

HRM STUDY GUIDE QUESTIONS AND ANSWERS

STUDY UNIT 1

Question two

Describe the present ways in which HR professionals can be successful.

The answer to this question can be found in the section “The new role of HRM”. In your answer you should have addressed the following:

The role of HR professionals has changed dramatically over the last few years. HR professionals are becoming more involved with decisions in organisations and their role as functional experts is no longer the only role they should play. They should also share accountability for organising work to be performed as well as where it is performed. They have made a number of changes in an attempt to become more successful. You may describe these changes.

Question three

Give a definition of the new psychological contract.

The answer to this question can be found in the section “The new employee-employer relationship”. In your answer you should have addressed the following:

A psychological contract is an unwritten contract that defines the employment relationship and manages mutual expectations. In the past employees had a lot of job security. However, this has changed in the new environment where change is inevitable due to the changing economic environment.

There are a number of key aspects which define the new psychological contract. For example, there is no job security and the employee will be employed as long as he or she adds value to the organisation. The employee is personally responsible for finding new ways to add value. In return the employee has the right to demand interesting and important work, has the freedom and resources to perform it well, receives pay that reflects his or her contribution and gets the experience and training needed to be employable at the current employer or elsewhere.

Question four

Give four reasons why virtual teams have become important.

The answer to this question can be found in the section “Self-managed work teams”. In your answer you should have addressed the following:

Virtual teams have become important due to the fact that organisational structures have become flat or horizontal and previous hierarchies have been substituted with

flatter structures. Environments have emerged that require inter-organisational cooperation and also competition between different departments in the same organisation. Workers' expectations regarding their involvement in organisations have also changed and organisations' activities and trade in general have globalised.

Question six

Give a brief explanation of the evolving role of HRM during the four periods of organisational change as described by McKee

The answer to this question can be found in the section "The origins of HRM". In your answer you should have addressed the following:

McKee described the evolving role of human resources during four periods of organisational change. These periods are the mechanistic period, the legalistic period, the organistic period and the strategic period. Each period and the evolving role of human resources must be discussed.

Question eight

Discuss the employee-employer relationship in the new work environment.

The answer to this question can be found in the section "The new employee-employer relationship". In your answer you should have addressed the following:

To understand the employee-employer relationship in the new work environment one needs to understand the previous relationship and the old way of doing business. Organisations that want to be successful and competitive will be those that are able to turn their strategies into actions quickly, manage their processes efficiently and maximise their employees' contributions and commitment. For this to be possible the old way of doing things must be abolished and new practices implemented. This can take place through re-engineering, restructuring, downsizing and other activities. These changes will result in employees being dismissed, not only those working in factories, but also those who were traditionally offered a long-term career in the organisation. Thus, the psychological contract – what employees and employers want and expect from each other – will change dramatically in the new work environment. The question now is: what will this new contract look like? Describe the new contract and the two types of violations of the psychological contract that can occur.

Question nine

According to Mahlon Apgar IV, a number of options are available for the alternative workplace to tailor work arrangements to your own needs. Discuss these options

The answer to this question can be found in the section "Alternative workplace". In your answer you should have addressed the following:

The first option is to place workers on different shifts or travel schedules. By doing this you will enable them to share the same desk and office space. A second option could be to replace traditional offices with open-plan space. Thirdly, the concept of "hotelling" can be implemented. This means "hotel" spaces are furnished, equipped and supported with office services needed which can be reserved per hour, day or week instead of

permanently assigning the space to one person. Additional assistance may be supplied to provide employees with travel and other logistical support. The fourth option is to create satellite offices. This implies that large centralised facilities are broken up into a network of smaller workplaces that can be located close to the customer or even the employee's home. The last option, according to Mahlon Apgar IV, is to introduce telecommuting or virtual offices. This is a widely used phenomenon where employees who telecommute perform work electronically from any location. The idea is that this would rather supplement than substitute the current arrangements.

Question ten

Briefly describe what you understand by talent management.

The answer to this question can be found in the section "Talent management". In your answer you should have addressed the following:

Talent management can be seen as the use of an integrated set of HR activities to ensure that the organisation attracts, retains, motivates and develops the talented people it needs now and in the future.

The concept does not only enhance the value of outsiders, but also looks at the talent the organisation already possesses. Although managing talent in organisations is not new, the approach used, namely to bundle together the activities to produce a more coherent whole that can be a vehicle for obtaining, developing and retaining talent the organisation needs, is new. In your answer you also have to refer to the elements of talent management illustrated in the figure "The elements of talent management".

STUDY UNIT 2

Question three

Explain the resource-based view paradigm and its application in interconnected firms.

Also refer to the motivation component of the HR assets as it relates to this paradigm.

The answer to this question can be found in the section "The resource-based paradigm". In your answer you should have addressed the following:

This approach suggests that HR systems can contribute to a sustained competitive advantage by facilitating the development of competencies that are company-specific. However, one of the biggest problems facing the resource-based approach, especially its human resources, is the possibility of employee turnover. Building competencies that do not stay long can have a negative effect on the competitive advantage enjoyed by the company. To limit the damage that can occur as a result of losses, companies can design and implement turnover management strategies. Other approaches that can be implemented include the allocation of a bigger portion of the profits to employees by means of gain-sharing or share options. To further enhance this process, a culture of belonging can also be created in the company.

Performance implications from an HR perspective thus go much further than the knowledge/competencies the human resources have; it also involves their motivation.

In your answer you also have to refer to the motivation component of the HR assets as it relates to this paradigm.

Question four

Explain the best practices paradigm.

The answer to this question can be found in the section “The best-practices paradigm”. In your answer you should have addressed the following:

The best-practices paradigm implies that there is a direct relationship between particular HR approaches and company performance. Some of the HR practices that can be related to company performance are compensation, selection and training activities. In more recent research evidence has shown that bundles or systems of HR practices have more influence on company performance than individual practices working in isolation. There is a lot of support for a best-practices approach to HR but there are some differences as to what constitutes bundles of “HR best practices”. The focus is to enhance the skills base of employees through HR activities, for example, selective staffing, comprehensive training and broad developmental efforts like job rotation and cross-utilisation, the promotion of empowerment, participative problem solving and teamwork. Another important aspect in the best-practices paradigm is the creation of role behaviours which means that company strategies dictate certain unique attitude and role behaviours from employees, and HR practices are the primary means to make this happen. This is not necessarily a sustained competitive advantage because of the fact that this can be duplicated.

When HR practices are matched with an organisation’s competitive requirements, which are linked to the goals of the company, the impact of HR practices on the performance of the company can be enhanced. This brings about the strategic approach. In your answer you also have to include this approach where three perspectives emerged, namely a universal approach, a contingency approach and a configurational approach.

Question five

Explain the process paradigm.

The answer to this question can be found in the section “The process paradigm”. In your answer you should have addressed the following:

This approach is anchored in both the resource-based view and the best-practices theory. The creators of this approach, Raphael Amit and Monica Belcourt, refer to HR processes as the deeply embedded company-specific dynamic routines by which a company attracts, socialises, trains, motivates, evaluates and compensates its human resources.

Company-specific HR processes are established by developing and exchanging information throughout the entire organisation. This process, sometimes called organisation learning, creates, transfers and institutionalises knowledge throughout the organisation, which increases its adaptability. HR processes in a company are evolutionary, meaning that they are continuously evolving and adapting by drawing on past experiences to refine the effectiveness of processes and to meet the changing needs of the organisation. Thus, the HR processes can become one of the company’s

strategic assets if they are able to help it realise superior profitability.

