



"Investing in Africa's Future"

COLLEGE OF BUSINESS, PEACE, LEADERSHIP AND GOVERNANCE

COURSE CODE AND TITLE: MMS 302: HUMAN RESOURCE MANAGEMENT

END OF SECOND SEMESTER EXAMINATIONS: (2019/2020)

LECTURER: (A D MUSHONGA)

INSTRUCTIONS

- 1. You are presented with three sets of questions, and required to select/answer ONLY ONE SET that you are most comfortable with.**
- 2. Illustrative diagrams and conceptual frameworks will earn you marks**
- 3. The questions on each set of case studies carry 20 marks**
- 4. You must submit your examination answers, IN DIGITAL FORMAT, to MOODLE , within 48 hours of the time that the digital examination paper is scheduled to start.**

1.

- a. Please take some time to read through the two *People Management* articles that appear below. The first of these articles argues that HR professionals should not implement policies and systems just because they are labelled 'best practice' while the second article considers the various ways in which the impact of HR can be evaluated. This article suggests that evaluation measures should follow a 'best fit' model. Once you have read through the material please answer the questions which appear at the end.

Article One: Instead of blindly implementing the latest 'best practice', HR should take a proactive approach

HR, in my view, is still far too focused on best practice as the cornerstone of its agenda in organisations. When challenged on the merits of its interventions, HR's response is often to label them as best practice, as if this in itself justifies the investment. Yet, if probed, this best practice often turns out to be a case of: 'Everybody else is doing it, so we'd better do it as well.'

This follower mindset leads to an environment where the balance of power rests with the consultants and academics who promote their new ideas as the next best practice. This might explain why some organisations implement one HR initiative after another, without examining if they deliver any lasting benefit. The result of this syndrome is a cynical view of the HR function as the purveyor of fads and gimmicks.

The reason this occurs highlights the inherent weaknesses in current HR thinking, namely, that if we put in place standard HR processes in the most up-to-date way (best practice), then we will be making a positive impact on our organisation's performance. This is made worse by poor measurement systems that encourage efficiency over effectiveness. Also, in the hectic world of business, HR professionals have less time to reflect on what they are doing and become more reactive. This in turn results in more pressure to seek quick-fix solutions.

If we acknowledge that the best practice approach leads to the 'cloning' of HR – everyone doing the same as everyone else, regardless of whether it suits the business or not – what should we be doing instead?

We need to create a more offensive approach to HR management to encourage us to be more innovative when designing people interventions. In a recent article in *Sloan Management Review*, Lynda Gratton and the late Sumantra Ghoshal wrote: 'Our research into high-performing companies shows that, while the search for and adoption of best practice is necessary, it's not sufficient.' They explained that successful businesses often had what they called signature processes – ways of working that were unique to the companies concerned. It is these that create strategic differentiation, they argue.

By becoming more offensive and focusing on what will make our organisation's customer propositions unique and different, we can become the driver rather than the supporter of competitive advantage.

Article Two: Find a fit test that fits HR

According to the old maxim, if you don't measure it, you can't manage it. So, how do we measure, and thus manage, that most crucial and fundamental of our organisation's assets: our people? For me, it is definitely a case of 'best fit' rather than 'best practice': first determining the specific priorities for your own organisation, and then building measures around them. Beware of being seduced by what's simply in vogue. Indeed, measuring what others are not measuring can be a source of competitive advantage. And periodically review your corporate priorities to check that your carefully considered 'best fit' solution still does. The macro measures identified, next decide where and to what level you will collect the data: top line, by team, level of seniority, specialism, or some other category? Although it is better to do anything than nothing, consider that the more data you collect, the more time, resources and money it will cost to analyse it. Keep thinking: 'What am I actually going to do with this?' Maybe also think what you would like the answers to look like so that, if they don't, you've got a clear indication where future effort should be best spent. All measures should focus on what you've defined as adding value to your key stakeholders. This is why I believe we must measure the output rather than the process: evaluating what's been learnt and actioned, not simply totting up 'number of training days'. And this is where we must face the fever-inducing demands for 'return on investment' (ROI), or, put simply, the ability to measure whether our effort has been worth it. ROI, like the

