexible work arrangements that allow employees to accommodate other personal interests and needs
- personal and professional growth through training and professional development
- participating in a cause or purpose external to the business.

**Strategies for motivating employees**

Well-motivated employees are more likely to remain with your business resulting in lower turnover and reducing the likelihood that they will leave to work for a competitor.

These strategies may motivate your employees to contribute to your business’s overall performance:

- Ask employees what they want. As a leader and manager you should try to understand what makes every staff member behave the way they do. Knowing what makes them tick will give you an understanding of how to keep them motivated.
- Focus on job enrichment. When you make employees’ jobs more challenging and interesting they often find it more enjoyable. Provide them with challenges that match their skills, provide opportunities for them to excel and you are likely to see long-term improvements in their attitude and performance.
- Provide opportunities for advancement. Many employees are motivated by opportunities for individual growth through additional responsibilities or new jobs.
- If you cannot give your staff promotions think about horizontal moves. Often people like to do a different job to build their skills and knowledge; this will renew interest in their work.
- Respect your employees and get to know them well. Take the time to learn what interests them and what is important in their lives.
- Recognise employees’ efforts and achievements and reward performance. Take the time to personally thank employees for doing something well. Public recognition can also be a motivator. Mention effort or achievement in team meetings, in newsletters and on the intranet. This is an effective way of guiding and reinforcing desired performance.
4. Motivate, Manage and Reward Performance

- Create opportunities for social interaction. For example, encourage workplace sport or trivia teams. Some employees want to socialise with their colleagues and develop a sense of belonging, which can build commitment to both their colleagues and the business. Social interaction should not be a forced activity as some social activities may conflict with personal beliefs (activities on weekends or prayer days, activities where alcohol may be available).

Understanding what motivates particular employees can help them to take ownership of a job and make it more challenging. Well-motivated employees are more likely to remain with your business resulting in lower turnover and reducing the likelihood that they will leave to work for a competitor.

Ways to motivate and reward employees template. Refer to template 4.2 on the Your Workforce - a workforce planning guide for employers webpage.
2. Performance management

Performance management includes a formal appraisal of an employee’s performance and other actions such as follow-up or feedback, ongoing reviews, rewards and ongoing professional development or training. It should be linked to other human resources management processes such as work standards, benchmarks and business goals.

Why undertake performance management?

There are a number of great reasons to review employees’ performance:

- Staff will more clearly understand how their work aligns with the overall business goals – what part they play in achieving these goals, what they should be doing and how they should be doing it. Employees are generally more productive, more enthusiastic and more committed when they know how they contribute to the business.

- Under-performance and its reasons, either work-related or personal, can be identified early, discussed and resolved before bigger problems arise.

- Potential skills gaps and appropriate training and skill development can be identified.

- Employees’ career pathways can be defined more easily.

- Succession planning opportunities can be identified.

- Employees welcome constructive feedback – a pat on the back for a job well done can increase productivity and commitment.

- A structured, regular performance appraisal or review creates an opportunity for staff to raise issues and concerns and express their opinions about their work.

- Managers and employees can discuss what it is that they enjoy about their work and what motivates them – for example, achievement, advancement, responsibility, new challenges, learning or financial rewards.

- Absenteeism is likely to be reduced as a performance review process establishes regular communication and feedback with staff.

Managing performance is a good way to check that employees have the right skills, attitude and knowledge that are necessary to achieve your business objectives. Performance management is most effective when managers and employees work together to identify where training or development is required and where tasks might need to be changed.

Performance management procedure

Here are some basic steps you can follow to manage employees’ performance:

- Reach agreement with each employee on what you expect them to contribute and document this agreement.

- Inform employees what the business goals are and how they will contribute to them. For example, with client satisfaction measures or weekly sales targets.

- Decide what you want to measure, for example, the number of sales made by each individual and each team.

- Decide how to measure it, for example, by tracking the number of sales every day, week or month.

- Give feedback to individuals and teams so they know how they are going. For example, put up a graph to show how many sales each team has made in a certain period, say ‘well done’ when you are talking to them and recognise good performers.
Set up regular performance appraisal appointments to discuss each employee’s progress. Compare this against their job description and goals.

- When you conduct performance appraisals with individual employees, it is imperative to have a form to record their progress along with their goals for the future. That way you can track their progress from one appraisal meeting to the next. You can modify the job performance appraisal template below.

**Job performance appraisal template.** Refer to template 4.3 on the Your Workforce - a workforce planning guide for employers webpage.

- Set employees’ goals for the coming year and work out if they will need extra training or support. Using the SMART principle (Specific, Measurable, Attainable, Realistic and Time-based) keeps goals realistic and valid. Ask if their work is satisfying and rewarding, what aspects they like or dislike and seek their suggestions for improvements or requests for professional development. Record this information so progress can be measured at the next appraisal.

- Regularly measure the business’s progress against the business goals and let everyone know how things are going.

- Repeat this process regularly, modifying the goals as your business changes.

**Some tips on managing performance**

Performance management will be most successful when you:

- have realistic goals and expectations
- allow time in everyone’s work schedule for regular performance management tasks including performance appraisals
- commit to the process so that managers and staff see it as important rather than allowing everyday pressures to get in the way
- follow up issues that arise during performance management discussions otherwise employees will be disappointed and in the future will not genuinely participate
- ensure that you offer praise as well as identify areas that need improvement otherwise staff may fear the review and think of it as a time when they will be criticised rather than supported.

**Discussions on performance issues should not come as a surprise during a formal performance appraisal. Performance issues should be dealt when they occur and not left until appraisal time.**

**Identify what you want employees to achieve in the future**

You can use information from past performance to identify what you want for the future. Know what it is you want. Is it better productivity or efficiency? What are the specifics? Better customer service or higher return custom? Have you considered smarter and more efficient ways of doing business? Whatever it is make sure employees know what they need to do specifically to achieve your business goals and plans. If your employees do not have a clear picture of what they are working towards and how they need to work differently they will continue to do what they’ve always done.
What do you want to measure and how?
It is commonly stated that what gets measured gets managed so it is important to consider ways to quantify and measure performance. Make sure your measurement tools do measure what you aim to measure. For instance measuring revenue per employee is not a sufficient measure when you also want to know whether your customers are satisfied with the service they receive.

Job descriptions are a good start for deciding what to measure. If constructed well they will give you and each staff member a clear guide of what they are required to do.

Think about the following quantitative measures:

- Productivity may be measured by output over a certain period.
- Customer response times may be measured using a time log.
- Sales volume and profit may be measured monetarily.

Qualitative standards may include factors such as customer satisfaction levels which may be measured by customer surveys or repeat visitation rates.