HR processes is the engine of renewal that can be used to continually adjust the way in which a company selects, trains, socialises and evaluates its human capital, and that enables a company to execute its strategy effectively. The universal adoption of best practices leads to company homogeneity; people may leave or join the company but processes remain and this can improve the company. The crux is that the manner in which things are done is important and not what is produced.

Question six

Give a brief explanation of the term "competitive advantage".

The answer to this question can be found in the section "What is a competitive advantage?" In your answer you should have addressed the following:

A firm is said to have a competitive advantage when it is implementing a valuecreating strategy not simultaneously being implemented by any current or potential competitors. A firm is said to have a sustained competitive advantage when it is implementing a value-creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy. Company resources have a major role to play in obtaining the competitive advantage.

Question seven

According to Barney, an organisation's resources can be classified into four groups.

Name them.

The answer to this question can be found in the section "Sources of competitive advantage". In your answer you should have addressed the following:

- . financial capital resources – including debt, equity-retained earnings
- . physical capital resources – including physical technology, machines, manufacturing facilities and buildings
- . human capital resources – including knowledge, experience, insight and wisdoms of employees associated with a company
- . organisational capital resources – the history, relationships, trust and organisational culture that are attributes of groups of individuals associated with the company; a company's formal reporting structure, explicit management control systems and compensation policies

Question eight

The answer to this question can be found in the section "Sources of competitive advantage". In your answer you should have addressed the following which determine a resource's value:

- . the question of value
- . the question of rarity
- . the question of inimitability
- . the question of organisation

Question nine

Write a short paragraph on the universal, contingency and configurational approach.

The answer to this question can be found in the section “The best-practices paradigm”. In your answer you should have addressed the following:

The universalistic approach to strategic HRM assumes that there are certain HRM best practices that will contribute to, for example, increased financial performance of a company, regardless of the strategic goals of the company.

Delery and Doty identify seven practices consistently considered to be strategic in nature. The practices are internal career opportunities, formal training systems, appraisal measures, profit sharing, employment security, voice mechanisms and job definition. It is interesting to note that these practices were utilised in several analyses to test the soundness of the three dominant theoretical perspectives mentioned earlier, namely the universal, contingency and configurational perspective. The results of the analyses provided some support for each of the three perspectives.

Other researchers argue that a contingency perspective is more appropriate to strategic HRM. The contingency approach differs from the universal approach in that research undertaken here attempts to link HRM systems/practices to specific organisational strategies. A closely related body of research calls for a configurational approach to strategic HRM and argues that it is the pattern of HRM practices/systems that contribute to the attainment of organisational goals. Similar to the contingency approach, the configurational approach argues that the fit of HRM practices/systems with the company strategy is a vital factor. However, there are specific “ideal types” of HRM systems/practices that provide both horizontal and vertical fit of HRM systems/practices to the organisational structure and strategic goals. The configuration of systems/practices that provides the tightest horizontal and vertical fit with any given strategy would then be the ideal type for an organisation pursuing that particular strategy. Horizontal fit refers to the internal consistency of the organisation’s HR policies or practices and vertical fit refers to the congruence of the HR system with other organisational characteristics such as the company strategy.

Question ten

Write a brief essay on the attributes of the four mindsets needed to retain the competitive advantage in the new competitive landscape.

The answer to this question can be found in the section “The new competitive landscape: How can it be sustained?” In your answer you should have addressed the following:

A number of paradigms have been identified that describe the contribution of human resources to company performance. These paradigms include the resource-based

paradigm, the best-practices paradigm and the process approach. However, with increased globalisation, technological change and hypercompetition, the three paradigms will be placed under severe pressure. Managers therefore need to adopt four mindsets to convert potential threats into opportunities.

The **first** mindset includes the global mindset needed to convert globalisation threats into growth opportunities. This can be achieved by thinking beyond geographic boundaries, valuing integration across borders and appreciating regional and cultural diversity. The **second** mindset includes the innovation mindset which is needed to foster development and the implementation of new ideas, to transform rapid technological change threats into opportunities by valuing the constant generation of new ideas and business models, realising sources of new ideas and stressing next practices rather than best practices. The **third** mindset includes the virtual mindset which empowers managers to be able to hand over their companies' activities to external providers, which will turn hypercompetition into prospects for growth through flexibility and responsiveness. The **fourth** mindset is a collaboration mindset which refers to the willingness to engage in business partnerships which can lead to synergy by combining business complementarities

STUDY UNIT 3

Question one

Define the concept of leadership.

The answer to this question can be found in the section "What is leadership?" In your answer you should have addressed the following:

There are numerous definitions of leadership but a number of central issues are prevalent in these definitions. These include that leadership is a process not a position.

Secondly, there is a relationship between a leader and followers in a given situation.

Thirdly, people are influenced by the leader. It is important to understand that leaders gain the commitment and enthusiasm of followers who are willing to be influenced; these followers are influenced to think of the interest of the organisation and not only their own interest. Followers are also influenced to bring about change that will contribute to the desired future state of the organisation. The three key aspects in this definition are leaders, followers and the situation.

Question two

Explain the difference between leadership and management.

The answer to this question can be found in the section "What is leadership?" and the figure "The complementarity of management and leadership". In your answer you should have addressed the following:

The two concepts complement each other.

Typical characteristics of leadership

- . alertness to opportunities*
- . imagination and vision to capitalise on them*
- . creating a new paradigm*
- . working on the system*
- . a natural unforced ability to inspire people*
- . requiring respect and a genuine interest in people*
- . an attitude of serving*

Typical characteristics of management are

- . creative problem-solving*
- . working in the paradigm*
- . working in a system*
- . setting people and “things” in motion by means of methods and techniques*
- . using people as means*
- . an attitude of doing*

Both of these are vital for the success of an organisation. According to Hinterhuber and Krauthammer, the sources of leadership are alertness to opportunity and the imagination and vision to exploit or capitalise on it, thereby creating value for all the stakeholders – people, society, customers and shareholders. On the other hand, they see management as creative problem-solving that works in the system and is easier to learn than leadership. They also believe that, in a time of uncertainty, leadership is more important than management.

Question three

Provide five examples of successful leadership and five examples of unsuccessful leadership.

*The answer to this question can be found in the table “Examples of successful and unsuccessful leadership as found in different research studies”.
Note the different examples grouped under the appropriate themes.*

Question four

Name some of the characteristics of organisations that communicate well.

*The answer to this question can be found in the section “What is leadership?”
The literature identifies a number of common characteristics in organisations that do communicate well and these can be described by the following keywords:*

- . top management commitment*
- . open and honest*
- . planned and deliberate*
- . upwards, downwards, sideways*
- . supported by training*
- . agreed objectives*

- . interesting, significant content
- . systematic
- . two-way
- . relevant
- . sufficient time and money
- . reliable
- . regular and well timed
- . right amount
- . support in preparation
- . flexible
- . think message, then medium
- . supportive attitudes
- . in recipients' horizon
- . constantly reinforced

Question five

Write a short paragraph on leadership traits.

The answer to this question can be found in the section "Traits-based approach". In your answer you should have addressed the following:

According to the prescribed book the early studies on leadership (during the 1930s and 1940s) looked at the various issues concerning the individual leader in the workplace. These studies began with a focus on traits or characteristics (physical or mental), followed by a focus on skills (ability to carry out tasks), and moved on to behaviours (performing in specific ways). Very extensive literature on leadership traits (so-called traits-based leadership) exists. The figure "Leadership traits" summarises the traits into four categories, namely physical, social, personality and intellectual. However, the trait theory was not very successful as it was found that no particular set of personality characteristics had recurred in leaders. As Hunt correctly states, "the reverse is more likely to be true – leaders are noted for being different from each other in personality traits".