cure for the common cold, is talked about a great deal both despite and because no one has really cracked it. For a start, if there is a successful change, how do you single out a particular HR intervention as the cause from all of the other elements in the mix? And although you might, for example, be able to prove the benefit of a specific training event, how can an organisation hope to calculate the value of continual organisational learning? Frequently the focus is wrong: so tell your chief financial officer that we shouldn't ask the cost of training, but rather the cost of not training. Recent research by the University of Portsmouth Business School bangs in another nail: 'ROI may still be a good indicator for a small range of learning interventions, but it is not the most highly valued or most appropriate. 'More useful is to measure return on expectation, establishing 'upfront the anticipated benefits of HR interventions and then assessing how far these benefits have been realised'. All business activities cost money and most are acts of faith. So maybe investing in improved HR practices and learning and development should instinctively be viewed as a good thing, based on a corporate philosophy that, if you invest in people, something positive must happen. Measuring ROI can easily result in confused accounting and inconclusive statistics, and thus itself be a waste of time, resources and money. As Einstein so wisely said: 'That which counts can often not be counted. And what can be counted often does not count.'

- i. Why do you think following the 'best practice' model might lead to reduced innovation within the HR profession? (20 marks)
 - ii. Please think critically about how organisations might measure the effectiveness of HR. Why is a 'best practice' approach to the evaluation of HR likely to be ineffective? (20 marks)
 - iii. Given the information in the two articles please discuss whether HR professionals should abandon 'best practice' thinking and focus solely on developing their own processes and systems that 'fit' with the contexts of their organisations. (20 marks)
- b. A group of idealistic young people start a co-operative business, recycling or disposing usefully, of various waste and surplus products from industry. They start off sharing the different sorts of work, and paying themselves equally. The business is successful, grows, and develops new lines, eventually running an innovative, technically complex, waste re-processing centre.
 - i. What difficulties would the system of equal pay cause? (20 marks)

- ii. In the arguments about whether to change the reward system, which employees would you expect to base their arguments on 'fairness'? Why? (20 marks)

OR

2. John has recently joined Thatone Fuels as an HR Officer. John has a significant amount of experience from his previous roles and worked his way up from being an administrative assistant at his last company. John believes that working at Thatone Fuels will allow him to expand his skills and knowledge and is particularly looking forward to working as part of a larger HR team.

Thatone Fuels works throughout the country refining and delivering petrol and diesel. The company is successful and employs 1,000 members of staff in total. These individuals occupy engineering, haulage, management and technical positions and are supported by a team of eight HR professionals. There are one HR Director, two HR Managers, one Learning and Development Manager, two HR Officers and two HR Assistants. All members of the HR team (aside from the Learning and Development Manager) are 'generalists', in other words they are responsible for everything from recruitment and selection to redundancy and dismissal.

John believes that his previous experience has prepared him well for his new post at Thatone Fuels although he recognises that he still has a lot to learn. In his role John will have to:

- work closely with line managers to help them implement HR policies
- manage the recruitment and selection process for certain departments
- develop and implement a range of innovative HR policies
- advise on pay and other remuneration issues including promotion and benefits
- negotiate with trade unions
- ensure that all aspects of employment law are complied with
- take an active part in the development of HR and organisational strategy.

John recognises that all of the tasks listed above will help him to 'add value' in his role but he is not certain about how he can really maximise his contribution to the organisation.

John has recently undertaken a CIPD qualification and remembers something about dividing work activities into four categories. His tutor told him that by doing this he will

more clearly see where and how he can add value at work but John cannot remember what these categories are.

After working at Thatone Fuels for a few weeks, the HR Director called John and asked if he had some time for a meeting. The HR Director at Thatone Fuels took time to regularly meet all members of the HR department and felt that this helped to build effective working relationships within the group. During the meeting the HR Director highlighted the need for all HR professionals within the organisation to be 'thinking performers' and told John how this concept really did help the HR function to maintain its credibility. The HR Director praised John for his ability to diplomatically challenge the way that things are done and his desire to look for improvements that were better, cheaper and/or faster. Alongside this point the HR Director also told John that his attitude towards continuing professional development (CPD) was exemplary. John has always been keen to seek out new thinking, both within and outside the HR field, and his approach to CPD has already brought new ideas and thinking into the HR function.