Individual or team goals?
Some performance is based on teamwork. If this is the case measures should be team based. The performance of the team should be rewarded or corrected. Congratulating or correcting an individual for team responsibilities is neither fair nor productive.

When and how often will you talk with staff about performance?
Performance management is an ongoing process. In principle it should never have a definitive beginning or end point. Managers engage in performance management every day in some form, from encouraging staff who work well and have put in extra effort during the shift, day or project, to assisting an employee who is under-performing. This is known as feedback and is most effective when it is timely and specific. The formal appraisal or review should be supported by ongoing informal feedback processes. If you are new to performance appraisals you could choose a structured approach of every six or 12 months. The performance appraisal process should be undertaken for every employee and not just those who are not performing.

How will you follow up on the outcome of discussions?
Decide on how you will follow up on the performance appraisal. Clearly identify and seek the employee’s agreement or confirmation of the matters to be followed up and make sure this is done. An excellent way to do this is to prepare a plan that lists what is to be done, by whom, and when. A plan is included in the job performance appraisal template.

The plan can be a useful reference for the next performance discussion. It provides a record for managers, including new manager, and employees to help them quickly identify what has been done and what an individual is striving to achieve.

How will you know this process is working?
Ask employees if this process helps them to clearly understand what you want them to achieve and how. If your performance targets are not being met or you are not seeing the results you expected you may need to review what is being done and question whether you are measuring the right things or rewarding the right behaviour. Make the necessary changes but do not abandon the process. It will take some time to achieve the benefits you expect.
4. Motivate, Manage and Reward Performance

How will you sell the benefits of performance management to your employees?
Depending on your employees' past experiences, performance management may be seen as a covert or under-handed way of finding reasons to fire someone. Be open and clear about why you want to introduce performance reviews and seek employee input. Let them know that the performance management process establishes the links between the business goals and the employees' contribution. Another approach could be to explain that performance management is about looking and moving forward and learning from the past. It should not concentrate on the past. It is therefore important that employees contribute to their performance management through training and professional development. A program that has employee buy-in is more likely to be supported.

Formal methods of performance management
If you want to take your performance management to the next level there are many methods you can use. Some can be purchased as off-the-shelf software programs. Larger businesses might find some of these methods useful; however, they can involve lots of administration and might be too complex for small business requirements.

Managing under-performance
There will be times when an employee's work is not satisfactory. While discussing this may be unpleasant, if the poor or unsatisfactory performance is to be remedied good discussion is crucial. There are a number of steps that may help you manage under-performance:

- Act promptly. Do not let poor or unsatisfactory performance continue without comment as it will be more difficult to resolve if left unchecked. Unless told otherwise employees will assume their performance is at the level expected. Also, if the incident is not dealt with, it may set a precedent for other employees.
- Arrange a private meeting to discuss under-performance with an employee.
- Give the employee an opportunity to explain the reasons for the behaviour. Under-performance may be due to lack of information and skill, job related issues or personal circumstances. Problematic personal circumstances may be more appropriately dealt with by someone with appropriate skills or through an Employee Assistance Program (refer to Section 5 – Retain and Support).
- Tell the employee what is unsatisfactory and ensure that he or she understands the difference between what they are doing and what you want done. Check that they understand, for example, relevant instructions, processes or policy, and performance targets, job descriptions and budgets. Ensure that the employee is given ample time to respond and ensure it is a two-way conversation.
- Agree on how the unsatisfactory performance will be resolved including deciding on how the employee will develop the skills to do the job to the standard you expect.
- Make a time for review to ensure that both parties are happy with the outcome.
- Ensure at the review that the employee knows whether he or she is now performing to the required standard or still has some work to do.
- Always follow up and give positive feedback when the employee is working as you wish. Managing under-performance should be seen as an opportunity for continuous improvement by the employee. It should be undertaken in a positive manner, which will have greater impact on the employee.
If performance does not improve you may need to follow this process several times, ensuring you continue to allow the employee to identify the reasons for under-performance and to suggest ways of improving performance. You need to consider what action will be taken if the employee’s performance remains unsatisfactory and inform the employee of these possible consequences, for example, demotion, transfer, more training or dismissal.

**Procedural fairness in performance management:** all possible and appropriate opportunities have been given to allow the individual to access a fair and reasonable process to become aware of and adhere to the standards of performance required by the business.

This process is appropriate for simple unsatisfactory performance issues. A number of other performance issues are dealt with in the following section.

### Managing conflict and disputes

We want to create workplaces where different ideas and different (and presumably better) ways of doing things are expressed. While this might result in healthy debate, effectively managing this process will prevent damaging conflict.

Conflict can occur between individuals, departments or even in one’s own mind when, for example, family and work demands may clash. Much conflict occurs because we fail to deal with a problem when it arises. But not all conflict is negative. There are two types of conflict: functional and dysfunctional.

<table>
<thead>
<tr>
<th>Characteristics of functional conflict</th>
<th>Characteristics of dysfunctional conflict</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drives innovation and improvement by challenging the status quo</td>
<td>Is ignored or not dealt with quickly and becomes damaging</td>
</tr>
<tr>
<td>Is accepted and dealt with by people involved</td>
<td>Is used to keep employees in a particular frame of mind – for example, being suspicious of others or keeping resources to themselves</td>
</tr>
<tr>
<td>Creates learning, leading to better workplace behaviour</td>
<td>No one takes responsibility for resolving issues</td>
</tr>
<tr>
<td>Creates an environment where disagreements are seen as normal</td>
<td>Often leads to higher staff turnover and poor workplace relations</td>
</tr>
<tr>
<td>Keeps businesses fresh because people care enough to fight for what they see as the right thing</td>
<td>Means of managing complaints and grievances are poorly defined and implemented</td>
</tr>
<tr>
<td>People feel free to make their ideas known and bring their opinions to the table without fear of ridicule</td>
<td>Fosters a culture of blame and punishment</td>
</tr>
<tr>
<td>People own up to their mistakes</td>
<td>The organisation or its departments are divided and do not communicate properly</td>
</tr>
</tbody>
</table>
4. Motivate, Manage and Reward Performance

A certain level of functional conflict is good for an organisation as it maintains innovation and encourages continuous improvement in workplace practices. However, where dysfunctional conflict exists managers should exercise their conflict resolution practices as soon as possible. Dysfunctional conflict may adversely affect productivity and the general feeling of wellbeing in a work environment. Conflict and disputes may arise from:

- change in the workplace
- personal or cultural differences (refer to Section 5 – Retain and Support)
- insufficient resources or competition for available resources
- stress
- ineffective communication
- workplace structure
- inconsistent goals/instructions.