Question six

List ten leadership managerial roles.

The answer to this question can be found in the table "Mintzberg's 10 managerial roles of leaders".

These roles are grouped into three categories, namely

- . interpersonal roles
- . informational roles
- . decision roles

Question eight

Critically discuss the following organisational models of leadership: transactional and transformational leadership.

The answer to this question can be found in the sections “Transactional-based approach” and “Transformational-based approach”. In your answer you should have addressed the following:

Transactional leadership

Here, leaders are characterised by contingent-reward and management-by-exception styles of leadership. Exchanges or agreements with followers are developed which point out what the followers will receive if they do something right (or wrong). The transactional leadership approach thus lasts only as long as the needs of both leader and follower are satisfied by the continuing exchange process. It is consequently not a relationship that binds the leader and follower together in a mutual and continuing pursuit of higher purpose. Thus, in a sense one can say that a purely transactional style of leadership may be counter-productive.

Transformational leadership

As discussed in your prescribed book this is in direct contrast to the transactional approach (where the status quo in the organisation is maintained). The transformational-based approach raises both leaders and followers to higher levels of motivation and morality with a view to changing the present situation by focusing primarily on the external environment. Transformational leadership consists of four behavioural components, namely charisma, inspiration, intellectual stimulation and individual consideration. Charisma is viewed as the process through which leaders arouse strong emotions in followers, while inspiration refers to leader behaviours such as articulating an appealing vision. Intellectual stimulation, on the other hand, encourages followers to be creative in solving problems, while individual consideration includes leader behaviours that provide special support to followers, such as expressing appreciation for a job well done

STUDY UNIT 4

Question one

Write a short paragraph on the benefits that can be derived from the strategic human resource management (SHRM) process.

The answer to this question can be found in the introduction to chapter 4 in your prescribed book. In your answer you should have addressed the following:

The SHRM process is often an after thought in organisations, but there are numerous benefits from this process. For example, it can contribute to the goal accomplishment and survival of the company, it can support and successfully implement given corporate

and business strategies of the company, it can create and maintain a competitive advantage for the company and it can improve the responsiveness and innovation potential of the company. The SHRM process can also increase the number of feasible strategic options available to the company, participate in strategic planning and influencing the strategic direction of the company as an equally entitled member of top management, and improve cooperation between the HRM department and line managers.

Question two

One of the early definitions to be found in the SHRM literature is that of Tsui. Discuss

Briefly

The answer to this question can be found in the section “The basic principles of SHRM”. In your answer you should have addressed the following:

Tsui describes SHRM as follows:

The concept of SHRM tends to focus on organisation-wide HR concerns and addresses issues that are related to the firm’s business, both short term and long term. It is particularly useful for designing specific HR programmes, policies, systems or management practices at the organisational or business level. It also suggests that the line executive is the most important constituent of the HR function.

This definition clearly supports the “proactive” approach to be found in the literature. With this approach HR professionals participate in the strategic planning process and can, as a result of limitations in the company’s HR situation, potentially influence the formulation of the company strategy. Dyer and Holder, also describe this concept as follows:

Strategic human resource management consists of three major tasks. The first task, which arises during the formulation of business strategies, is to assure that the HR issues and implications of various alternatives or proposals are fully considered (their desirability and feasibility). The next task involves establishing HR goals and action plans – that is HR strategies (at all levels) – to support the business strategies. And the final task requires working with line managers as principal clients to ensure that established action plans are indeed implemented. From the above definitions it is clear that two major issues or aspects need to be in place within the organisation before the SHRM process can function successfully. The first of these is the presence of a strategic management process, the second, the restructuring of the HRM function itself.

Question three

At a strategic level, HR professionals fulfil their strategic partner role and are involved in corporate and HR planning. Identify the four features of this role, according to Casio.

The answer to this question can be found in the section “The basic principles of SHRM”. In your answer you should have addressed the following:

For the HR function to operate at a strategic level, it needs to reorganise the existing HR administrative function into three distinct levels, namely strategic, operational and functional.

At the **strategic level**, HR professionals fulfil their strategic partner role and are involved in corporate and HR planning. Casio identifies the following four features of this role:

- . Senior HR professionals meet regularly with their counterparts in line management to formulate and to review broad HR strategies (those designed to promote innovation, quality enhancement or cost control).

- . Senior HR professionals participate fully in all top-level business strategy sessions. This permits early evaluation of proposals in terms of their feasibility and desirability from an HR perspective, as well as an early warning of upcoming HRM issues.

- . HR professionals at all levels work closely with line managers on an ongoing basis to assure that all components of the business strategy are implemented adequately.

- . The HRM function itself is managed strategically. It has its own departmental strategy that identifies priorities, directs the allocation of resources and guides the work of various specialists (e.g. compensation, labour relations).

The other two levels are **operational** and **functional**, although a discussion on these two levels is not required to answer this question.

Once the new HR structure has been finalised, it is important that proper communication links are established with line management. This relationship can be enhanced by having regular meetings with line managers, circulating relevant HR reports to them and establishing a computerised HR system that allows access by all stakeholders.

Question four

Give four reasons (according to Rothwell & Kazanas) why the relationship between strategic management and SHRM is non-existent.

The answer to this question can be found in the section "The relationship between strategic management and SHRM". In your answer you should have addressed the following:

If the functioning of an organisation is to be successful, the relationship that must exist between strategic management and SHRM cannot be ignored. However, in many cases, this relationship between the two processes in a company is non-existent for a number of reasons. Rothwell and Kazanas have named a few:

- . top managers not perceiving a need for a relationship
- . HR practitioners being perceived as "personnel experts" not "experts in business"
- . HR information sometimes being incompatible with other information used in strategy formulation
- . conflicts existing between short-term and long-term HR needs

Question five

What are the four essential components of HR strategies, according to Dyer and Holder?

The answer to this question can be found in the section “The design of an HR strategy”. In your answer you should have addressed the following:

To implement the SHRM process, you need HR strategies. Dyer and Holder make the following remarks regarding HR strategies (while a wide variety of issues are addressed in such strategies, at a minimum they include four components):

- . a mission statement or a set of prioritised goals for the function and the major subfunctions (e.g. training, compensation)
- . a proposed organisation structure
- . a programme portfolio to outline priorities and policies

Question six

Explain Tichy's HRM cube model, which indicates the important relationship between strategic management and SHRM. In your discussion focus on

- . the basic problems that confront organisations*
- . the design of three systems to solve these problems*
- . aids required to manage these systems*
- . the process of integration of all the issues*

The answer to this question can be found in the section “The relationship between strategic management and SHRM”. In your answer you should have addressed the following:

According to Tichy, companies are continually confronted by **three basic problems** that must be managed: a technical problem, a political problem and a cultural problem. Discuss these problems by referring to the HRM cube illustrated in the figure “The HRM cube”.

To solve these problems, Tichy suggests that companies design three systems, namely the technical system, the political system and the cultural system. The technical system will include all those aspects that are required to solve the production problem. The political system will contain all the practices, activities and elements that will be involved in the allocation problem, and the cultural system will contain all the symbols, values and elements necessary to address the ideology problem in the organisation. Tichy suggests that, for these systems to be managed properly, certain aids are required. He identifies the following three as necessary:

- . the mission and strategy of the company
- . the structure of the organisation, including the administrative procedures
- . the HRM systems of the company

“Mission and strategy” refer to the setting of goals and the development of a strategy.

