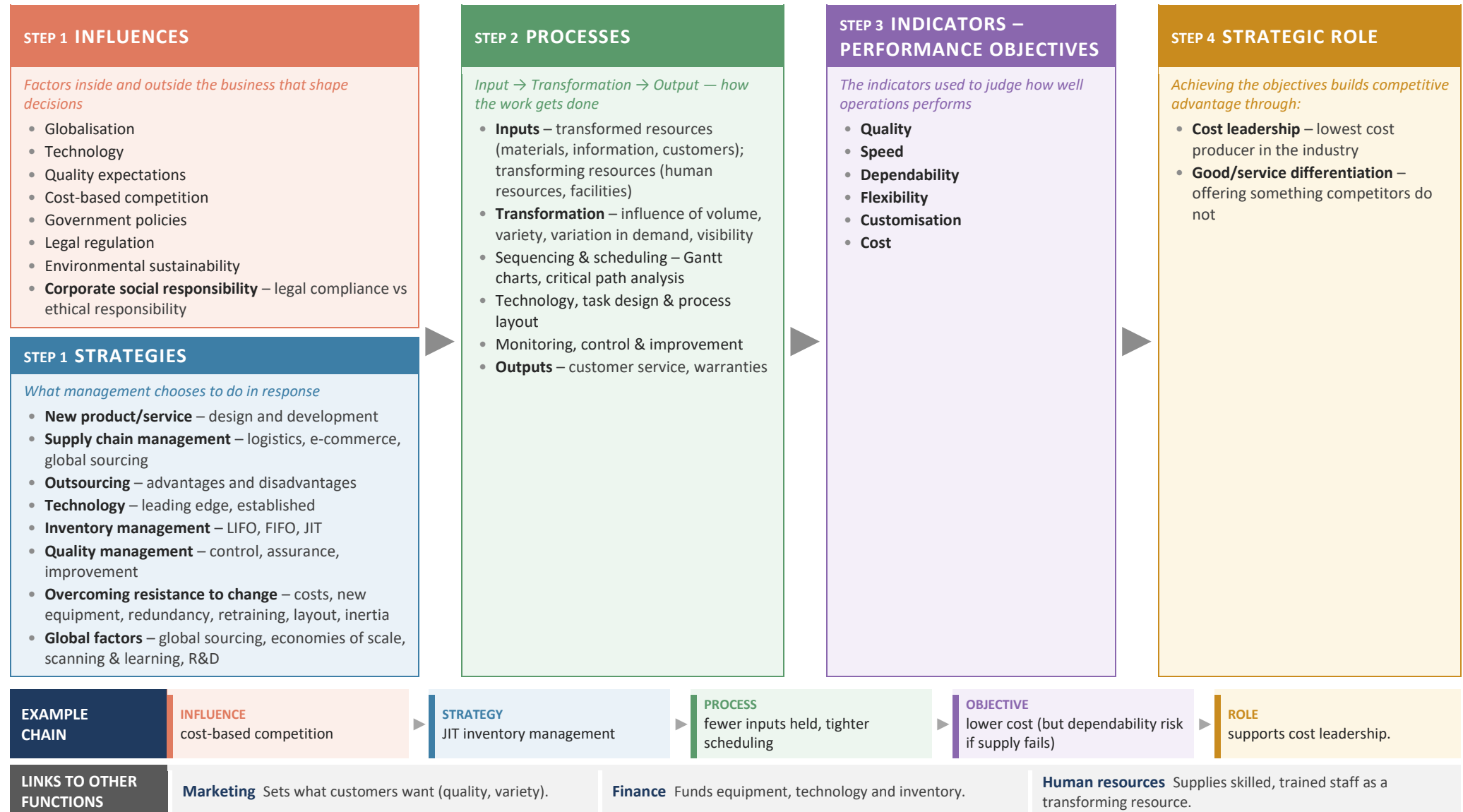


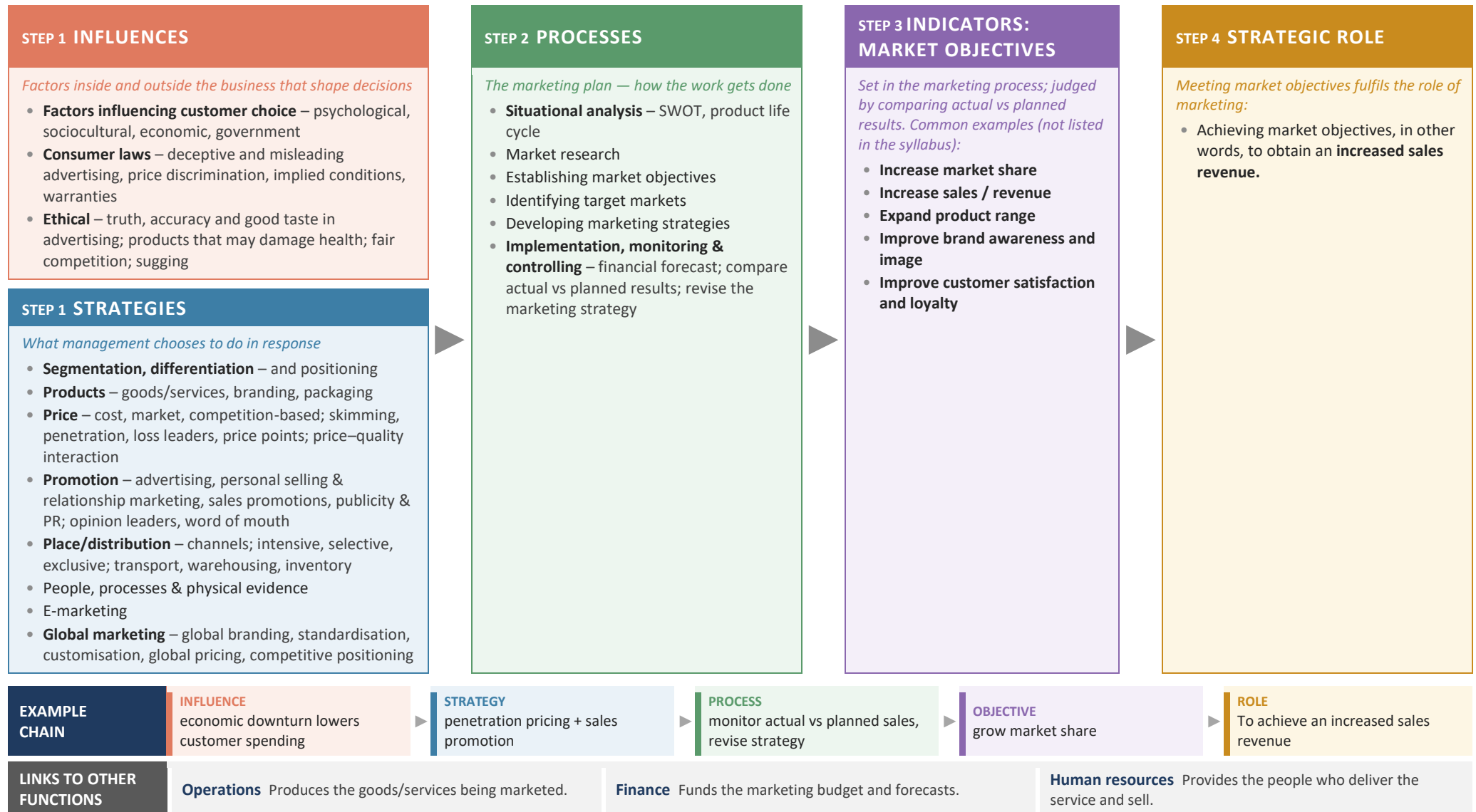
Operations

The effectiveness of the Operations function can be determined using indicators - performance objectives. Performance objectives will determine if the strategic role of Operations – i.e. a competitive advantage is being achieved.



