Smart Guide No. 4

Change Management,
Transmission of Business,
Service Level Agreements and Mentoring

Supporting documentation and proforma letters may be found in Tool Packs No.1 and 2.

This will be indicated in the text by the following: (TP1) or (TP2).

All information contained in this guide is current at time of release.

Change Management

Many cases of workplace change, or restructuring are derailed or ineffective, though they may start with the best of intentions and are put in place due to necessary operational or financial imperatives.

One of the key factors for this outcome is lack of communication at the employee level where the changes are introduced. This makes effective implementation of change management a key component of an organisation's tool kit, especially where there is some form of change on the horizon.

Employees in general are fearful and resistant when change is considered, basically because change brings uncertainty and often, the possibility that their employment may be in jeopardy.

The benefits of planning and executing an effective change management process throughout an organisation can deliver ongoing flexibility and enables the business to introduce changes which may require meeting financial and/or marketing variances. An organisation which has introduced and promotes a culture of change management will have increased flexibility, adaptability, innovation and if hard decisions are made, they can be more readily implemented without resistance from the workforce.

The Dunphy and Stace matrix of change strategies defines the types of change which occurs as:

1. **Consultative, collaborative with participative evolution** e.g., local work area
2. **Consultative, collaborative, charismatic transformation** e.g., business improvement
3. **Coercive, directive, forced evolution** e.g., taxation, legislative, world events
4. **Coercive, directive, dictatorial transformation** e.g., merger of two organisations, business restructuring, survival, national competition policy

The forces of change can be planned, unplanned, internal, or external and can be driven by:

- Economic forces
- Political changes
- Technological advancements
- Government restrictions
- Policy development
- Taxation changes

When attempting to manage a change within an organisation it is important to plan the steps involved in the process. This includes:

- Identifying the forces of change (as above)
- Identifying past and predicting future organisational and individual responses to change
- Understanding the difference between managing change and managing transition
- Recognising your own reactions and how this may impact on the change process
- Learning effective communication strategies to facilitate and ease transition
- Identifying possible resistance
- Overcoming the resistance

Variables that can affect change and must be considered include:

- People
- Tasks
- Structure
- Technology

One of the most important parts of any transition to change or change management strategy is people. In order to get people on board and to embrace the change, it is necessary to be aware of staff:

- Motivation
- Perception
- Feelings
- Values

Change management in an organisation is not only about the staff. The next level of the organisation, being supervisory and management, is imperative to the change process. These are the frontline managers who are interacting with staff on a daily basis and who staff will approach to discuss any concerns.

Two simple descriptions of ways management can assist with the change process are to 'walk the talk' and lead by example and to practice 'management by walking around' which is simply talking to staff at all levels on occasion just to see how they feel about the company and any recent or contemplated changes.

This usually unexpected and informal method of communication can be invaluable in demonstrating that management is serious about change management and employee communication and can greatly improve workplace relations outcomes.

Communication at the management level should be consistent and structured so that a uniform approach to change is seen across the organisation.

The key to this strategy is to ensure senior management and particularly the Chief Executive Officer or Managing Director are seen to actively support and drive the transition or change process. This drive and enthusiasm are then progressively translated through the management layers of the organisation through:

- Consultation
- Discussion
- Counselling
- Directing

Resistance to Change

There are many causes of resistance which are generally due to the following key areas.

Personal resistance:

- Fear of loss
- Fear of the unknown
- Lack of involvement
- Habit
- Disrupting social relationships
- Misunderstanding the reasons
- Vested interests
- Personal values

Organisational resistance:

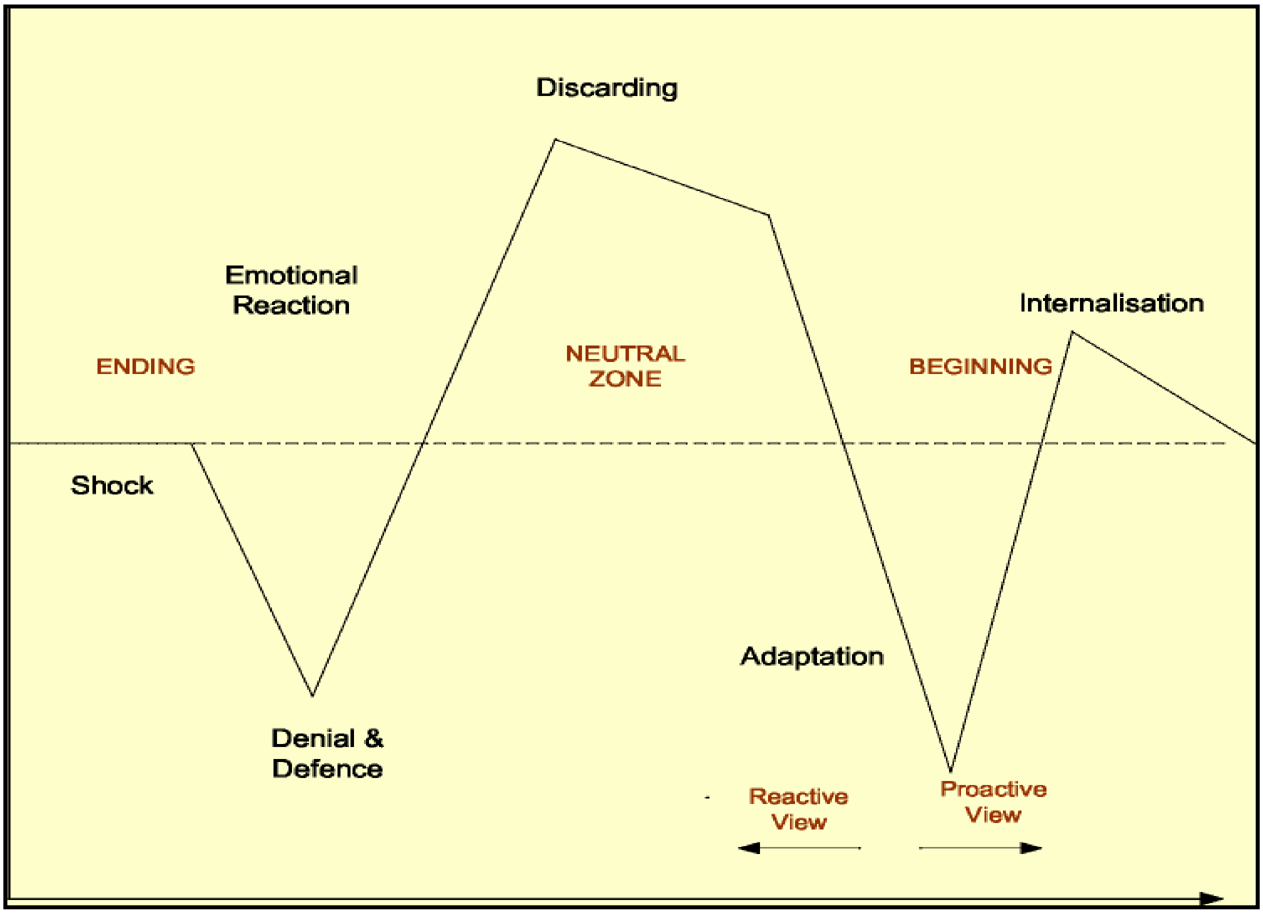
- Current reward systems
- Interdepartmental rivalry
- Investment in sunk costs
- Change in the power balance
- History of unsuccessful change

- Little organisational commitment
- Lack of consultation

Throughout the resistance process there are various stages that people will experience. These are defined as:

- Denial
- Defence
- Discarding
- Adaptation
- Internalisation

The stages of resistance are represented by the Loss Curve below:



Causes of resistance can be rectified by:

- Organisational wide consultation
- Considering the impact on the power balance
- Examining the rivalry carefully and working to overcome conflict
- Recognising the effects on employee commitment to other people, projects, or ideas
- Considering reward systems and linking success of new ideas to rewards

- Managing perceptions i.e., the balance of power
- Addressing cultural issues
- Involving staff in project management
- Providing resource and support at critical times
- Surface sunk cost issues
- Justifying using cost benefit analysis

Lewin's Model of Change

Lewin describes three main stages of effective change which can assist as guiding principles through any change process. These stages are:

1. **Unfreeze** – reduction of 'turnaround' restraining forces, build on driving forces. The unfreeze stage promotes encouraging change to the status quo and building on this change being accepted. In this stage it is important to determine exactly what the changes will be and to prepare the organisation and staff to make them. It may be necessary to seek out relevant stakeholders, encourage discussion and involve staff in the process. This is the stage where you will generally experience the most resistance and you will need to develop strategies to overcome this.
2. **Change** – reorganised, education and training implemented, jobs redesigned, new technology implemented. In the change stage staff will begin to accept that the change will happen and develop ways to overcome and implement the change. This stage focuses on acceptance and may take the longest to implement.
3. **Refreeze** – stabilising 'locked in', rebalancing the driving and restraining forces, rewards linked to behaviours supporting the new program, commitment to the new way is reinforced, operating procedures, rules, regulations and reporting relationships adjusted, clear support by most senior person in the organisation. The final stage is refreezing, where organisations begin to embrace the change and it becomes a part of the way business is run. The refreeze stage becomes the new status quo, and it is important to celebrate the successes of the change and acknowledge the past in this stage.