The structure will include the tasks, the manner in which workers are grouped and coordinated to perform the tasks, and the management processes of control and information to enable the organisation to function properly. The HRM system will include all the activities such as recruitment, selection, performance appraisal, training and development, and compensation. Thus, for the organisation to be managed efficiently and effectively, these issues must be managed as an integrated whole. You should discuss this process briefly.

Question seven

Discuss the design of an HR strategy by referring to the issue of strategic imperatives.

The answer to this question can be found in the section "The design of an HR strategy" and in the figure "High-level framework for understanding strategic imperatives" in the prescribed book. In your answer you should have addressed the following:

It is clear that many issues need to be considered in the design of an HR strategy. A key aspect in this regard is to understand the strategic imperatives behind important decisions taken either in the HR department or in the company. According to Swamy, strategic imperatives are "priority issues that must be addressed to meet long-term objectives". These imperatives, when properly understood, are used to guide the behaviour of, for example, the HR department or company. Thus, major undertakings in the company or HR department demand a properly evaluated strategic imperative. In other words, when an HR department/company starts a new initiative or addresses a critical or urgent concern that will affect its long-term future, it is very important for management to understand the rationale, set goals, test them with independent, objective reliable tools or systems, consider alternative options and plan a roadmap for execution.

Swamy continues to indicate that strategic imperatives can be categorised into two broad categories.

. Firstly, an **aspiration-driven imperative** which consists of two components, namely a growth imperative e.g. a merger or acquisition and an efficiency imperative e.g. informal restructuring. The aspiration imperative thus comes from within.

. Secondly is a **situation-driven imperative**. This imperative comes from external forces, e.g. a government-facilitated imperative such as regulatory change or a market-led imperative such as cost-cutting to remain competitive.

The question thus is: how can an HR department/company, for example, better understand its strategic imperatives? To answer this question it is clear that the HR department/company must identify a priority that must be addressed and understand why it is a priority. Depending on whether it is aspiration driven or situation driven, there are different considerations to take into account (see figure "High-level framework for understanding strategic imperatives"). The steps contained in this figure should be briefly described.

In conclusion, note that two types of HR strategies can be distinguished, namely organisational strategies and functional strategies. Organisational strategies can be seen as part of the organisational or company strategy and have a major impact throughout the organisation. On the other hand, functional strategies are seen as more narrowly focused and are involved only with the strategic management of HR divisions or departments.

Question eight

Explain the two dominant approaches of two models of SHRM and Dyer's classification method of these models.

The answer to this question can be found in the section "Models of SHRM". In your answer you should have addressed the following:

According to the prescribed book several SHRM models have been developed over the years which describe how the company strategy and HRM should be linked. However, two dominant approaches to integration can be found. The first approach is the **reactive role** of HRM, in which strategy dictates HR policies, and the second is a **proactive role**, in which HRM is involved in the strategy formulation process itself.

To understand the SHRM models found in the literature, a classification method designed by Dyer will be applied. Dyer suggests in his four-quadrant model that two dichotomies are important to consider. The first is to separate the organisational from the functional-level HR concerns, and the second, to differentiate between content and process elements.

Content concerns specific choices such as policies and practices in SHRM, whereas process focuses on the means by which these policies and practices are derived and implemented.

STUDY UNIT 5

Question one

A major goal implicit in the idea of flexible labour is to render HRM as a strategic activity. By this it is meant that a multifold process involving a number of issues exists. Discuss briefly.

The answer to this question can be found in the introduction to chapter 5 in your prescribed book. In your answer you should have addressed the following:

A major goal implicit in the idea of flexible labour is to render HRM as a strategic, rather than merely a tactical activity. By this is meant a multifold process involving one or more of the following:

- . for any individual worker, a wider range of tasks and abilities and a willingness to employ them on behalf of the organisation which purchases them
- . a greater variety in the time periods of employment
- . a greater ability by the employer to dispense with certain workers when not strictly essential to the production process (an ability which may be grounded in the replacement of traditional contracts of employment by franchise and subcontractor relations, and/or the greater use of part-time and temporary employees)
- . a greater capacity among workers (in both internal and external labour markets) to be so deployed, necessitating changed attitudes for all, and skill and timemanagement change for some

The inference from the development of these work patterns and practices is a newfound strategic focus by management, integrating both the “hard” or quantitative approach to human resources which emphasises the link to organisational strategy and the “soft” or qualitative approach which focuses on the developmental aspects of managing human resources.

Question two

Explain the major differences between numerical flexibility and functional flexibility.

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Question three

Explain the major differences between financial flexibility and procedural flexibility. -PAGE 50

Question four

What are the key advantages and disadvantages of flexible patterns of work from the employer's perspective? SEE PAGE 51

Question five

What are the key advantage SEE PAGE 51

Question ten

Write a short essay on flexibility.

The answer to this question can be found in the section “What is flexibility?”. In your answer you should have addressed the following:

The term “flexibility” is difficult to define as it has been applied to a wide range of issues and levels of analysis. At a national level the debate is focused on rigidities in the regulation of the labour markets. At an organisational level flexibility is concerned with the integrative use of employment practices and organisational structures to create a capacity to adapt and manage innovation. However, one such definition that is found in the literature and describes the term broadly, states: “The ability of the organisation to adapt the size, composition, responsiveness and cost of the people inputs required to achieve organisational objectives”. In the context of these dimensions a number of forms of flexibility have been identified. The categorisation should not suggest that the forms of flexibility are mutually exclusive. There are many forms of overlapping flexibility which managers need to distinguish to be able to seize opportunities for increasing organisational flexibility, but they should also be aware of the problems inherent in categorisation.

There are numerous types of flexibility, namely functional, numerical, work-time, jobsharing, distancing, financial, procedural, regulatory, location, cognitive and organisational flexibility.

STUDY UNIT 6

Question two

How has the psychological contract between employees and employers been affected by the new era of HRM? Discuss.

The answer to this question can be found in the section “Talent management and the demographic time bomb” and in the tables “The old and new business realities” and “The old and new ways of doing things” in the prescribed book. In your answer you should have addressed the following:

The employment relationship has changed employees will look for employability not employment and will want to change jobs often. Critchley argues that psychological contracts and engagement profiles will be substantially different for older workers. These trends indicate that organisations that are prepared to focus on attracting and developing talent will be in a stronger position to retain key human resources as the so-called “war for talent” intensifies. It is also clear that the way organisations seek to retain these highly skilled resources will have to change. This places human resources at the centre of policy and systems development to achieve outcomes that promote the organisation as an “employer of choice” for increasingly discerning (potential) employees. The structural changes driving the “war for talent” are widespread across many advanced market economies. This creates what Michaels et al describe as a “new” business reality in which management skills and ability to embrace a new mindset are critical. Refer to the tables “The old and new business realities” and “The old and new ways of doing things”. From the above it is clear that the way of doing business will change.

Question four

Define the concept of “talent”.

The answer to this question can be found in the section “Talent management and the demographic time bomb”. In your answer you should have addressed the following: Talent is the sum of the person’s abilities – his or her intrinsic gifts, skills, knowledge, experience, intelligence, judgement, attitude, character and drive. It also includes the ability to learn and grow

Question five

Discuss strategies for dealing with the “war for talent” from a human capital/resourcebased perspective.