Some useful techniques on how to approach conflict resolution:

- Listen to both sides of the argument and ensure you thoroughly understand the issues. Seek agreement of the parties to disregard the incidental and focus on the cause of the problem.
- Avoid hiding behind policies (ensure policies reflect reasonable expectations), pulling rank and personal attacks.
- Try to have the conflicting parties agree on some point and find some common ground.
- Stick to the facts. Do not become party to the argument or accusations.
- Bring an element of calm by assuming the role of mediator.
- Sort out the easy issues first. Gaining agreement on something is encouraging.
- Keep early discussions informal and get both parties to recognise the value of the workplace relationship.
- Be creative in how you approach the resolution. The first solution may not always be the best or most appropriate.
- Aim for a genuine, mutually agreed outcome — try to create a win/win situation.
- Use arbitration as a last resort.

Developing good conflict management and resolution skills can save your business a lot of angst, lost productivity, poor performance and interpersonal grief. It makes good business sense to foster functional conflict (competition) and resolve conflict that takes the focus of employees away from working effectively and efficiently in your business.

Managing employees out of the business

Dismissing employees because of under-performance, lack of work or change in business circumstances such as redundancy or downsizing is a difficult and complex process. Getting it wrong can be costly and damaging to your business.

Employers have particular legal obligations to satisfy in these circumstances. These obligations may vary according to each individual case so it is wise to get advice from your business or legal adviser or your industry association prior to making any decisions or taking any action regarding redundancy or terminating your employee’s employment.

For more information, refer to the Fair Work Ombudsman website www.fairwork.gov.au
4. Motivate, Manage and Reward Performance

**Employee exit – when people move on**

**Employee exit checklist template.** Refer to template 4.5 on the Your Workforce - a workforce planning guide for employers webpage.

**Exit interviews with departing employees are one way of capturing information that ordinarily may not be available to you.**

When an employee leaves your business it is useful to have a process to follow. You might write a list of tasks like the ones provided in the Employee exit checklist and include these in your business processes.

While an employee’s unplanned departure may be disruptive, particularly for a smaller business, it is also an opportunity to obtain information which may be beneficial to the business.

**Employee exit interview template.** Refer to template 4.6 on the Your Workforce - a workforce planning guide for employers webpage.

Exit interviews with departing employees are one way of capturing information that ordinarily may not be available to you. Knowing the reasons for someone leaving may allow you to make changes in the workplace so that others do not leave for the same reasons. Exit interviews may reveal things such as:

- Working conditions need to be improved.
- The actual job or work involved needs to be redesigned.
- Interpersonal relationships need to be managed better, for example, between individual employees or management.
- Recruitment, selection and induction processes are flawed or give applicants a distorted view of the job or organisation. For example, you did not live up to your promise made at interview.
- Training and professional development opportunities are inadequate and need to be reviewed.
- The management behaviour is not consistent with the organisation’s values and needs to be reviewed.
- The job aspects the employee enjoyed the most and the least.
- The level of team or organisational morale.
- Resources of time, tools or funds are inadequate for expected performance or service levels.

The exit interview should be undertaken like any other interview. Find a quiet, comfortable place where you will not be disturbed. Exit interviews are often conducted by a third party, which can allow for a free discussion.

Questions should not be presented like an interrogation, but rather as a means of eliciting information that may be useful to the organisation. Ask questions that allow employees to give as much information as they wish. For example, ask why they are leaving and what would persuade them to stay. If they are going to another employer ask what attracted them to the new position. This may give you an idea of what benefits or rewards other businesses are offering and may help you to retain other employees.

Sometimes people will not want to provide this information or may tell you what they think you want to hear. This can be frustrating but giving departing employees the opportunity to have a say is very important. After all they may be persuaded to come back at a later time, perhaps bringing with them new skills and ideas that may add value to your business.

**Consider business security**

The exit process should also be managed from a security point of view. Consider what needs to be
returned or terminated, for example:

- name badges and identification devices
- keys or pass cards
- portable file storage devices (USB drivers) and other electronic access devices
- work tools and privilege cards such as petrol card or company credit card
- uniforms
- passwords and email accounts.

When an employee is leaving request the return of such things sensitively, so you do not convey disrespect or distrust. Also, remind departing employees of any confidentiality clauses that may have been an original part of the contract of employment.

Working out a period of notice is often required. However, where employees have access to commercial-in-confidence information or material you may need to consider forgoing the notice period. This is especially relevant if the individual is moving on to another business that may be a competitor.

Note: there are rules covering the circumstances in which employees leave without serving their period of notice. Check the relevant industrial agreement or award and seek advice from your legal or business adviser.

Finally, it is important to ensure the exit process is as positive as possible, remembering that former staff will talk about your organisation to family and friends.
4. Motivate, Manage and Reward Performance

3. Rewarding performance

Reward and recognition strategies affect employee attitudes and behaviour.

It is as important to reward good performance as it is to motivate and monitor performance. Reward strategies determine the level and mix of financial and non-financial rewards required to attract, retain and encourage individuals with the skills, abilities and competence necessary to make your business successful.

As outlined in the section on attracting employees in Section 2 – Attract, Recruit and Select, it helps to consider the collection of benefits that employees may be looking for. While many of these benefits may be financial, including competitive pay and options for salary sacrificing, there are many non-financial benefits you can provide. The motivational drivers section shows there are a number of factors that may motivate your employees. As a manager you need to understand that what motivates you may not be the same thing that motivates your employees.

Financial rewards

Remuneration

Remuneration: money paid for services or work done.

Having appropriate remuneration or pay structures is important to better attract and retain employees and to ensure equity in your workplace.

There are a number of factors to consider in developing pay levels:

- Employer-driven (or product-market) competition – this places an upper boundary on what employers are willing to pay.
- Employee-driven (or labour-market) competition – this places a lower boundary for which employees will be willing to work.
- Deciding what to pay – as an employer you still have discretion regarding the actual amount paid over and above legislated minimums as stated in workplace awards and agreements. Pay grades or scales provide salary ranges for particular job classifications. Employers can choose to offer a salary within the range at a higher or lower level based on skills and experience.

- Market pay surveys – these represent a form of benchmarking where a business compares its own practices against those of the competition.
- Developing a job structure – based on the principles of job analysis and evaluation, it is useful to develop a job structure so that the relative worth of various jobs in the business can be compared.

Levels of pay are likely to differ in relation to geographic regions. It is important when establishing or revising pay structures to encourage employees to participate and communicate their requirements and knowledge of the wages within the industry.