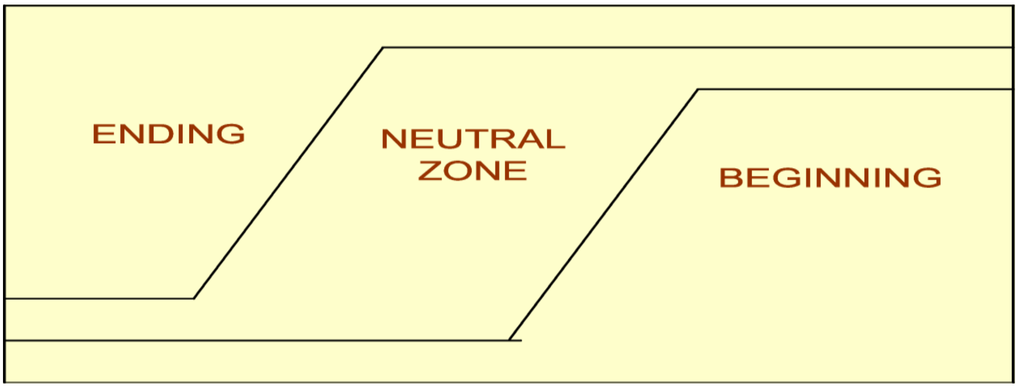
Managing Transition

When an organisation goes through change, people will experience a sense of transition.

Change: is situational - the new site, new boss, new team roles, and new policy

Transition: is the psychological process people undergo as they come to terms with the new situation

The three phases of transition are shown in the diagram below:



Tips for Managing Staff Through Each Phase of Transition

Managing Endings:

- Identify who is losing what
- Accept the reality and importance of subjective losses
- Do not be surprised by overreaction
- Acknowledges losses openly and sympathetically
- Expect and accept grieving – anger, bargaining, anxiety, sadness, disorientation, depression
- Compensate for losses
- Provide information and do it again and again
- Define what is over and what is not
- Mark endings, but treat the past with respect

Managing in the Neutral Zone:

- Anxiety rises and motivation falls
- Absenteeism rises
- Weaknesses escalate
- Priorities and structure are confused
- Thoughts polarise
- Organisations are vulnerable

Neutral Zone Strategies:

- Promote innovation
- Normalise the neutral zone

> ***Did you know?***
> Many organisations are now encouraging regular meeting times for innovation. Allowing time for employees to brainstorm new ideas not only promotes self assessment, creativity and vision but also change. Regular small scale change driven by employees creates a culture of greater flexibility which can benefit through larger change strategies.

- Redefine it
- Create temporary systems
- Strengthen intra-group connections
- Be wary of showing preferences
- Use a transition monitoring team

New beginning strategies:

- Be consistent
- Ensure quick successes
- Symbolise the new identity (e.g., logo?)
- Celebrate successes
- Acknowledge the past and the process

When leading staff through a period of transition it may be useful to remember the four P's:

- **Purpose** - Explain the need for the change
- **Picture** - Explain what the future will look like with the change
- **Plan** - Plan the steps to be undertaken to get there
- **Part** - Explain who needs to do what throughout the process, be as specific as possible

Two keys to capitalising on Leadership are to inspire trust and inspire confidence. If management is seen to champion the cause and outcomes of change (and if the organisation is large enough) it can be beneficial to also identify key staff across the organisation who can champion this process.

These 'Change Champions' must be motivated, trusted and well respected within the organisation. Change Champions can be highly effective in dealing with many of the challenging and sometimes negative reactions experienced and demonstrated by employees undergoing transition and change.

Change Champions or implementers of the change process should:

- To the extent possible, involve those who are affected by the change in the planning
- Keep informed, others who have an interest in the proposed change
- Check that the benefits of the change outweigh the costs, disadvantages and risks.
- Be clear about the intended goals of the change
- Check that the proposed change fits in with the organisation’s vision and mission, and other strategies

- Check that the intended change is realistic, taking the present situation into account
- Reach agreement on who will do what, to what standard, and by when, to achieve the outcomes
- Check that the necessary resources and skills for carrying out the change are available
- Plan for ongoing monitoring of progress as the change proceeds
- Plan for evaluation and documentation of learning on completion of the change

It is also crucial to identify the stakeholders and their involvement in the process. A stakeholder is someone who is likely to be affected by, or who can affect the success of a change activity.

- A **direct stakeholder** is one where the effect is direct and obvious e.g., employee directly involved in the change.
- An **indirect stakeholder** is someone where the effect is less obvious, and where the stakeholder may not know of the effect e.g., employee of another area where the change does not impact.

Not all change is related to structure and manning and quite often the change is associated with the need to meet the requirements of the business or with new projects, acquisitions, or mergers.

Effective Change is:

- Participative
- Communicated and coordinated
- Worthwhile
- Outcome-focussed
- Aligned with organisation's vision
- Evidence-based
- Planned
- Resourced
- Monitored
- Evaluated

The change process should be reviewed with the following considerations:

- Proposed changes (where possible) have the agreement of those affected by the change, and those who will be involved in its implementation
- Where this is impracticable, those affected are informed fully about the reason for the change and the approach adopted

- The proposed change includes a communication plan which identifies all stakeholders, specifies their level of involvement and includes steps to keep them informed throughout the process
- Taking all benefits, costs and risks (obvious and less obvious, short-term and long-term) into account, the proposed change is of benefit to the organisation and its stakeholders
- There is a clear and realistic description of the intended and likely outcomes of the planned change
- The proposed change is consistent with the organisation's vision, mission and other strategies
- Decisions about change (the need, the goals, the actions) are reasearch based upon a good understanding of the present situation
- Change proposals include detailed plans which specify at each step: the actors, the outcomes, the timelines and how successful completion of the step will be known and communicated
- Change proposals are accompanied by an evidence-based list of required resources and skills and those resources and skills appear to be adequate to achieve the planned outcomes
- The step by step plans for proposed changes specify who will do what to check that each step is still appropriate and achieves its intended outcomes
- The plans for the intended change include end-of-process evaluation and a way of recording what was learned

The change mangement process needs not be overly complicated but without planning, application and review, can falter and fail to achieve the required objectives. The steps outlined above are supplied to assist in these stages and maximise the return on investment of time and resources.