The answer to this question can be found in the section “Attraction and retention – a theoretical perspective”. In your answer you should have addressed the following:

The attraction and retention of employees has become an increasingly significant

aspect of contemporary HRM. A review of the literature reveals two theoretical perspectives which provide a framework to analyse the strategic approach linked to the long-term development of the organisation's human resources.

. The first is **human capital theory** which links investment in the organisation's key asset, its employees, to increased productivity and sustained competitive advantage. The strategic aspect is the long-term enhancement of the firm's resource base by linking employee skills development with retention through training and development, career management and progression. This is also consistent with the second theoretical perspective.

. The **resource-based view (RBV) of the firm** is the second theory and the focus of the RBV is on an organisation retaining and developing these human resources through investments such as human resource development (HRD) strategies. This will ensure that these assets become valuable, rare and difficult to imitate, enhancing further the organisation's competitive advantage. Many scholars have adopted these theoretical approaches in interpreting the essential elements in building a competitive organisational advantage.

The strategic focus on the management and development of human resources can be linked to the deliberate promotion of HRD strategies as a catalyst for the attraction and retention of talented employees. This has led to an increased focus on HRM as a platform for building a competitive advantage. A critical element is the strategic development of diverse strategies for staff enhancement and development as important attraction and retention tools. Organisations taking the strategic course will seek a long-term and diverse approach to managing and investing in their human resources to ensure that appropriate training and development is available to all employees.

The management of learning and knowledge in organisations is a complex task in the creation of a competitive advantage; a theme which is increasingly reflected in the literature. In a dynamic environment, this means that the organisations must commit resources to developing a diverse and adaptive approach to ensure that each area in the organisation has access to appropriate levels of training and development to meet diverse organisational objectives.

Question eight

(a) Define an employee value proposition.

(b) Outline the items McKinsey found to be strongly and causally related to employee satisfaction

The answer to this question can be found in the section "Craft a winning employee value proposition (EVP)" and in the table "What employees are looking for". In your answer you should have addressed the following:

A winning employee value proposition (EVP) is defined as everything an employee experiences in an organisation including intrinsic and extrinsic satisfaction, values, ethics and culture. It is also about how well the organisation fulfils the employees' needs, expectations and aspirations.

You also have to refer to the table "What employees are looking for". It is evident from the results in this table that intrinsic factors such as having interesting, challenging work that one is passionate about are rated highly by employees when considering the place of employment. These factors are followed closely by good culture, commitment, support and career advancement. It is interesting to note that pay and wealth creation were in the bottom quartile suggesting that extrinsic factors are not the main drivers in attracting and retaining talent.

STUDY UNIT 7

Question two

Briefly discuss the four perspectives of the balanced scorecard.

The answer to this question can be found in the section "The Balanced Scorecard". In your answer you should have addressed the following:

To activate the balanced scorecard, managers must translate the company goals relating to the four perspectives (these are normally generic issues which form part of any mission statement) into specific measures that reflect the factors that really matter.

. customer perspective

The question that can be asked about customer perspective is: how do customers see us?

. internal perspective

The question that can be asked about the issue of an internal perspective is: what must we excel at?

. innovation and learning perspective

The question that can be asked about the innovation and learning perspective is: can we continue to improve and create value?

. financial perspective

The question that can be asked about the financial perspective is: how do we look at shareholders or how do our shareholders see us?

You have to discuss these perspectives briefly by answering the questions about each of the perspectives.

Question three

Write a short paragraph on who is responsible for compiling the balanced scorecard.

The answer to this question can be found in the section "Compiling the Balanced Scorecard – who is responsible?". In your answer you should have addressed the following:

A team approach will have to be followed. This process cannot be the responsibility of one person only; it should at least involve a balanced scorecard team. The question that should be asked is: what will this team look like? Members of top management will be important stakeholders in the team. This group is vital as they can influence change brought about by this process at the very top of the organisation. Besides this group the

higher the level of people you can assemble from across the business units in an organisation, the better. The advantages of this approach are obvious: with rank comes experience and knowledge, credibility, and the ability to interact with the most senior executives at regular intervals. Besides senior representatives from the different business units in an organisation, senior members from support groups such as human resources, finance and information technology (IT) will also be necessary. According to Niven conflict is at the essence of balanced scorecard development and thus one trait all team members must possess will have to be the ability to work comfortably in an atmosphere of conflict. As every team needs a leader, the balanced scorecard process is no exception, and in the case of this team the person can be called the balanced scorecard champion. The responsibilities of this person will include scheduling meetings, tracking results, ensuring the distribution of materials, interacting with top management and providing guidance on tough issues. Thus, the compilation of the balanced scorecard team is a very important part of its execution.

Question six

Briefly discuss the benefits of the HR scorecard.

The answer to this question can be found in the section “The HR Scorecard”. In your answer you should have addressed the following:

According to Becker, Huselid and Ulrich the benefits of the HR scorecard includes the following:

- . It reinforces the distinction between HR doables and HR deliverables.
- . It enables you to control costs and create value.
- . It measures leading indicators.
- . It assesses HR’s contribution to strategy implementation and ultimately, to the “bottom line”.
- . It lets HR professionals effectively manage their strategic responsibilities.
- . It encourages flexibility and change.

Question seven

Write a short paragraph on how the HR scorecard works by referring to the four dimensions of the scorecard.

The answer to this question can be found in the section “How does the HR Scorecard work?” and in the figure “Linking the HR Scorecard to the Business Scorecard”. In your answer you should have addressed the following:

The HR scorecard helps to integrate human resources into the organisational performance management and measurement system by identifying the points of intersection between human resources and the organisation’s strategy – in other words, strategic HR deliverables. These are strategic HR outcomes that enable the execution of the organisation’s strategy. The deliverables come in two categories: performance **drivers** and **enablers**. HR performance drivers are core people-related capabilities or assets such as employee productivity or employee satisfaction. It is important to note that there is actually no single correct set of performance drivers. Each company custom-identifies its own set based on its unique characteristics and the requirements of its strategy implementation process. Enablers reinforce performance

drivers. For example, if a company identifies employee productivity as a core performance driver, then reskilling might be an enabler. However, it is important that you should not only consider HR-focused enablers in your company (those that influence the more central HR performance drivers), but also how specific HR enablers reinforce performance drivers in the operations, customer and financial segments of the organisation.

Four major dimensions in the HR scorecard can be identified (refer to the figure

“Linking the HR Scorecard to the Business Scorecard”), namely

. the key human resource deliverables that will leverage human resources’ role in your company’s overall strategy (e.g. the extent to which employees’ behaviours change in ways that make a real difference to the business)

. the high-performance work system (e.g. the key HR policies and practices that must be in place and implemented well to achieve the organisation’s strategy)

. the extent to which that system is aligned with the company strategy (e.g. the extent to which the HR practices that you deploy are internally consistent and not working at cross purposes, and are really the right ones to drive organisational strategy)

. the efficiency with which the deliverable are generated (e.g. the extent to which you are efficient in delivering HR services to the organisation)

Question ten

Briefly discuss the four components of the workforce scorecard

The answer to this question can be found in the section “The composition of the Workforce Scorecard”. In your answer you should have addressed the following: The workforce scorecard points out that workforce investments should help execute strategy through the components of workforce mindset and culture, workforce competencies and workforce behaviours. These components become the link between strategy, HR investments and the workforce, which lead to workforce success (refer to the figure “Managing human capital to execute strategy”). The components of the workforce scorecard are:

. Workforce success

This is the most important dimension of the workforce scorecard because it captures the “bottom line” of the workforce performance. These are the measures that reflect how well the workforce has contributed to the execution of the company’s strategy. Typical measures here include: the number and quality of customer complaints, the number of new distributors and the response time for customer inquiries.