Legal requirements relating to wages and employment conditions

Federal and Territory laws specify minimum wages and conditions of employment. Minimum wages are set by the Australian Government’s Fair Work Commission (www.fwc.gov.au).

Options for pay structure

There are a number of options for structuring your employees’ pay:

- Job-based pay structure – this method sets a rate of pay which relates to the job. The particular role and responsibilities of a job attract a particular rate of pay and all employees undertaking that job will receive the same rate of pay.
- Person-based pay structure – where an employee has particular skills or knowledge the pay structure may be based on the value of their knowledge and skills and not necessarily on the tasks that he or she will be undertaking. Pay rates may be subject to negotiation between the employer and the employee.
- Performance-based pay structure – these include merit-based profit sharing and
4. Motivate, Manage and Reward Performance

Group-based profit sharing. Employees may be remunerated depending upon their own or their team’s performance against set criteria or goals. For example, where sales exceed a predetermined threshold, the employer may pay bonuses or above agreed rates.

Alternatively, individuals may be paid on a commission, or production basis. Some employers might share the overall profit with their workforce. Profit sharing allows money to be paid through bonuses, or for public companies via shares.

Remuneration and fringe benefits (including salary sacrificing)

Packaging a total remuneration arrangement can be beneficial to both employees and employers. Packaging can include options such as fringe benefits and salary sacrificing.

A fringe benefit is a payment to an employee, but in a different form from salary or wages. According to the fringe benefits tax (FBT) legislation, a fringe benefit is a benefit provided in respect of employment. This effectively means a benefit provided to somebody because they are an employee. The term fringe benefit has broad meanings for FBT purposes. For example, a fringe benefit may be provided when an employer:

- allows an employee to use a work car for private purposes
- gives an employee a cheap loan
- pays an employee’s gym membership
- provides entertainment by way of free tickets to concerts
- reimburses an expense incurred by an employee, such as school fees
- gives benefits under a salary sacrifice arrangement with an employee.

Salary sacrificing is where part of an individual’s salary or wage is forgone in return for other compensation. Instead of paying cash the employer might provide benefits such as:

- extra superannuation payments
- car fringe benefits
- expense payment fringe benefits, such as school fees, childcare costs or loan repayments.

Whatever benefits are provided, they represent the same cost to the employer as wages or salary. While this means of remunerating is becoming increasingly popular and can have a range of advantages (especially in terms of motivation and retention of employees) it may not be simple.

It is important to check what your business might be able to provide in terms of salary sacrificing options. You should always get advice from your financial adviser or accountant before entering into any arrangement as there may be tax implications for the employer and the employee. For more information on salary sacrificing and fringe benefits contact the Australian Taxation Office (www.ato.gov.au).

Non-financial rewards and recognition

Non-financial rewards may include recognition, higher status, positive feedback, more responsibility and greater participation. Recognition is an important non-financial reward which is particularly valued by some employees. Having efforts noticed and valued can be a great motivator and encourage employees to stay with an employer.
4. Motivate, Manage and Reward Performance

Other rewards

Other rewards should not be seen as a substitute for a good pay scheme. They can, however, motivate employees and encourage them to stay with your organisation.

Other types of rewards include:

- extra leave
- Christmas or birthday gifts
- work-life balance benefits such as flexible working hours
- subsidised staff canteens and free tea and coffee
- cinema tickets, subsidised gym or sporting facilities membership
- training addressing personal development rather than simply the skills needed for the job
- gifts for work well done
- subsidised goods or services in relation to suppliers or business networks.

These benefits are valued by employees because they:

- enhance the quality of working life
- reward their efforts and make them feel valued
- add value to the employment contract.

Just remember there may be tax implications associated with some of these benefits for you and your employee, so check with your accountant.

See Section 5 – Retain and Support for ideas on benefits and non-financial incentives that will improve your employees’ work-life balance.
5. Retain and Support

Overview

Businesses often experience strong competition for talent in the workforce. While it is tough to find the best employees for your business, it can be even tougher to keep them interested so they do not seek opportunities elsewhere.

The reason most frequently given by employees for leaving their jobs is that they are disconnected or disengaged from their bosses or work.


Skilled workers simply will not continue to work for a bad boss or in poor conditions.

To retain employees you need to know what is important to them and keep them connected to their work. Connected or engaged employees will be more dedicated and committed to the business.

This section of the guide will cover the following topics:

1. retaining employees
2. supporting employees.

Retain and support checklist.
Refer to template 5.1 on the Your Workforce - a workforce planning guide for employers webpage.
1. Retaining employees

Retaining skilled employees is a significant issue for a business because a high turnover rate results in a loss of knowledge and skills and can be very expensive.

The cost of losing an employee includes aspects of lost productivity and recruitment effort; you will already have made a significant investment (both time and money) in attracting, recruiting, selecting, inducting, training, developing, mentoring, monitoring and rewarding these employees.

Factors that affect employee retention

Why employees stay
Understanding why employees choose to stay in your business may help you reduce the likelihood of valuable employees leaving. Often the reasons employees remain are the same reasons that first attracted them to your business (refer Section 2 – Attract, Recruit and Select).

Some of the factors that influence people to stay in a business are:

- the work itself – being engaged in the work
- good leadership
- relationships with immediate supervisors
- recognition
- pay.

The following diagram provides further detail of the various factors that may affect employee retention.

(Source: Food, Tourism and Hospitality Industry Skills Advisory Council 2006)
5. Retain and Support

Why employees leave

Do employees regularly leave your business? Do you know why they leave?

The following factors may influence an employee’s decision to leave her or his job (from Hooper 2007):

- poor management
- unsatisfactory pay
- issues with immediate supervisors (personality differences)
- limited work-life balance.

It may be useful to calculate the rate of employee turnover in your business and compare this with the average in your industry sector. Is your rate of turnover greater or less than the industry average?

**Workforce turnover**: the measure of people leaving the workplace in a certain period (usually on an annual basis). Turnover can be voluntary or involuntary, but all people leaving the workplace contribute to a total turnover measure. It is usually reported in percentage terms.

**Cost of Turnover calculator**. Refer to template 5.2 on the Your Workforce - a workforce planning guide for employers webpage.

Employee engagement

Engaged employees are more creative and enthusiastic, display more initiative when dealing with customers and other key people, are absent less often and are less likely to leave the business.

Employees are more likely to stay with their employer if they have high levels of commitment to, and engagement with, their work and their employer. Connected employees will also be more open to communicating with supervisors when they become dissatisfied or disgruntled. Open communication can lead to rectifying a difficult situation and hopefully retaining the employee.