When communicating change mangement initiatives and projects, the following tools can be utilised to keep all stakeholders and employees informed and involved:

- Newsletters
- Fact sheets
- Intranet
- Small focus groups (10)
- Change champions

- Executive meetings
- Branch meetings
- Paypacket inserts
- Media
- Internal coordinator

Incentive Programs during change

Described below are three types of incentive plans which can be considered and implemented as part of a change management process aimed at increasing productivity and flexibility in the workforce in return for increased employee rewards.

1. Payment for Productivity

A workforce financially linked to the performance of the business is often more motivated to participate in the management of their jobs and to contribute more to the objectives and prosperity of the business.

In order for a bonus or incentive scheme to be effective the rewards should:

- Be based on performance
- Have agreed performance measures, timeframes and outcomes. These must be agreed between the parties involved and be recorded
- Give a sense that the prosperity mirrors the company's and involvement is encouraged

2. Pay for Knowledge

An employee's salary or wages rise with the number of tasks they can do successfully, regardless of the job actually performed and in order to achieve this outcome:

- The skills must be identified and assigned a job description and pay grade
- The business must have a well developed employee assessment and training process

The advantages of this method include:

- The plan lets the company operate with leaner, more flexible and productive staff
- Workers gain a broader perspective which makes them more adept at problem solving

3. Profit Sharing

This is where employees receive a varying annual bonus based on corporate profits and where payments can be made in cash or deferred into a superannuation account or retirement fund. Effective profit sharing should include the following:

- Participating employees collectively must be able to influence profits and management must value employees contributions enough to be willing to share their profits
- The incentive formula should be simple to use, easy to communicate and kept current to match the organisation
- The plan should be garuanteed to be affordable and only pay dividends when the business is sufficiently profitable
- The scheme should unite the financial interests of owners and employers

Case Study

John runs a medium sized hardware store and employs 5 staff on a part time and full time basis. Times are getting tough for the independant hardware industry and John is finding his bottom line is becoming increasingly diminished. He reviews his options and investigates a new stock monitoring system which would save his business five hours a week in wages. John knows that this drop in wages will impact his staff, particularly Grace, who is a single mother and needs a regular wage. John decides to hold a meeting to discuss the change. At the meeting John talks through the situation with his team and they are apprehenive about the new system and potential drop in hours. They agree that the best way to keep eveyone employed is to investigate this system and if needed, divide the reduced hours among them. John organises a meeting with the stock system rep and invites Grace to attend and review the system. Grace maintains close friendships with the other staff and they often look to her for advice.She is suprised at the ease in which this system can be used, is able to find simularities between the new and their current system and they decide to go ahead with the change. John and Grace meet with the rest of the staff and discuss the benefits and process that will take place for implementation. A few weeks later John brings his team together to review the system and it's impact on the business. They find that the system is saving four hours a week in wages and they agree to divide the hours between the team.

By consulting his staff through this change, particularly Grace as a key stakeholder, John was able to implement the new system with minimal down time to his business, retain his staff and still increase profits.

Other ways to influence the productivity and efficiency of an organisation and to implement some specific changes are the introduction of Service Level and Productivity Agreements.

These agreements can be used between departments or individually in sections to improve productivity and efficiency. They improve tangible outcomes such as customer satisfaction and outputs and are particulaly useful in improving processes and reducing administrative blockages.

Transmission of Business

One form of significant and often time consuming and confusing change within an organisation is when a transmission of business takes place. This occurs where the current business is sold or acquired and where consideration needs to be given to what parts of the business remain and in what form, what employees will remain and who will have their employment terminated.

Depending upon the nature of the change and business circumstances, usually all staff are advised of the pending sale or acquisition with as much notice as is reasonably possible.

There are specific requirements contained in industrial awards and contracts which must be adhered to in relation to advising employees of their rights and options and failure to follow these requirements may result in unfair dismissal, discrimination, adverse action (general protections) claims and may even precipitate industrial action under adverse circumstances.

All industrial Modern Awards contain specific notification provisions which require employers to notify employees of major workplace change and these provisions are generally found in clause 9 - consultation regarding major workplace change. The consultation clause must also include changes to working hours or rosters. The following clause is from the Manufacturing and Associated Industries and Occupations Award 2020.