. Workforce mindset and culture

The question in this area is two-fold, namely does the workforce understand the company strategy, and does the culture in the organisation support the execution of this strategy? Organisations create norms and expectations that the workforce needs to understand. This creates the culture of the organisation which ultimately shapes employee behaviour. This culture can consequently be measured and assessed in terms of its impact on the company’s strategic success. Typical measures to use here can

include: the extent to which the company strategy is clearly and widely understood, the extent to which the average employee can describe the company's HR strategy and the extent to which employees take pride in working for the company.

. Workforce competencies

The question in this area is: does the workforce have the skills it needs to execute the strategy? The competencies represent the knowledge, skills and ability each employee possesses, and can also be measured and monitored. Typical measures here include: the effectiveness of information sharing among departments, exposure of crossfunctional job experiences and the extent of organisation learning.

. Leadership and workforce behaviours

The question in this area is: are the employees consistently behaving in a way that will lead to the achievement of the company's strategic objectives? Leaders and employees must behave in ways that are consistent with the strategy for it to be executed. These behaviours can be defined and measured to ensure that leaders and employees do what the strategy suggests needs to be done. Typical measures here are: effectiveness in dealing with poor performers, percentage of employees making suggestions and per cent retention of core competency workforces.

STUDY UNIT 8

Question one

Identify the important concepts involved in a definition of business ethics. How are these concepts relevant in the context of South Africa?

The answer to this question can be found in the section "Ethics and the South African business environment". In your answer you should have addressed the following:

According to Peter Singer ethics deal with values, with good and bad, with right and wrong. We cannot avoid involvement in ethics what we do and what we don't do is always a possible subject of ethical evaluation. Anyone who thinks about what he or she ought to do is, consciously or unconsciously, involved in ethics.

Business ethics (or management ethics) focuses on moral standards as they apply to organisations and the behaviour of organisational members. Most decisions in business, particularly those relating to human resources, have an ethical component. Business ethics thus require an integrated approach to decision-making. An integrated approach recognises that managers must take the moral point of view as well as make economically sound decisions and act within applicable law. The moral point of view requires that we act impartially and in accordance with reason, rather than on the sole basis of self-interest or tradition. If ethics are about relationships between people then business ethics are about relationships between stakeholders and the recognition that their divergent interests must be accommodated. Decisions must also be understood as involving different levels of analysis, including on the individual, the organisational, the professional, the business-system and societal levels. Employment equity is a case in point.

In South Africa, business ethics have two important anchors in both the public and private sector.

- . The first anchor is the Constitution's founding values of human dignity, the achievement of equality and the advancement of human rights and freedom.*
- . The second anchor is the King reports on corporate governance which have been instrumental in moving ethics onto the agenda of corporate boards in South African-based enterprises.*

It is important to note that the King reports recognised that many enterprises need to put in place training programmes to develop ethical competency and to develop organisational processes that embed ethics into organisational cultures and operations. The HR activities of recruitment, selection, training and development, compensation and performance management are not only a means to gaining competitive advantage, they are important vehicles for promulgating an ethical culture.

Question five

Explain and evaluate the utilitarian and deontological approaches (Kant, justice and rights) to ethics and discuss their relevance to HRM. Illustrate your discussion with reference to examples in South African workplaces and society.

The answer to this question can be found in the section "Ethical decision-making frameworks" and the tables "Summary of ethical frameworks for moral reasoning and decision making" and "Employee rights and related HR activities". In your answer you should have discussed the following theories/approaches using the tables in your prescribed book as a guideline:

- . utilitarianism (teleological theory)*
- . deontological theories (Kantian duty)*
- . fairness: the idea of justice (distributive, procedural, retributive and compensatory)*
- . individual entitlements: rights*

Note that understanding, implementing and protecting employee rights is essential to good HRM practice. In developed countries many employee rights are enshrined in law and some rights are institutionalised in international agreements such as the International Labour Organisation (ILO). Human rights watch groups are likely to report human rights violations by multinational enterprises operating in less developed countries and through the medium of the world wide web. These violations are reported widely – often to the detriment of the offending multinational. The major types of employee rights in the workplace and the relevant HR activities are presented in the table "Employee rights and related HR activities" in your prescribed book. Although many of these rights must be balanced against the rights of employers, certain employee rights, such as the right to a living wage and a safe workplace, are non-negotiable.

The discussion of ethical theory generates four key questions that HR managers can usefully employ to evaluate prospective responses to ethical challenges and dilemmas they may face. These questions are as follows:

- . Who is affected and how? Which action will result in the greatest good for the greatest number of people affected by it? (utilitarianism)*

. Is the action one that universally respects autonomous rational beings as ends in themselves? (Kantian deontology)

. Is the action one that treats all stakeholders fairly? (justice)

. Is the action one that upholds fundamental human rights? (rights)

You have to keep in mind that ethical theories do not provide formulae for correct decision-making. Rather, they provide a means of analysis for arriving at a reasoned judgement concerning the propriety of alternative courses of action. The same analysis can be applied to myriad ethics issues, for example, judging the ethicality of drug testing in the workplace, performance measurement and evaluation systems, training and development policies, diversity programmes, bonus schemes, retrenchment programmes and discipline measures. Judging with integrity requires careful reasoning by taking into account consequences, duties, justice and rights and weighing them in cases of conflict. Only when we act in accordance with this balanced and reasoned judgement do we act with integrity. When workplace practices are perceived to have integrity there is a positive impact on employee morale, motivation, loyalty, commitment, recruitment and turnover, all of which have a positive impact on the bottom line of enterprises. However, care must be taken not to shift the rationale for ethical HR policies and procedures from one grounded in principles of justice and rights to one grounded solely in economic rationalism.

Question six

Discuss the ethical issues that may arise in the traditional HR activities of employee selection, compensation and promotion.

The answer to this question can be found in the section “Ethical issues and challenges in the workplace”. In your answer you should have addressed the following:

Traditionally the primary responsibility of the employer to the employee was to pay a fair wage and in return, employees were expected to give their employers a fair day’s work. However, this model is too simple to address the many ethical issues and challenges that arise out of the interplay between employers and employees in contemporary workplaces. The failure to recognise ethics issues when they arise (ethical consciousness) is often seen as one of the main reasons why good people do bad things. For example, a recent SHRM survey of HR professionals reported that the most serious ethical problems for HR professionals, and the ones they had the least success dealing with, came from decisions made by managers where factors other than job performance were the basis for decisions in hiring, training, pay, promotion and discipline. The ethics issues and challenges that arise about the HR activities of selection, compensation and promotion of employees will now be discussed briefly. You have to add more detail.

. Selection

Effective and fair selection practices for the strategic deployment of highly motivated and competent employees are an important vehicle for enterprises to gain competitive advantage. In making selection decisions, HR practitioners **must ensure that all job applicants are treated fairly**. Selection practices typically include screening, the employment interview and psychometric testing, all of which can be viewed as strategic tools supporting business strategy.

Screening begins with a job description and a job specification which provides details about a job's duties, responsibilities, working conditions and physical requirements, while the latter describes the qualifications, skills, educational experience and physical attributes needed to successfully undertake the job. A successful screening process is one that ensures there is a pool of suitable candidates who have all been treated fairly with regard to their right to equal employment opportunity. The screening out of unsuitable or less suitable candidates must be done on the basis of **job-relevant criteria** for it to be considered fair.

