

Appendix 1: Case study – Australian Hardware

Australian Hardware (a simulated business) is a large and expanding hardware and homewares retailer with approximately 140 stores located across Australia. In its vision statement, Australian Hardware states that it intends to 'lead the hardware and home-improvement market in Australia within five years'. In order to realise this vision, the organisation intends to:

- build market share by focusing on the customer experience
- control direct and indirect costs through efficient internal processes
- establish the reputation of Australian Hardware as a socially and environmentally responsible company.

These strategic organisation-wide directions are implemented from senior management down, in the form of performance expectations for managers and employees at every level of the organisation.

Australian Hardware realises that the success of the business rests on its people. For this reason, the organisation insists that managers build effective teams by responding to the needs of employees. Such needs include safety and security, fairness, flexibility, skills development and self-actualisation. Satisfying such needs will allow employees to focus more effectively on work tasks and customer needs. In addition, Australian Hardware encourages managers to take a flexible approach to meeting performance targets and to set goals in close collaboration with employees.

To implement strategic directions and advance Australian Hardware's values, managers are expected to lead employees by, first of all, modelling positive behaviours and attributes – those they expect their employees to emulate and embody in turn. To lead and inspire people, managers must demonstrate keen emotional awareness and promote positive team-building behaviours in others.

You are the new General Operations Manager of the Wollongong, NSW, store and you are ready for a challenge. You are directly responsible for managing general sales and checkout staff, administration staff and a human resources officer. You report to the Store Manager, who is responsible for all areas of store responsibility (Timber, Plumbing & Electrical, Gardens and Homewares departments and general operations).

For more background to this assessment task, Australian Hardware simulated business information, including business and operational plans, financial information, and policies and procedures, can be located online at: <<http://simulations.ibsa.org.au/>>.

Appendix 1: Role-play scenario

Scenario

You have a performance issue with Peter, one of your star employees on the sales team. Although Peter consistently achieves sales targets and has an excellent customer service rating, recently Peter has become a drag on overall team performance. The reason is that the team has not been able to rely on Peter for expertise when required to help serve customers.

Peter has been stand-offish and preoccupied with something. This situation is seriously affecting other employees' ability to focus on customers effectively and, perhaps worse, is negatively affecting the work climate. Peter had been looked up to as a model employee and an informal leader. Now, newer employees are beginning to feel that they are personally disliked and disrespected; that teamwork is not a value promoted by the team; that they can't rely on senior, skilled staff; and that, effectively, they're on their own. This situation can only hurt overall team sales performance into the future – as well as performance on other metrics.

Part of the problem could be that you have not been pro-active enough in understanding Peter's motivations and strengths and in providing leadership development opportunities. Perhaps you have taken Peter for granted. This is easy enough to do, when you have other, perhaps more serious, personnel problems to deal with. You know that Peter could use some training in emotional intelligence in areas where of weakness, such as self-awareness and empathy. You also know that Peter, who is committed and goal-driven, has the potential to be a future leader in the organisation.

Balanced scorecard

Australian Hardware uses a balanced scorecard system to integrate performance across the organisation and align each employee's work with the strategic aims of the business. Peter has the following personal balanced scorecard information. Underperformance is bolded.

Peter's balanced scorecard			
Perspective	KPI	Target	Results
Financial	Revenue generated by personal sales	\$15,000	\$16,000
	Revenue generated through sales assists	\$15,000	\$10,000
Customer focus	360° evaluation: <ul style="list-style-type: none"> • Manager evaluation, rating/10 • Customer evaluation, rating/10 • Peer evaluation, rating/10 	8/10 = 80%	80%
		8/10 = 80%	90%
		8/10 = 80%	50%
Internal process	Completion of sales and related expense reporting	Completion	Completion
Employee	Training/self-development hours	100 hours	7 hours
	360° evaluation: <ul style="list-style-type: none"> • Manager and peer evaluations combined, rating/10 (Contribution to high-performance climate and employee satisfaction)	8/10 = 80%	60%