Alongside the positive feedback, the HR Director did highlight that there were things that John should take some time to work on. She told John that sometimes he appeared more concerned with 'means' rather than 'ends', and that sometimes he appeared to see his role as ensuring that 'the law' is obeyed at all times. The HR Director also encouraged John to network more widely within the organisation so that he could really relate his work in HR to the wider goals of the firm. The HR Director indicated that she was very happy with John's performance to date and was looking forward to seeing him grow and develop in the future.

After the meeting with the HR Director, John took some time to reassess his personal development goals and thought carefully about the feedback he had received from the HR Director. He managed to put together a sensible, achievable development plan for the next twelve months with the ultimate goal of becoming a model 'thinking performer'.

Due to the nature of HR work within Thatone Fuels HR professionals often have to work in pairs or teams. For instance when conducting a disciplinary investigation one HR Manager would lead the process, one HR Officer would be responsible for gathering evidence and chairing any meetings and one HR Assistant would be responsible for typing up notes and collating documentation. From his previous work experience and studies, John recognised that teams vary significantly in their size and structure. While HR teams usually seemed to operate effectively within Thatone Fuels John has noted that there are occasions where groups seem to be hindered by a number of factors.

On some occasions John found that leadership had a very negative effect on some teams. When reflecting on this John thought that this might be due to the leader not framing the task correctly or setting unrealistic or unachievable goals. He also found that on occasion little attention was paid to communication structures or processes. John feels that this also affects the dynamics of group environments. A final factor that might affect group environments at Thatone Fuels is the nature of individuals. John has noted that some members of the HR department are more willing to engage in group activities while others are more comfortable working on their own. While John recognises that everyone has different preferences he can't help wondering whether this actually affects the working environment within groups.

- i. Highlight how John might add value in his role at Thatone Fuels. (20 marks)
- ii. What are the four categories into which work activities can be divided and can you split John's tasks between these? (20 marks)
- iii. Discuss whether John is a 'thinking performer'. (20 marks)
- iv. Critically discuss the importance of effective team working in organisations. (20 marks)
- v. Why is it important to have an understanding of the various factors that can affect group environments? (20 marks)

OR

3.

- a. You decide to apply for a new job, putting yourself forward for a role you see advertised as an HR manager in a small enterprise which operates in an industry with which you are familiar. The advertisement states that the company was established three years ago with five employees. It has grown rapidly and now employs 100 people. There is currently no HR manager employed, nor anyone with any HR qualification. Activities such as recruitment and selection, performance management, training and payroll administration are carried out by a variety of different managers in quite an informal way. A consultancy provides employment law advice when it is required. The Chairman is dissatisfied with this state of affairs. He plans further, steady expansion over the coming months and believes that the time has come to establish an HR department and to employ a professionally qualified person to run it. Your application is shortlisted and you are invited to a recruitment event. You will be interviewed and will also have to make a short presentation setting out your "three main priorities for Year 1".

- i. What three priorities would you talk about in your presentation?
Justify your answer. (20 marks)
 - ii. What key points would you seek to get over during the interview in order to persuade the panel to appoint you to the role? (20 marks)
- b. 150 high-potential middle managers from 40 different operating companies of a multinational telecommunications company were sent, in groups of 25, on a three-day management conference. The management conference consisted of group discussions to work out how the company values could be practically implemented and how change was taking place within the organisation to achieve the strategic business objectives, together with exercises to identify and share best practice. The direct cost per three-day programme (including travel and accommodation) was \$60,000. After the management conference, it was noticed that the turnover for this highly mobile group dropped from 12% to 8% (50% were replaced from outside – generally it was reckoned that the replacement of a middle manager from outside cost about nine months' salary). Also, motivation levels of two thirds of the group perceptibly increased. This was supported by anecdotal and written evidence from appraisals (managers often reported gaining 'significant motivation' from the programme) and was also measured as an increase in productivity of the teams being led. 50% of the managers were from sales teams whose annual revenues before the programme averaged \$500,000 per team. The average cost centre had total costs of \$200,000 per year. The productivity changes were an average of 10% per employee for the sales teams, and for the cost centres a decrease in 5% costs per employee. The average managerial salary (including benefits and bonuses) was \$100,000. The average sales margin on revenues was 12%.

Using the information above:

- i. calculate the value of the financial benefits, (20 marks)
- ii. calculate the return on investment, (20 marks)
- iii. what other non-financial benefits were achieved?(20 marks)

END OF PAPER