Consultation

41.1 Consultation regarding major workplace change

(a) Employers to notify

(i) Where an employer has made a definite decision to introduce major changes in production, program, organisation, structure, or technology that are likely to have significant effects on employees, the employer must notify the employees who may be affected by the proposed changes and their representatives, if any.

(ii) Significant effects include termination of employment; major changes in the composition, operation or size of the employer's workforce or in the skills required; the elimination or diminution of job opportunities, promotion opportunities or job tenure; the alteration of hours of work; the need for retraining or transfer of employees to other work or locations; and the restructuring of jobs. Provided that where this award makes provision for alteration of any of these matters an alteration is deemed not to have significant effect.

(b) Employers to discuss change

(i) The employer must discuss with the employees affected and their representatives, if any, the introduction of the changes referred to in clause 41.1(a), the effects the changes are likely to have on employees and measures to avert or mitigate the adverse effects of such changes on employees and must give prompt consideration to matters raised by the employees and/or their representatives in relation to the changes.

(ii) The discussions must commence as early as practicable after a definite decision has been made by the employer to make the changes referred to in clause 41.1(a).

(iii) For the purposes of such discussion, the employer must provide in writing to the employees concerned and their representatives, if any, all relevant information about the changes including the nature of the changes proposed, the expected effects of the changes on employees and any other matters likely to affect employees provided that no employer is required to disclose confidential information the disclosure of which would be contrary to the employer's interests.

41.2 Consultation about changes to rosters or hours of work

(a) Where an employer proposes to change an employee's regular roster or ordinary hours of work, the employer must consult with the employee or employees affected and their representatives, if any, about the proposed change.

(b) The employer must:

(i) provide to the employee or employees affected and their representatives, if any, information about the proposed change (for example, information about the nature of the change to the employee's regular roster or ordinary hours of work and when that change is proposed to commence).

(ii) invite the employee or employees affected and their representatives, if any, to give their views about the impact of the proposed change (including any impact in relation to their family or caring responsibilities); and

(iii) give consideration to any views about the impact of the proposed change that are given by the employee or employees concerned and/or their representatives.

(c) The requirement to consult under clause 41.2 does not apply where an employee has irregular, sporadic or unpredictable working hours.

(d) These provisions are to be read in conjunction with other award provisions concerning the scheduling of work and notice requirements.

These consultation change requirements cover most transmission of business processes and should be carried out as soon as practical to reduce the risk of employee complications. All notifications should be in writing and all processes complied with (TP2). The full explanation of the correct procedures to follow where redundancies or dismissals occur is contained in Workplace Guide No.1 entitled A Business Guide to the Fair Work Act under the heading Dismissals.

Apart from the technical aspects a transfer of business has on the business and its employees there are other major factors which require planning and strategy to optimise the outcomes from the change.

These issues include:

- Dealing with the loss of long serving employees
- Dealing with the remaining employees, 'survivor mentality' and keeping motivation and productivity at the required levels
- The cost of the separations and how the new structure will operate
- If the business has been sold to or acquired by a larger business, the cultural and logistical issues that the changes involve
- Branding and customer relations
- Sales and marketing strategies

Many good business/financial decisions have been unsuccessful because enough attention was not applied to these issues.

Case Study

A large Transport company with a number of national courier companies each with their own specific brands and customer base but also with their own national and state offices and management structures were identified as being so close in their products and customer base that it would make good sense to combine the two companies into one new company. The cost saving was significant and operationally and logistically it made good sense. The restructure was planned, and the unions and staff notified and working parties were set up to commence the process.

There ensued a period of industrial action, employee and management dissent and an overwhelming resistance to the change which resulted in a significant loss of revenue and customers who took their business to the competitors. The timing for the changes and the new company were drawn out and essentially resisted at every step. Although the changes eventually occurred were implemented the strategy was revised and changes made to accommodate the resistance and to recover the market position enjoyed under the previous structure.

Here are two businesses that were acquired originally because of the strength and loyalty of their brand and their staff and service qualities. The two companies were fierce competitors in the marketplace, but both remained profitable in their own way. When put together the original marketplace enmity between the two organisations caused conflict and disruption as neither business wanted to "give ground "to the new structure and their old competitor. The situation was resolved by reviewing the whole process and implementing a structured and planned change management process which involved the employees and management in focus groups and operating strategy decisions so that they could focus and be involved with the opportunities of the new structure rather than be caught up in the old issues. The lesson here was that insufficient consideration was given at the planning stages to the change issues and employee and customer resistance.

When a transfer of business occurs, it is important to implement the above change principals and be aware of any legislation which applies to these circumstances.

Transfer of Business Obligations

Parts 2-8 Division 2 of the Fair Work Act (FWA) 2009 Sections 310-320 contains the provisions concerning the Transfer of Instruments. These provisions come into effect where there has been a sale or transfer of business from one employer to another.

If an employee agreement or enterprise agreement was in place at the time of the sale/acquisition or transfer, then under these provisions it is likely that the terms and conditions of agreement will be binding on the new employer. Transferred enterprise agreements apply indefinitely until they are either terminated or replaced by another agreement.

