

## **BUSINESS STUDIES**

**'A key aspect of effective human resource function is the monitoring, evaluation and modification of plans and performance.'** Refer to business examples or case studies in your response.

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### **Executive Summary**

The role of the human resource function is to effectively link individual performance with corporate strategy. A key aspect in effective human resource management is the monitoring, evaluation and modification of plans and performance. Monitoring involves using the indicators within HR; including corporate culture, changes in staff turnover and benchmarking to oversee the effectiveness of human resources. Evaluation of these indicators is important as it interprets the indicators into possible dissatisfaction of employees and ineffectiveness of human resource management. In order to improve HR, plans and performance must then be modified.

### **CCA**

The monitoring, evaluation and modification of plans and performance is seen clearly in Coca Cola Amatil, an Australian based public company and manufacturer of beverages and food. CCA is Australia's largest producer of non-alcoholic beverages as well as a major employer.

### **QANTAS**

Qantas is also an Australian based public company, which offers both international and domestic flights to over 180 destinations. Qantas is a business in the tertiary industry- being that it provides services to its customers rather than goods.

### **Monitoring performance**

Monitoring within a business's HR function involves collecting information relevant to HR effectiveness. This may be done in the form of human resource audits, quantitative measures such as sales per employee, or qualitative indicators such as detailed feedback and research on key issues. CCA monitors the effectiveness of HR in a number of ways, including benchmarks, employee opinion surveys and external consultants. These tools allow for the close monitoring of effectiveness within HR and alert employers of any problems such as absenteeism or dissatisfaction. In addition, Qantas in 2011 was faced with ongoing industrial disputes, a key indicator of poor employee satisfaction and working relationships. The close monitoring of indicators within both business has allowed for constant watch over changes in employee performance, demonstrating the crucial role of monitoring HR performance within businesses in order for effective HR management.

### **Evaluation of plans and performance**

Although it is important for businesses to monitor employee performance, the collection of information and data is inadequate unless the information is subsequently analysed and evaluated. Information may be interpreted to indicate either poor or effective human resource function. As stated above, CCA uses benchmarks, surveys and external consultants to gather information regarding HR performance. This data is then analysed and evaluated- lower performance compared to other businesses in the industry translates to ineffectiveness in HR, and vice versa. Employee opinion surveys are used to evaluate satisfaction. They are also used to check for dissatisfaction when employees leave the company. External consultants analyse HR performance, provide legal advice and report on industry HR practices. In the context of the Qantas dispute, the problems identified through an evaluation of the disputation were the lack of job security for employees as well

as dissatisfaction with pay. The evaluation of performance is crucial for effective human resource management, and allows for a greater understanding of issues for employees as well as an understanding of what changes and improvements need to be made to plans.

### **Modification of plans**

In the monitoring and evaluation of human resource performance, there may arise problems that can be solved through the modification of plans. Modification enables improvement in overall HR performance and effectiveness, and targets the problems that arise in HR. CCA's benchmarking process concludes with implementing changes to foster improvement, such as improving corporate culture in order to decrease absenteeism and staff turnover, and implementing quality standards and training to increase product quality. In addition, the employee surveys used to monitor satisfaction have led to changes being made in the workplace due to employee suggestions and feedback. Qantas, following the grounding of all fleet, announced a 3 per cent pay rise as well as increased job security for existing engineers. This improvement and modification of plans resulted in the overall resolving of the disputes, and an increase in worker satisfaction. Modification and improvement is vital in any business that wishes to have an effective human resources function, and allows for greater employee and overall business performance.

### **Conclusion**

The monitoring, evaluation and modification of plans and performance addresses the key strategic role of human resources – to effectively link individual performance with corporate strategy. Both Coca-Cola Amatil and Qantas have displayed these skills in their HR management, through the use of the indicators of benchmarking, employee surveys, external consultants and dispute levels. It is also apparent that through the addressing of these issues and modifications and improvements made in response, each business's HR function, as well as overall business performance has significantly improved.