Hewitt Associates’ Best Employers website (www.bestemployerstudy.com) identifies three key behaviours of a highly engaged workforce:

1. **Stay**: employees have an intense desire to be a member of the organisation.
2. **Say**: employees constantly speak positively about the organisation to colleagues, potential employees, and most critically, customers (existing and potential).
3. **Strive**: employees exert extra effort and engage in work that contributes to business success.

High levels of employee engagement correspond with high levels of productivity and customer satisfaction, and low employee turnover.

The Gallup Organisation (www.gallup.com) also measures employee engagement and suggests that there are three types of employees (including managers and executives):

1. **Engaged**: employees who work with passion and feel a profound connection to their organisation – they drive innovation and move the organisation forward.
2. **Not engaged**: employees who attend and participate at work but who are timeserving and who put no passion or energy into their work.
3. Actively disengaged: employees who are unhappy at work and who act out their unhappiness at work. These employees undermine the work of their engaged colleagues on a daily basis.

Many businesses try to achieve higher levels of employee engagement through effective communication, encouraging contribution and recognising performance.

Employer of choice

Research shows that employers of choice:

- attract the talent they need and retain key people for the long term
- benefit from higher productivity, innovation and profitability
- receive more qualified job applicants for advertised positions
- experience lower levels of staff turnover and absenteeism
- enjoy higher levels of customer satisfaction and customer loyalty.

Employers of choice attract and retain skilled staff because they create truly engaging workplaces that support employees to perform at their best. These organisations:

- encourage new ideas and open communication
- acknowledge and reward employees’ contributions and provide regular, constructive feedback
- facilitate opportunities for development, learning and career growth
- value fun, flexibility and fairness
- support work-life balance and social responsibility.

Employer of choice initiatives do not need to be complicated or expensive, but they do need to be actively supported by senior management and directed to address the organisation’s specific attraction and retention issues.

It is also important to engage staff in developing initiatives to improve attraction and retention. Examples of these initiatives include:

- flexible work arrangements such as work off-site, varied hours and salary sacrifice for additional leave
- practices that support families to balance work and caring responsibilities, such as additional parental leave, childcare or other subsidies, support for carers and employees who become seriously ill including extended unpaid leave
- support for employees to learn new skills, pursue personal and professional development or study
- providing a forum for staff to contribute new ideas and develop innovation in the workplace
- providing high quality performance development, leadership opportunities, coaching and mentoring
- employee assistance, workplace diversity, wellness and health programs
- support for employee transport such as car pooling
- support for employees participating in local community and volunteering activities
- celebrations and recognition of organisational and personal achievements
- alumni network to keep in touch with former staff
- assistance for employees to transition to their next workplace.
5. Retain and Support

As job seekers look for work they may consider an organisation’s reputation, leadership style, work environment, support structures and facilities, how employee effort is valued and rewarded, and the opportunities for progression. Because employers of choice are offering much of what is sought and valued by employees they attract more job applications and have lower turnover rates than other businesses, including their competitors.

Flexible work arrangements

Flexible work arrangements: a system where employees can adapt their work arrangements and work schedule to suit their personal requirements.

One of the most common reasons employees leave is because the job stops them from achieving a satisfactory work-life balance. Flexible work arrangements allow employees to better balance both their work and personal interests and responsibilities. You might consider what flexibility you could offer to satisfy your employees’ needs.

Consider this example: a grandfather who loves his job but also wants to be involved in his grandchildren’s music education arranges his working hours so he can take his grandchildren to music classes on Friday mornings.

The benefits for employers who offer flexible workplace arrangements include:

- attracting talented staff
- improved employee retention and reduced associated recruitment costs
- increased loyalty from employees
- improved productivity
- improved client service
- increased trust and loyalty between the business and employees
- flexibility for a business to operate over a longer spread of hours and thus provide a better service to customers
- potential to vary staffing levels to allow appropriate levels during busy and quiet periods, which is particularly relevant to businesses with seasonal variations
- keeping knowledge in the workplace rather than losing it upon the sudden retirement of an employee
- providing efficient use of workplace infrastructure by using machinery and other equipment for longer periods, thus increasing productivity.

The benefits for employees include:

- improved motivation
- increased job satisfaction
- reduced stress levels
- improved work-life balance
- increased flexibility to undertake personal responsibilities or activities
- increased trust between manager and employee.

How to implement flexible work arrangements

Businesses often assume that only particular patterns of work are appropriate for their operations.

Both the business’s operational requirements and the preferences of the employees can often be satisfied. Flexible work arrangements may include:

- part-time work and/or job sharing (such as splitting one full-time job into two part-time jobs)
- paid parental leave
- flexible working hours including variable start and finish times, condensed working weeks and flexible days of work
- additional annual leave – some organisations have formal arrangements that allow employees to reduce their normal pay to purchase an additional equivalent amount of annual leave
5. Retain and Support

- rostered days off such as working hours over nine days instead of ten
- working from home
- flexible work time where the specified hours are worked over an agreed period
- allowing time off in lieu of time worked over the required hours for a designated time frame
- study leave for training and professional development
- leave-without-pay provisions
- child-care provisions – for example, subsidising child-care costs and/or providing emergency child-care rooms in the workplace
- phased retirement for those wishing to remain at work but not wanting to work full time.

Job sharing and working from home are two flexible options explained in more detail here.

Job sharing
Job sharing is a voluntary arrangement in which one full-time job is shared between two or more employees, each working part-time on a permanent basis. Like part-time work, job sharing is a practical way to attract and retain experienced and skilled employees who do not wish, or who are unable, to work full-time. A job-share arrangement has many of the benefits of part-time work, as well as bringing a wider range of skills to one position and providing opportunities for job sharers to learn from each other and receive mutual support and encouragement to perform their job well.

When implementing job sharing you will need to:
- determine the new work schedules
- calculate job-share wages and entitlements
- modify the contract of employment or letter of engagement.

Working from home
Home-based work arrangements enable employees to work from home for all or part of their working hours on an ad hoc, temporary or permanent basis. It is important to bring those who work from home together with colleagues on a regular basis. Contact with the employer can be maintained by telephone or electronically and by regular face-to-face meetings at the workplace.

There are a number of issues to address when implementing working from home:
- home-based Workplace Health and Safety issues
- access to appropriate technology and security issues
- supervising a home-based employee
- provisions such as the part-year employment or purchased leave and family, carer’s or bereavement leave.

Consider if employees who may work from home have the required infrastructure. It is also important to consider workers compensation and your duty of care if an employee will be working from home.
5. Retain and Support

2. Supporting employees

A diverse workforce

_In a competitive labour market it is sensible to broaden the scope of who is considered a suitable employee._

As a manager, it is important that you recognise and appreciate the diversity of your workforce and manage differences to the benefit of individual employees and your business.