The definition of a transfer of business as contained in Section 311 of the FWA is under the circumstances where:

- Employment of an employee of the old employer is terminated
- Within a three-month period following the termination the employee becomes employed by the new employer
- The (transferred) work being performed by the new employee is substantially the same as the work being performed for the previous employer
- There is a connection between the old employer and the new employer where they are defined as associated entities (under the terms of the Corporations Act 2001 Section 50 AAA)

This connection has been defined to include the following circumstances:

- Where there has been a transfer of assets
- Where there is an outsourcing arrangement
- Where there is in place an in-sourcing arrangement
- Where the new employer is an associated entity

These matters are best identified and dealt with as part of the due diligence process applied before the sale of the business is finalised. It is also common for disputes to arise in the area of employee benefits once a business has been purchased and all accrued benefits such as sick leave, annual leave and long service leave should be calculated and identified in the business transaction. Usually under these circumstances a decision is made as to whether the new employer will carry over the annual leave entitlements and in the case of redundancy, make the payments where required or the old employer will pay these costs prior to the new employer taking over the business.

It is important to note that an employee’s service with the old employer will count when determining whether the employee has served the minimum employment qualifying term to allow access to the unfair dismissal laws. This is unless the new employer provides written advice that this service will not be counted, and the employee is notified of this advice prior to the commencement of employment with the new employer.

Following a transfer of business, the new employer has the obligation to recognise the employee’s service for personal leave, parental/carer’s leave and they also retain their right to request flexible working conditions. Any new employees who join the business after the transfer has taken place can be covered by the transferred enterprise agreement as long as they did not previously work for the old employer.

These provisions also apply to any employees who are defined as 'high income employees' who have been guaranteed an amount of annual income by the old employer, so it is important to review the terms and conditions of all non-award employees prior to the acquisition of a business. It is also important to ensure that all non-award employees are covered by the terms and conditions of a clear and concise contract or employment agreement.

These provisions in conjunction with the sham contracting provisions and the NES combine to stop unethical business owners from shutting down companies or dismissing staff and then starting up again under a new business name, doing essentially the same work and engaging the terminated staff as independent contractors.

The provisions also particularly cover the circumstances of transferring employees between associated entities to avoid paying employee entitlements.

Only one enterprise agreement can apply to an employee and a new enterprise agreement has no effect until the nominal expiry date of any previous enterprise agreement has passed or the old agreement has been formally terminated.

These circumstances can be complex where an existing business with an existing enterprise agreement acquires a new business with an existing enterprise agreement. Under these circumstances if the acquiring employer wants all the employees covered under one agreement, it is possible to apply for the enterprise agreement of the acquired business to be terminated.

As long as the employees concerned are not disadvantaged, the parties can apply to have the agreement terminated at any time by mutual consent or when the agreement has passed its nominal expiry date, an application to have the agreement terminated may be lodged with the FWC with a 90-day notice provision.

Service Level Agreements

Service Level Agreements (otherwise known as SLA's) can be used to improve external and contractual arrangements by clearly stipulating the terms and conditions of the arrangement, setting out clear and concise timeframes and quality expectations accompanied by an agreed consultation and dispute resolution process.

The introduction of Service Level Agreements or SLA's is a strategy aimed at implementing operational and cultural change in an organisation which is supported by an agreed process and documentation and can be used internally or for external relationships with contractors and service providers.

Service Level Agreements usually include:

- The scope of service
- Business area and description
- Service hours
- Any exclusions
- Maintenance and support
- Education and training requirements
- Back up processes and procedures
- Customer requirements
- Review timeframes and metrics

The key with SLA's is not to over complicate them to the extent that the measurement and monitoring of the SLA process becomes a burden which can dilute the benefits of the process. The best SLA's are clear, concise and simple to measure and follow.

When implementing an SLA it is important to consider the metrics that will be used to evaluate at the agreed intervals. Here are some tips for making the most out of your evaluation process:

- Choose the minimum number that will work for you - finding the balance between useful information and too much data is essential. You will be analysising this information regularly, dont get bogged down with data you may not use
- Set levels of desired service - you will need to define what rates are acceptable
- Motivate the behaviours you would like to see - choose metrics that reflect this

- Do your research - look at what other service providers are offering for comparison purposes
- Review the data regularly and the SLA at intervals - particularly in the area of IT where change can be accelerated

SLA's are not:

- Hard to understand or interpret - without jargon where possible
- A long technical document
- Created and never viewed or reviewed again
- Used to 'punish' - approach each negotiation with positivity
- A contract - they are more an agreed guiding document

SLA's are a widely used, useful tool to monitor a service relationship. They set expectations, provide clarity for staff and are a guiding document when discussing any concerns. SLA's need not be an onerus process, the most effective are often simple and easy to use (TP2).

Did you know?
Service Level Agreements can also be used within an organisation. Usually called Operational Level Agreements, they are more commonly implemented in larger organisations with internal service units such as IT.

Productivity Agreements

A productivity agreement can be between employers, employees and their union or representative committee and may involve a specific time period and/or productivity or flexibility option.