The employment interview remains the most widely used selection tool and is often the first point of formal contact between a potential employee and an enterprise. Interviews can vary in structure from unstructured to semi-structured to structured. Structured interviews standardise questions and processes across interviews with different candidates. Structured interviews are considered to be fair since each candidate has the same opportunity and interviewer bias is minimised. A critical component of ethical employment interviewing is the standardisation and objectification of the interview. Although they will not guarantee the elimination of discrimination and harmful practices, they are essential steps for HR practitioners who seek to interview ethically.

Psychometric testing is another screening and selection tool often used by enterprises, especially larger ones. The most common types measure **ability** (cognitive, mechanical or psychomotor) and **personality**, but may also include **drug testing, health screening and more recently genetic testing**. The ethical implications of genetic testing are huge, mostly because there is a danger that "the risk of disease will be treated as a disease". However, in principle, genetic testing and drug testing raise the same questions as ability and personality tests: Are the tests valid and reliable? Is the test job relevant? Are the tests culturally based? Has informed consent been obtained? Are the interests of the enterprise and the general public sufficient to justify an encroachment upon individual privacy?

In addition to the issues of fairness and discrimination discussed above, an individual's **right to privacy** is problematic. Included in the notion of privacy are psychological privacy (relating to your inner life), physical privacy (relating to your space and time) and autonomy to determine when, how and what information is communicated about yourself to others. When conducting psychometric testing, HR professionals must safeguard the interests of enterprises and candidates by upholding the rights of those tested.

The issue of discrimination figures prominently in the selection process. Considerations of justice and rights play an important role in ensuring that all candidates are treated fairly and are assured equal employment opportunity. In addition to the issue of discrimination, if jobs are to be truly fair, the selection process must also recognise that it provides an opportunity for a potential employee to select the organisation.

. Compensation

The right to fair compensation, often referred to as the right to a living wage, is derived from the right to life, the right to employment and the right to respect. While for some, a just wage is simply whatever the market determines, traditionally it has involved a mix of variables, including merit or contribution to the enterprise, need, effort, the nature of particular jobs (for example, some are more dangerous, socially undesirable or lack security), bargaining power of unions, laws governing minimum wages, the capability and profitability of the enterprise, and more recently, concern with equality, as well as conditions of the labour market.

Recently performance pay and other contingent systems of reward have been implemented, as have the flattening of pay scales with fewer, but broader pay grades, and flexible cafeteria-style benefit systems. It is generally recognised in the HR literature that the new approach to compensation, often referred to as “new pay”, is more suitable to today’s changing organisational environments and structures than the older methods of pay related to job-evaluated pay structures, time and seniority, which suited hierarchical organisations operating in predictable environments. In particular it is advocated that new pay is “strategic pay”, that is, it both flows from and implements an enterprise’s business strategy. From an ethical perspective, these developments in compensation practice are potentially flawed as they represent a “movement towards greater risk in remuneration” because from an employee perspective, salaries and benefits are less secure and predictable and a “movement away from employee representation” in the setting of policies and practices relating to compensation systems.

Compensation strategies that are perceived to be fair and equitable are central to employee motivation and self-esteem. When developing new compensation strategies to drive business strategy, HR managers can discharge their responsibilities to both management and employees by balancing employer interest in contingent pay with employee interest in stable and predictable income. Principles of ethical pay management help to identify acceptable levels of risk and the task of minimising harm while maximising benefits for all stakeholders.

. Promotion

The key ethical issue in managing the promotion of employees, is fairness. The difficulty is in determining the criteria that should serve as the basis for fair promotion procedures. While there is debate over how much weight should be given to the criteria of seniority and job qualifications, it is widely recognised that promotion should normally be on the basis of job-related criteria, especially performance, and that employees should not be discriminated against on the basis of inappropriate criteria such as gender, race and religion. Employees may not have a right to promotion, but they do have a right to fair evaluations and consideration for promotion. They also have a right to be informed of the reasons for lack of promotion in those situations where it might reasonably be expected. Promotion is one more example where HR practitioners are challenged to “merge dual responsibilities in a way that is beneficial to the firm and fair to all concerned.”

Question seven

Discuss the issues that should be addressed in formulating a company’s policy on employee privacy.

The answer to this question can be found in the section “Selection”. In your answer you should have addressed the following:

Employees have a right to privacy and human resources should take the following actions to ensure that this privacy is respected in the workplace:

- . ensure that there are procedures in place to protect the employee’s data
- . ensure that due process is followed in video surveillance practices
- . ensure that due process is followed in testing, drug testing and genetic screening practices (see additional information below)
- . encourage work-life balance

. e-mail access notification (based on concepts of respect, fairness, autonomy)

An individual's right to privacy should always be respected. Included in the notion of privacy are psychological privacy (relating to your inner life), physical privacy (relating to your space and time) and autonomy to determine when, how and what information is communicated about yourself to others. When conducting psychometric testing, HR professionals must safeguard the interests of enterprises and candidates by upholding the rights of those tested to

- . informed consent
- . not be harmed or unfairly disadvantaged by the process of assessment (or testing)
- . full information about the purpose and results of the assessment
- . suitable preparation for the process of assessment
- . not be subjected to assessment processes which have systematic bias, high error rates, unwarranted discrimination or which are not relevant to the job
- . confidentiality
- . secure storage of test data and results
- . destruction of results when no longer needed
- . counselling, especially in the case of drug, health and genetic testing

Question nine

Identify and discuss the key justice and rights issues in contemporary South Africa. How would Mill, Kant, Rawls and Nozick address them? How do South African enterprises deal with them?

The answer to this question can be based around tables "Employee rights and related HR activities" and "Summary of ethical frameworks for moral reasoning and decision making". In your answer you should have addressed the following:

Students who have limited work experience to draw upon can review the websites of specified South African enterprises, particularly those known to be active in corporate ethics programmes. However, it is also insightful to observe something about enterprises that do not have active ethics programmes.

In its broadest sense, justice involves policies that a corporation or society develops to deal with conflicts between different rights of different people, the same but limited rights of different people and human rights violations. Two issues that many students are likely to raise are those of equity and affirmative action in South Africa. Do you think the South African workplace has been transformed since apartheid to represent the demographics of South Africa? Affirmative action is a true ethical dilemma in that the principle of compensation for past harm and inequity is given priority over the principle of equity for some in the short term.

Affirmative action can be supported by Mill's utilitarianism in that when everyone is free to contribute their talents and skills, society is better served. However, strong forms of affirmative action, that is, those requiring quotas especially when not supported by adequate training and development, might result in inefficiencies.

Affirmative action is not likely to be supported by Nozick and his principle of libertarianism and focus on the free market with limited government intervention in market forces. Nozick's idea of justice is not concerned with redistributive justice or patterned justice and instead focuses on liberty arguing that people are entitled to what

they have as long as they acquired it legitimately. Of course many would argue that in the context of apartheid, there have been significant violations of social and economic rights.

Rawls and Kant are more problematic. To address affirmative action from a Rawlsian perspective, you would need to go behind the veil of ignorance where, under the conditions of objectivity, rationality and the desire to further one's own good, Rawls argues that all people would agree on two principles of justice (refer to section 8.3.3 in your prescribed book). A strong form of affirmative action is not likely to be supported by Rawls. In so far as affirmative action does violate the principle of equity for some in the short term, it is not likely to pass Kant's test of consistency, respect for persons as ends in themselves or autonomy. Nevertheless, when you combine notions of the common good with compensatory justice and equality for all in the long term, there is a powerful argument for affirmative action even though it may violate the principle of equity in the short term.