Just as our population is diverse, so are our workplaces. Our workplaces comprise employees from different ethnic, religious, family and educational backgrounds and of different age, gender and levels of disability.

The case to value diversity in the workplace is compelling; customers and potential customers come from diverse backgrounds too. Having a diverse workforce allows particular employees to deliver services to particular customers. For example, older customers may prefer to be served by employees of a similar age group. More and more businesses operate in the global marketplace and they find it beneficial to have employees with knowledge of different cultures and languages.

Often, the young, people with a disability or mature-aged job seekers – who may not initially have been considered suitable – are capable, willing and well suited to perform the work.

The following sections describe some of the aspects of diversity.

Ethnic and cultural diversity

Australia has one of the most diverse populations in the world. Our workplaces reflect this, and include employees from many different cultures and ethnic backgrounds. Employees with different ethnic and cultural experiences bring different ideas and different ways of thinking and doing things to the workplace. This variety of new ideas, different ways of resolving problems and of working with colleagues is beneficial to a business.

Employers have responsibilities and obligations under Equal Employment Opportunity (EEO) and anti-discrimination laws to make reasonable and adequate allowances for staff with religious or cultural responsibilities, such as prayer or attending special events.

Generational differences

Individuals from different generations often have different motivations, expectations and aspirations. Employers who understand and respond to these motivations and expectations are more likely to retain valued employees.

Recently it has become popular to categorise people according to their generation and, while it is dangerous to generalise, categorising employees in this way can help us to understand why people behave in different ways. Your workplace may have employees from the following generations:

- **Veterans** - born before or during the Second World War
- **Baby Boomers** - born 1946–1964
- **Generation X** - born 1965–1979

Please note that the years indicated are arbitrary and many different definitions exist.
The table below outlines what each generation expects from their workplace. Note that these categories are stereotypes and individual employees will have different expectations regardless of their generation.

<table>
<thead>
<tr>
<th>Baby boomers</th>
<th>Generation X</th>
<th>Generation Y</th>
<th>Generation Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well defined power differential for leaders</td>
<td>Effective leadership</td>
<td>Inspiring leadership</td>
<td>Self directed</td>
</tr>
<tr>
<td>No-nonsense feedback</td>
<td>Regular honest feedback and coaching</td>
<td>A supportive environment that encourages new ideas and provides regular, constructive feedback</td>
<td>All access, flexible, constant feedback required</td>
</tr>
<tr>
<td>Managers who will take their suggestions on board</td>
<td>Managers who live up to advocated values</td>
<td>Mentoring</td>
<td>Instant responders</td>
</tr>
<tr>
<td>Stable work</td>
<td>Challenging work but with no expectation or need for a job for life with one organisation</td>
<td>An environment that respects skills, creativity and entrepreneurial flair but with no expectation or need for a job for life with one organisation</td>
<td>Multitasking, tend to plan a career path</td>
</tr>
<tr>
<td>Opportunities to have their knowledge and experience valued</td>
<td>Opportunities to learn new skills</td>
<td>Access to the most up-to-date technology and training</td>
<td>Never knew life without connectivity</td>
</tr>
<tr>
<td>Work-life balance</td>
<td>Work-life balance</td>
<td>Life-work balance</td>
<td>Lines blurred</td>
</tr>
</tbody>
</table>

It is also important to recognise stage-of-life differences, as employees’ expectations are influenced by their circumstances. For example, single employees have different needs and expectations from employees with dependent children.

Of course, different people are motivated by different things regardless of age (refer to Section 4 – Motivate, Manage and Reward Performance). There is no substitute for really knowing your staff and what in particular explains their interest in and enthusiasm for their work.

Mothers returning to work

Employers should consider encouraging mothers to return to work after maternity leave. Assisting mothers to return to work is an effective way of retaining knowledge and skill; however, some workplaces fail to make the appropriate provisions.

You can make some simple modifications to cater for the needs of working mothers such as providing a private place for them to breastfeed, allowing flexible work arrangements to accommodate childcare responsibilities, offering to pay for child care as part of their salary package (refer to Section 4 – Motivate, Manage and Reward Performance for the taxation implications of salary packaging) and allowing personal or sick leave to care for sick children.
5. Retain and Support

Consider appointing workplace buddies while mothers are away from work. These people keep your absent worker informed of what’s going on in the workplace while on maternity leave.

You should check if there are legal provisions relating to the return to work after parental or maternity leave with Fair Work Australia or your relevant industry association.

Mature-age workers

Mature-age workers are often overlooked when recruiting and selecting new employees. However, there are fewer young entrants to the labour force these days and businesses will find it necessary to broaden their views about who is a potential employee. Research suggests that mature-age workers should be considered for the following reasons:

- life and work experience
- strong work ethic
- higher than average commitment to their workplaces
- lower absenteeism
- reliability and stability
- they are not necessarily looking for career progression, which can be good for workplaces that offer limited promotional opportunity.

As the population ages, so do customers. Some of your customers might be happier dealing with staff members closer to their own age.


Phased retirement

*Over the next decade we will see more people leave the workforce than enter it.*

Therefore it is smart to keep employees who want to keep working beyond the traditional retirement age. Phased retirement allows employees to phase their exit from work by moving to a part-time or casual arrangement, job-sharing, taking on mentoring or training roles, moving to a lower level position or by working from home.

The benefits of retaining mature-aged employees past normal retirement age include:

- the opportunity to capture and transmit valuable corporate knowledge before the employee leaves completely
- training and skills development opportunities for those taking the retiree’s place
- retiring employees’ skills can be called upon to see the business through particular peak periods, thus avoiding the need to hire new people
- the retiree does not face an abrupt end to his or her working life
- the retiree maintains a sense of belonging to the organisation and may act as an advocate for your business to potential staff and customers.
Health and wellbeing

Promoting health and wellbeing in the workplace can lead to enhanced job satisfaction and productivity. It may also reduce staff-related costs including those associated with absenteeism and staff turnover.

A workplace health and wellbeing program refers to activities or initiatives undertaken within the workplace that are designed to impact positively on workers’ general health and wellbeing. Programs will often differ from business to business in terms of cost, size and the range of initiatives offered.

Employers can successfully develop and implement health and wellbeing programs in the workplace by:

- displaying leadership and commitment to employee welfare
- involving employees in the development of programs and ensuring that they relate to workforce needs
- considering a broad range of initiatives, ranging from simple to more complex, depending on their relevance to the workplace.