Productivity agreements are generally for a specific event or circumstance and should have a defined life and review period. This timeframe can vary depending upon the circumstance, but a good benchmark is a six-month agreement which may be extended on a monthly basis.

A productivity agreement should have the following content:

- Regular monthly payments based on achievement of agreed performance indicators or outcomes
- Work teams
- Historical data (benchmarks)
- Shared information and communication processes (newsletters, staff meetings etc.)

Productivity indicators should include:

- Labour utilisation
- Non-productive time
- Material wastage
- Quick changeovers
- Credit note analysis
- Labour hours per invoice which includes a base standard for each indicator on which gains/losses are calculated

When implementing a productivity agreement, serious consideration should be given to developing 'work teams'. These teams of staff are consulted to ensure that the process is effective and to review and recommend productivity and cost saving activities. Implementing a work team allows employees to have input and greater control over their daily work, which leads to acceptance and discretionary effort in their roles.

Successful implementation of these schemes and the introduction of a change management process and culture can create new life in an old workplace. The best results are achieved where staff are actively involved in the planning and design of the type of agreements and the performance measurements are easily understood and agreed by the participants.

Regular monitoring of the productivity agreement by management is required to ensure they are being used effectively and they remain productive and on target.

Where business circumstances and/or customer and contractor relationships change, the associated SLA's or productivity agreements may need to be revised or ended. This should be done in a similar consultation style as above.

Mentoring

One method of assisting with the introduction of change and improving general communication in an organisation is the introduction of a mentoring program.

Mentoring is basically where a more skilled or experienced person provides guidance, advice and assists to facilitate a process of growth for a more junior person.

The mentoring process requires a high level of commitment from the mentor and mentee and a commitment from the organisation and management team to implement the process with uniformity.

It is not a process to be entered into lightly, but the results can greatly improve the culture of an organisation and can improve retention rates, assist with career development, and improve staff morale and outputs. A mentoring program has great potential to provide support to leaders at various levels of an organisation, however, requires discipline and an ongoing commitment to meeting and working through issues and challenges.

To develop a mentoring program there are some guiding principles that should be considered in the planning stage. It is not a 'quick-fix' training strategy and requires long term commitment, but it can produce demonstrable and lasting benefits.

The following principles have been developed as a guide to assist in the implementation of a mentoring program. It is expected that following introduction and discussion, feedback will be provided to strengthen and increase the usefulness of these principles.

1. **Top management must actively support the program**

   It is vital that executive and senior managers support the mentoring process. This is done through public and private support (staff newsletters, informal discussion etc.), allocation of resources and a willingness to participate.

2. **The program must meet the strategic test**

   Before embarking on a mentoring program, the leadership of the organisation should ensure that the mentoring strategy is tailored to the business.

   A good mentoring program should be able to easily answer basic strategic questions such as:

   - Why are we doing it?
   - What do we want our outcome to be?
   - How does this program link or support the strategic and operational plans for the business?
   - How are we communicating this to staff?

3. **Culture Fit**

   The program should have an appreciation for both the positive and challenging aspects of the work culture within the organisation and should be designed specifically with the culture and its operating environment in mind. It should be tailored to support the goals and aims of the specific organisation and its staff. Be mindful of implementing programs from another type of organisation as this can impact negatively on the culture and uptake of a mentoring program.

4. **A clear and useable logistical framework is developed**

   A mentoring logistical framework should be uncomplicated. It should support the participants through ensuring clear and effective communication, concise scheduling, and user-friendly documentation. The program should have the necessary support to deal with any logistical challenges that may arise.

5. **Goals and objectives are clear to staff and participants**

   The goals and objectives of the program must be clearly defined and communicated to all staff within the organisation. Information on why the program is taking place and how to participate should be delivered in a timely manner. Staff should never be forced to participate in such a program as its credibility may be questioned.

6. **Selection of appropriate mentors**

   It should not be assumed that mentors will automatically be selected from the pool of leaders and managers within the organisation as the skills and knowledge required to be a successful mentor are specific. Not every manager will possess these skills.

   Mentors from both inside and outside the organisation should meet certain skill and knowledge standards and competencies to be eligible.

7. **Training of mentors**

   Once mentors are selected it is imperative that they receive some formal training in the mentoring process. This should include but not be limited to the following:

   - Understanding of key concepts such as mentoring, coaching, and counselling
   - Understanding of the roles and responsibilities of a mentor
   - Development of mentor goals
   - Understanding of the mentoring framework and how to manage the process and relationship

8. **Linkages to existing programs are made**

   Does the mentoring program complement existing training and development strategies in your organisation? There are many strategies both within departments or sections and corporately that can link successfully to the mentoring program. Ensure there is an agreed synergy between these programs.