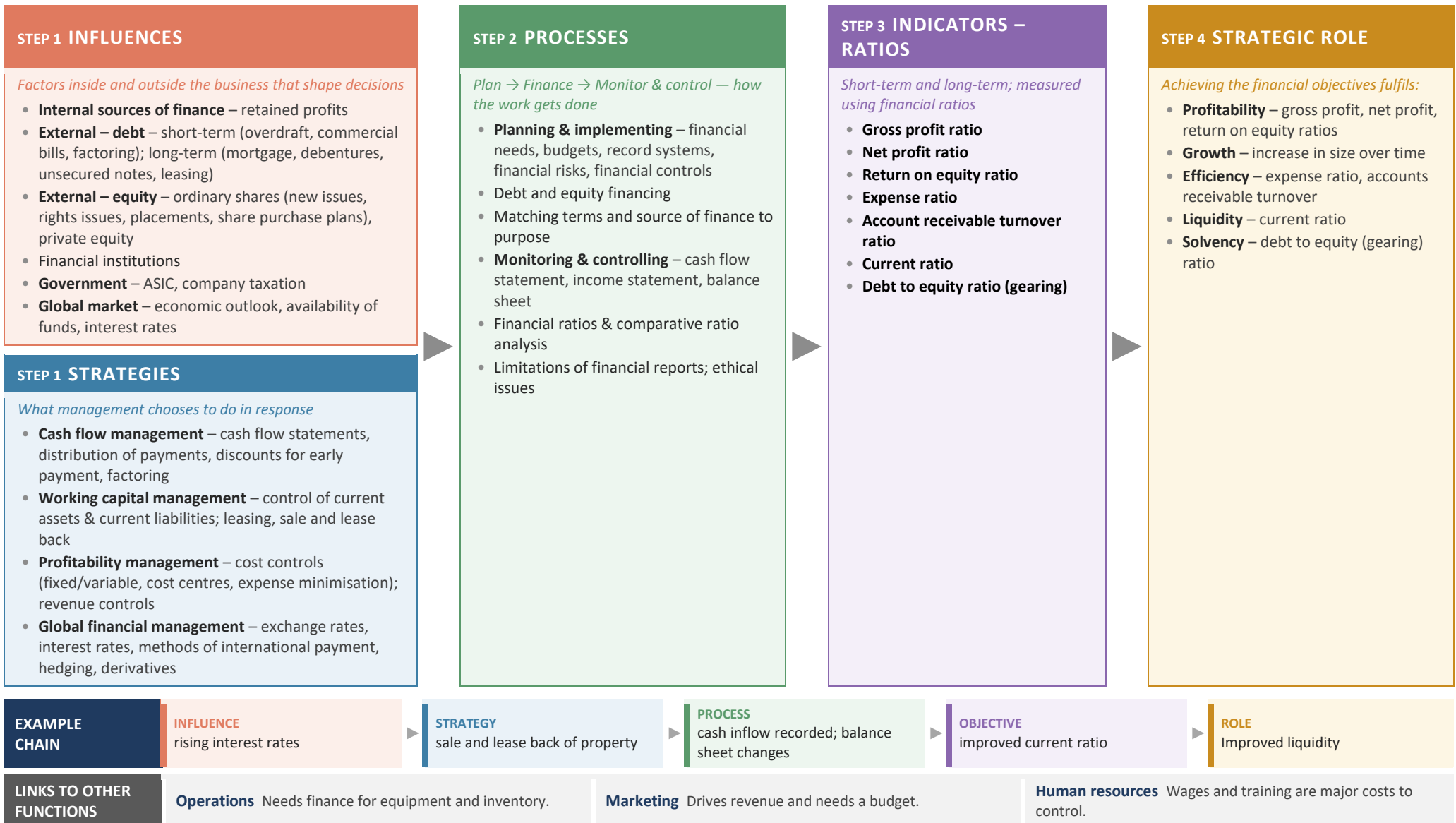
Marketing

The effectiveness of the Marketing function can be determined using indicators – market objectives. Market objectives will determine if the strategic role of Marketing – i.e. increased sales revenue is being achieved.



Finance

The effectiveness of the Finance function can be determined using indicators -financial ratios. Financial Ratios will determine if the strategic role of Finance – i.e. financial objectives are being achieved.



Human Resources

The effectiveness of the HR function can be determined using indicators - KPI. Financial Ratios will determine if the strategic role of Finance – i.e. financial objectives are being achieved.

STEP 1 INFLUENCES

Factors inside and outside the business that shape decisions

- **Stakeholders** – employers, employees, employer associations, unions, government organisations, society
- **Legal** – employment contract (common law, minimum standards, minimum wages, awards, enterprise agreements); WHS & workers compensation; anti-discrimination & EEO
- Economic
- Technological
- **Social** – changing work patterns, living standards
- Ethics and corporate social responsibility

STEP 1 STRATEGIES

What management chooses to do in response

- Leadership style
- **Job design** – general or specific tasks
- **Recruitment** – internal or external; general or specific skills
- **Training & development** – current or future skills
- **Performance management** – developmental or administrative
- **Rewards** – monetary/non-monetary; individual/group; performance pay
- **Global** – costs, skills, supply
- **Workplace disputes** – resolution – negotiation, mediation, grievance procedures, courts and tribunals

STEP 2 PROCESSES

The HR cycle — how the work gets done

- **Acquisition** – getting the right staff
- **Development** – building skills
- **Maintenance** – keeping and motivating staff
- **Separation** – managing staff leaving

STEP 3 HR indicators

How the business knows HR management is working

- **Corporate culture**
- **Benchmarking key variables**
- **Changes in staff turnover**
- **Absenteeism**
- **Accidents**
- **Levels of disputation**
- **Worker satisfaction**

STEP 4 STRATEGIC ROLE

Effective HR management fulfils:

- **Improved workplace/worker productivity.**

EXAMPLE CHAIN

INFLUENCE

skills shortage in the economy

STRATEGY

training for future skills + performance pay

PROCESS

development and maintenance

INDICATOR

lower staff turnover, higher worker satisfaction

ROLE

HR contributes to business performance.

LINKS TO OTHER FUNCTIONS

Operations Relies on skilled staff to transform inputs.

Marketing Relies on staff for service and selling.

Finance Sets the budget for wages, rewards and training.