Some initiatives you can adopt

Initiatives do not have to be complex. There are a number of simple initiatives you can adopt, such as:

- providing adequate filtered water in the workplace and having your air-conditioning and heating systems checked and maintained on a regular basis
- increasing the nutritional quality of food available in the workplace (canteen, vending machines)
- empowering employees to build physical activity into their working day, for example, provide facilities such as showers, change rooms and bike racks and encourage the use of stairs
- providing incentives such as membership discounts for fitness centres and involvement in team sports, noting that many health and fitness centres offer corporate rates
- making working hours more flexible.
5. Retain and Support

Employee assistance programs

An employee who has problems at home or at work is not likely to be very productive or committed.

Employee assistance programs (EAPs) provide a professional and confidential counselling service to help resolve problems that may affect an employee’s wellbeing. Counselling can help with problems like work pressure or stress, health, marital relationship, family, financial, substance abuse or emotional concerns.

Employers may engage an external EAP provider on a retainer basis where the provider is paid for services on an annual basis and provides services as and when required or they can be engaged for specific reasons such as to deal with the result of a traumatic workplace event like armed robbery.

The EAP can include individual or group sessions, depending on the circumstances, and may provide services to deal with the following:

- interpersonal conflict
- change management
- redundancy and downsizing
- workplace restructures or mergers
- workplace stress
- training for employees and management in areas like conflict management and stress management
- personal and family issues.

Such services can significantly reduce absenteeism, labour turnover, work-related injuries and illnesses and may assist the employer to meet statutory duty of care obligations. This is especially the case where the employee is dealing with issues stemming from workplace-related accidents, injuries or events. It is important to note that some issues may be related to workers compensation and so perhaps do not necessarily fit under an EAP.

To find a Northern Territory EAP provider visit www.eapaa.org.au

Employee Feedback surveys

Employee Feedback surveys allow employees to give confidential feedback on the workplace and the way it works. For example, questions may be formulated to find out how satisfied people are with their job, how their workplace might be improved and how committed they are to staying with the business in the future. This can provide managers with a good indication of how to improve workplace structures and processes in order to retain the staff they have, and indeed to attract the staff they may need in the future (refer to Section 1 – Workforce Planning).

On completion of the Employee Feedback, employers should review comments or issues raised relating to job position, organisational issues and put in place actions to address them.

For best results involve the employees in planning and implementing these actions.

Employee Feedback Survey template. Refer to template 5.3 on the Your Workforce - a workforce planning guide for employers webpage.
6. Lead and Communicate
6. Lead and Communicate

Overview

A good leader is effective at motivating employees and creating an environment in which employees enjoy working.

Leadership is a topic on which a multitude of articles and books have been written, research conducted and workshops devised. More than ever, developing good leadership is being cited as a priority for businesses, particularly in light of research by the Hay Group at Harvard University (Stringer 2002) which indicates that a manager’s leadership style is the single biggest determinant of how people feel about working in a business.

The Hay Group, in research that builds on the original study by Litwin and Stringer (1968), found that approximately 70% of an employee’s attitude towards a workplace is directly attributed to the leadership behaviour of the business owner, manager or supervisor.

Your ability to achieve this depends on the leadership and communication methods you choose when dealing with employees.

This section of the guide will cover the following topics:

1. leadership
2. communication.

Lead and communicate checklist. Refer to template 6.1 on the Your Workforce - a workforce planning guide for employers webpage.
6. Lead and Communicate

1. Leadership

Successful managers are those who are able to combine their management skills with strong leadership abilities. For example, organising an employee roster is a management skill while motivating your employees to perform is a leadership capability.

Leadership: the ability to influence and direct the performance of individuals and groups towards the achievement of organisational goals.

Essentially leadership is the ability to get people to do what you want, ideally because they want to do it. Leadership is built on trust. Your employees will not follow you anywhere if they do not trust you. Getting people to trust you requires openness, fairness, understanding of human frailty, honesty, consistency, living up to your promises – always – and confidentiality.

Leadership skills enable a manager to manage more effectively. The key factors important in good leadership include:

- managing relationships
- motivating employees
- resolving problems and making decisions
- dealing with conflict
- teaching, mentoring, coaching and supporting others by acting as a role model
- modifying one’s own behaviour when necessary
- seeing a new or different path and encouraging others to follow.

Being a good leader helps you to:

- Assist your staff to achieve results they are proud of. They will persist with difficult jobs, bounce back in the face of setbacks and achieve work goals.
- Better understand your staff and effectively coach and guide them.

- Connect with and retain staff. They believe you see them as people, not just as resources. When staff feel you relate to them they are more likely to be focused and to want to stay and grow with your business.
6. Lead and Communicate

Leadership styles

Research by Sala (2001) and Stringer (2002), which has been adopted by the Harvard University Hay Group, focused on six styles of leadership, summarised below.

<table>
<thead>
<tr>
<th>Leadership style</th>
<th>Definition</th>
<th>Example phrase</th>
<th>When the style works best</th>
<th>Also labelled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directive</td>
<td>Emphasising immediate compliance from employees</td>
<td>Do it the way I tell you. I believe that people should do what I tell them.</td>
<td>In a crisis, to kick start a turnaround or with problem employees</td>
<td>Autocratic, Dictatorial, Coercive</td>
</tr>
<tr>
<td>Visionary</td>
<td>Emphasising the provision of long-term vision and leadership</td>
<td>I enjoy mobilising people towards a bigger picture. I believe I am firm but fair, giving employees clear direction, motivating by persuasion and giving feedback on task performance.</td>
<td>When changes require a new vision, or when a clear direction is needed</td>
<td>Big picture, Authoritative</td>
</tr>
<tr>
<td>Affiliative</td>
<td>Emphasising the creation of harmony</td>
<td>I believe in people before tasks – emotional bonding.</td>
<td>To build buy-in or consensus or to get input from valuable employees</td>
<td>Harmoniser</td>
</tr>
<tr>
<td>Participative</td>
<td>Emphasising group consensus and generating new ideas</td>
<td>I believe in building support and commitment.</td>
<td>To build buy-in or consensus or to get input from valuable employees</td>
<td>Democratic</td>
</tr>
<tr>
<td>Pacesetting</td>
<td>Emphasising the accomplishment of tasks to high standards</td>
<td>I expect self-direction and excellence.</td>
<td>To get quick results from a highly motivated and competent team</td>
<td></td>
</tr>
<tr>
<td>Coaching</td>
<td>Emphasising the professional growth of employees</td>
<td>I develop others for the future.</td>
<td>To help an employee improve performance or to develop long-term strengths</td>
<td>Developmental</td>
</tr>
</tbody>
</table>
Leadership styles and appropriate situational behaviour

Managers can and do draw on the six leadership styles in their day-to-day interaction with staff. However, leaders modify their behaviour according to the situation. No single style, approach or theory fits all situations.