Roles and responsibilities in the mentoring relationship

The Mentor

- Listen, question, provide feedback, and help their mentee consider options
- Help the mentee solve problems and locate resources that can assist them
- Identify skills that need to be developed, coach them and give them an opportunity to practice and receive feedback

- Act as a sounding board for the mentee challenging them to explore options and solutions
- Manage the learning experiences of the mentee in the workplace
- Manage the development of the relationship
- Select appropriate learning strategies
- Facilitate learning
- Invest time, energy and effort in the mentee and the process
- Maintain regular contact and communication
- Provide regular and accurate feedback
- Maintain confidentiality
- Act as a role model, embodying the organisation's values and ethical standards

The mentor does not solve problems for the mentee, however they will:

- Listen
- Question
- Feedback
- Provide options
- Advise
- Coach
- Challenge

The Mentee

The mentee can approach their mentor to discuss ideas, challenges, or problems.

They may ask for advice, feedback, or simply use the mentor as a sounding board. Whatever is discussed, it is the mentee who must make decisions on actions or issues.

The mentee is responsible for:

- Reflection
- Clarity
- Perspective
- Options
- Decisions
- Action

- Plans
- Review

More specifically, the mentee will:

- Identify personal and professional development needs
- Set personal and professional goals
- Formulate an action plan to achieve learning
- Invest time and energy in achieving learning goals
- Maintain regular contact and communication with their mentor
- Be receptive to feedback and coaching
- Manage the development of the relationship with the mentor

Some of the longer term and more strategic benefits of implementing a mentoring program in your organisation include:

- Increased professionalism
- Better communication
- Increased employee retention
- Succession planning
- Can be used as an intervention in conjunction with a change management initiative where major change is required (see change management)
- Makes management more aware and more active in workplace issues

Did you know?

Most Universities run very professional mentoring programs which you can join. Participation in one of these programs with a few key management representatives can provide invaluable experience in how to implement and get the best out of a mentoring program. This may be a great opportunity to test and evaluate a mentoring program for use in your organisation.

Case Study

Peter is a young accountant with ABC Accounting Services and has been with the business for two years. In a recent performance conversation with his manager Sue, Peter explains his desire to progress his career and work towards supervisory level. Sue is pleased with Peter's work and can see he has potential in the business. She suggests a mentor might help to develop Peter's skills and says she will investigate it further. Sue considers the managers who could be possible mentors for Peter and decides to approach Alex who has the suitable skills and approach to support and challenge Peter. Alex is happy to take on the role and Sue facilitates a meeting between them to outline the process and get them started. Over the next few months Sue notices a difference in Peter's performance. He is working at a higher level, suggesting new ideas and improvements, and has started postgraduate leadership. He comes to Sue with a plan for productivity changes and they decide to implement them together. At the end of the year, it is announced that Alex will be leaving the organisation. Sue encourages Peter to apply, and he is successful in attaining the role. There is little down time to the business with an internal appointment and Peter is now a good fit for the position.

By encouraging a mentoring program for Peter, Sue has saved the organisation costs in advertising, recruitment and induction of an external candidate and deterred a productive employee from seeking opportunities elsewhere.

Summary

Quite often businesses are so focussed on everyday transactions and remaining profitable that the long-term benefits of strategic planning and issues such as change management, transmission of business outcomes and mentoring can be ignored or neglected. This can reduce the capability and efficiency of an organisation and can limit their ability to be innovative and increase efficiency and productivity.

With transmission of business issues, it is often the case that potential buyers are more interested in the facts and figures of the business and all the financial and operational considerations which must be taken into account before making the final transaction.

Experience and history show that cultural and employee issues are just as crucial in determining the outcome of the process.

This guide should assist potential buyers or sellers of a business by ensuring that they give appropriate consideration to whether there are significant staff issues such as worker's compensation claims or current actions, redundancy payments, the accrual and payment of statutory entitlements and the application of existing awards, agreements and contractual obligations which should be considered in the transactions.

If these items are not identified and dealt with properly as part of the business transfer the new business owner can be faced with significant industrial and financial costs.

Service Level Agreements and Mentoring Programs may seem like non-essential items but the correct use of their potential and impact can greatly benefit not only the organisation but employees and customers.

Mentoring programs are currently available for a range of different categories including Big Brothers and Sisters, Students and Young People, Business Mentoring, LGBTIQ and many more.

Most of these organisations or groups can be easily found through an online search.

Professional mentoring is also available through the membership of certain professional bodies such as the Australian Institute of Human Resources Institute (AHRI) and the Resolution Institute which offer formal mentoring programs that cater for both mentees and mentors combined with networking and associated membership benefits.

Most Universities also have extensive and well-structured mentoring programs that match members of the business community with students for a structured mentoring and assessment process.

The mentors and mentees are carefully matched to suit the pairings so that the maximum benefit is derived from the program for both parties.

This provides great opportunities for businesspeople to share their expertise and experiences with graduates starting their careers and keen to commence their journey into the business community.

Table of Amendments

Page No	Amendment	New Version	Date Amended
13	Consultation clause	1.1	12/03/2014
All	Updates and overhaul of content	1.2	01/08/2016
25	General review and addition of Mentoring Programs	1.3	04/04/2019
All	Updates and overhaul of content	1.4	22/05/2020
All	Updates and overhaul of content	1.5	06/10/2021