According to a number of studies of leadership, leadership style should depend on a number of factors including:

- The actual situation – it is important to adapt your leadership style to suit the particular situation. For example, if you are leading in a crisis, one style will be more appropriate than others.

- The skills, knowledge (can do) and motivation (will do) of the people being led – intuitively we understand that sometimes people just need to be left alone to do their work without continual input from their leaders. However, it is also true that new, inexperienced or unconfident employees may need more assistance and should not be left to flounder.

- Environmental factors – workplace factors including induction, resources, team structure and culture, and external factors may also influence what leadership style you might use.

Furthermore, your language and mood as a leader can influence the employees you are leading.

Emotional intelligence

Although the concept of emotional intelligence has been around since the 1920s, it was not until the release of the book *Emotional Intelligence* (Goleman 1995) that it became a popular topic in management circles.

Emotional intelligence is an individual's ability to monitor his or her own emotions and feelings as well as those of others in an attempt to guide thoughts and actions. Essentially it is about getting on with others by managing your behaviour and its impact on the feelings and behaviour of other people. Therefore emotional intelligence is a central element of being a good leader.

Emotional intelligence is about understanding that it is the boss's job to create an environment where people can be satisfied in their work, workplace and relationships with workmates.

People do not check their emotions at the door when they come to work. Having a handle on the rational and irrational nature of humans is part and parcel of being able to lead effectively.

How can I develop emotional intelligence?

There is little evidence to suggest that emotional intelligence can be effectively taught to people. However, awareness of how your own behaviour is affected by your emotions and feelings, and in turn how this affects others, can be developed over time. You can:

- Become more self aware – having self awareness will enable you to become a more effective leader. In order to become more self aware you should try to generate positive inner thoughts and dialogue. We all speak to ourselves every day. If we concentrate on the negative, we will not appear confident and credible to others.

  **Self awareness:** knowing what’s important to you, how you experience things, how you feel and how you come across to others.

- Make better use of your senses – information comes to us in all sorts of forms. Getting better at interpreting such things as body language and the tone and inflection in people's voices will enable you to be better able to determine what's going on, even though it is not been made explicit. This is the hallmark of an emotionally intelligent person.

- Make better use of your feelings – while this may be difficult for some, the inner reactions to things going on in the workplace can have an effect on others. Your feelings are often displayed in behaviour or involuntary reactions. For example, frowning in displeasure over someone else's actions can lead to that person reacting negatively. Being able to prevent yourself from becoming angry or frustrated will stop the spread of negativity among your staff.
6. Lead and Communicate

- Actions speak louder than words so know what you are communicating. Being aware of the signals you give through your actions and posture can enable you to communicate better. Speech patterns, body language and non-verbal behaviour are more powerful than you might think. Others will pick up on this and determine their own meaning if you do not manage it correctly.

Developing the emotional intelligence of your staff or employing people who have good emotional intelligence can benefit your business. Research suggests that workplaces that engage people with high emotional intelligence will be better at:

- conflict resolution and managing to avoid conflict
- managing social interactions in the workplace to reduce in-fighting, gossiping, bullying and turf wars
- dealing with customers and their complaints or demands
- generating ideas and being innovative due to the fearlessness created by a supportive workplace
- generally developing a more supportive and productive workplace.

2. Communication

The essential actions taken by managers and staff happen almost entirely through verbal communication.

Verbal communication is at the core of what most of us do, whether we are building a business, leading change, dealing with difficult situations, revitalising a team, coping constructively with complaints or creating an exceptional customer service climate.

It sets the emotional tone and builds relationships that ultimately determine the performance culture of the workplace. If verbal communication is not effective, coordination breaks down, relationships suffer, mistakes multiply and productivity plummets.

As a leader, you are the role model for the way conversations happen in your workplace. Some useful tips for effective communication are:

- Observe – what is the tone of the conversation and body language being used? Do you need to use a different tool or strategy to improve outcomes? Ensure that your body language does not conflict with the words you are using.
- Be self aware – know your perceptions, beliefs, triggers and behaviours, and be aware of how you apply this self-knowledge in terms of the impact your thoughts, feelings and behaviour have on others and whether they achieve good outcomes.
- Be clear on intent – what outcome do you want from this conversation?
- Be committed – the degree to which you are committed to a conversation will indicate the level of concern, credibility and authenticity you have. Lack of it gives an impression of insincerity, fakery and inactivity.
6. Lead and Communicate

• Advocate, do not debate – driving home your own view while diminishing someone else’s is non-productive. It strengthens opposition and creates enemies. By all means be firm and back up what you advocate with clear benefits, but listen to others’ views too.

• Listen – to persuade someone to support you frequently requires finding out more about what they want. This takes skilful listening. If you can learn what someone else is thinking and what their needs are you can often demonstrate to them how your way will give them what they want.

• Provide opportunities for others to speak – This will make people feel more included and they will be more likely to contribute.

• Establish rapport – inquire after their thinking and feelings about the issue. See if you can build bridges for them to come over to your way of thinking and address the concerns you have picked up through careful listening.

• Clarify assumptions – when we do not clarify our assumptions, conversations get very cloudy. Many times we introduce conclusions or proposals into conversations without bothering to explain what led us to them. Take a little extra time to let people know what you are thinking and find out about other people’s assumptions too: ‘What leads you to conclude that?’

• Structure your discussion – this is particularly important when working in teams. Many groups forget to agree to a plan for their conversation before they start. The following six points provide a useful starting point for discussions:
  1. Clarify the purpose and any conversational protocols or ground rules.
  2. Start by finding out employees’ positions or perceptions. Let each person have a say.
  3. Move into paradigms and perspectives – deeper conversations where you reach a shared understanding of different views and perspectives.
  4. Explore different propositions or options the group needs to decide on. If this is not done decisions will rarely be fully supported.
  5. Decide on proposals and plans – the overall direction and the actions needed to achieve it.
  6. Ask for feedback to ensure the communication is understood.

Improving your leadership and communication skills

Many people learn through experience, some learn by working with others and most just do the best they can each day.

No one is born with all the skills required to be a supervisor, manager and leader. If you would like to develop your skills in this area some of your options include:

• Books and online resources – there are many books available through libraries, bookstores and websites on leadership and communication.

• Courses or training – these could be provided by industry associations or Registered Training Organisations.

• Mentors or consultants – it might suit you to engage a mentor or consultant to help you to develop new skills in these areas. You may also consider a mentoring and coaching program within your business.

Evaluation of leadership skills fact sheet. Refer to template 6.2 on the Your Workforce - a workforce planning guide for employers webpage.
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