Question ten

In your view, what is the proper role of HR professionals in the operationalisation of corporate ethics programmes? Why?

The answer to this question can be found in the section "The role of HR professionals in the operationalisation of corporate ethics programmes". In your answer you should have addressed the following:

Two broad themes can be identified in the literature on responsibility for corporate ethics programmes. (1) Responsibility for corporate ethics programmes has been assigned to existing functional areas of management, primarily HR departments in Australia, Canada, South Africa and the USA, and legal departments or corporate services in the UK. (2) To be effective, corporate ethics programmes must have the support of top level management.

Despite the enormous growth in corporate ethics programmes, the ethics process does not yet seem to have evolved into a separate function. However, in many large enterprises, ethics or compliance officers and executives with ethics responsibilities have been introduced. The HR function ought to take on the role of ethical stewardship, with some writers suggesting that human resources has a special role to play in the formulation, communication, monitoring and enforcement of an enterprise's ethics programme. The US-based business ethics literature generally presents the view that the HR function along with finance and law, is the appropriate locus of responsibility for an enterprise's ethics programme. Donaldson places human resources at the top of this triangle arguing that "seventy per cent of the responsibility for values and ethics should fall to HR". This is not surprising when we consider that ethical issues are people issues and HR activities are instrumental to the development and maintenance of corporate ethical cultures. Whether the role of the HR manager is that of strategist or conscience of the organisation is a contentious issue and influenced by the culture and structure of an organisation, as well as the status and credibility of the HR function and its specialists.

Empirical studies have investigated whether ethics initiatives and strategies for ethics management should be HR driven. Numerous studies have been completed in the USA, UK, Canada, Australia and South Africa.

These studies recognise that human resources are well positioned to make an important contribution to creating, implementing and sustaining ethical organisational behaviour in a strategic HR paradigm. HR professionals have specialised expertise in the areas of organisational culture, communication, recruitment, training, performance management, leadership, motivation, group dynamics, organisational structure and change management – all of which are key factors for integrating ethics into all aspects of organisational life and for developing positive corporate ethics cultures. For example, studies have found that the most common source of pressure to compromise ethics standards in organisations is related to conflicts of interest (a superior's directive, meeting overly aggressive business objectives and helping the organisation to survive). Human resources play a critical role in ensuring that employees have, and are aware of, recourse to such pressure. At the same time, the findings suggest that responsibility for ethical leadership should cut across all functions and managerial levels, including line and senior managers.

STUDY UNIT 9

Question six

What is your view about CR and the role of corporations in society?

The answer to this question can be found in the sections “Corporate responsibility”, “The narrow classical economic view of CR”, “The socio-economic view of CR”, “The broad maximal view of CR” and “Current developments in CR”. In your answer you should have addressed the following:

What is your view on CSR as well as the role of corporations in society? In expressing your view, you must be able to provide relevant arguments from the chapter to support the views. Consider the three viewpoints: the narrow classical economic view, the socioeconomic view and the broad maximal view. You should understand that the latter two views are not opposed to making a profit, but they do accept that some profit may have to be sacrificed for social ends.

You can provide examples of companies and your CSR projects. Look at corporate websites to see examples of how companies do or do not practice CR. For example, the Campbell Soup Company's website will allow you to see its triple bottomline reporting approach to CSR and how it is responsible to shareholders, but also to employees, consumers, the local community and the environment. The Campbell's website shows the company is on a journey. For example, it gives specific data on its performance in regard to its various stakeholders for the previous year and its targets for the year ahead.

Guard against reducing CSR to PR (public relations). While it may be true that some companies have CSR practices only for PR reasons, if they do they are operating in Friedman's framework, that is, CSR can be practiced if doing so leads to higher profits. This is different from doing CSR for the right reasons. There is a growing body of research which supports the view that CSR does result in long-term profitability, which is good news. However, if it is the only reason for practising CSR, you may ask, what will happen in cases or times when it is not profitable?

Question seven

Discuss the five pillars of corporate governance and the issues which need to be addressed in each of these pillars.

The answer to this question can be found in the section "Theories of corporate governance".

You can use the figure "The five pillars of corporate governance" in your prescribed book to discuss the various aspects.

Question eight

What is corporate governance, and is it important?

The answer to this question can be found in the sections "Corporate governance", and "Corporate governance and its importance". In your answer you should have addressed the following:

Corporate governance refers to the processes by which enterprises are directed, controlled and held to account. It is concerned with the performance of enterprises for the benefit of shareholders, stakeholders and economic growth. Corporate governance focuses on the conduct of boards of directors, managers and shareholders. It encompasses authority, accountability, stewardship, leadership, direction and control exercised in the enterprise.

There are many definitions of corporate governance, but the common themes are shareholder rights, stakeholder rights, disclosure and transparency, executive management and board accountability. The corporate governance framework includes business ethics and CSR. The Organisation for Economic Co-operation and Development (OECD) has defined corporate governance as:

A set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interest of the company and its shareholders and should facilitate effective monitoring.

Fraud and abuse have led to a greater awareness of the need for good corporate governance. Bosch states that good governance is important for two reasons: (1) "investor protection has increased with the enormous surge in share ownership" and (2) the creation of wealth can be increased by "improving the performance of honestly managed and financially sound companies".

Good governance is also important because it enables predictability, transparency, participation and accountability. Predictability refers to the consistent interpretation and enforcement of rules, procedures and regulations. Transparency enhances predictability and quality decision-making by ensuring that all relevant information is available and disclosed to all relevant stakeholders. Transparency serves participation by providing stakeholders with the necessary information to participate in decisionmaking

processes and practices. Finally, accountability requires enterprises to account for their actions. The account should explain the appropriateness, legality and morality of corporate actions. To support accountability practices, corporations should identify who is accountable, to whom they are accountable and for what they are accountable. The essence of good corporate governance is accountability.

Question ten

Identify and discuss ways in which the HR function can contribute to corporate citizenship through implementing CR, corporate ethics and corporate governance.

The answer to this question can be found in the sections “Corporate responsibility and HRM”, “Corporate ethics programmes and HRM” and “Corporate governance and HRM”. In your answer you should have addressed the following:

Corporate responsibility and HRM (sec 9.4.1)

A stakeholder understanding of CR puts people at the centre and builds relationships of mutual trust and mutual benefit. It requires corporations to operate in ways that not only avoid harming people and the environment, but which have a positive impact on people’s health and safety, quality of life and personal growth. In the case of employees, this involves HRM practices associated with equal employment opportunity, diversity, job security, compensation, occupational health and safety, industrial relations, performance and remuneration, and work-life balance. In global operations, it involves managing human rights, particularly those relating to child labour, wage exploitation, basic health and safety, empowerment and quality of life.

Corporate ethics programmes and HRM (sec 9.4.2)

Chapter 8 discusses the role of HR professionals in operationalising corporate ethics programmes, particularly the formulation, training and monitoring/enforcement phases. It reports that, with the exception of the UK, the day-to-day responsibilities for corporate ethics programmes appear to be carried by the HR function. In chapter 9, two key areas where HRM can make a significant contribution to corporate ethics programmes are addressed.

The first is ethics training, both at the orientation phase for new employees, but also the provision of in-depth training programmes, particularly for employees who are involved in complex ethical decision-making. At the orientation phase training should

- . convey to new employees an organisation’s commitment to its values and ethical business conduct as stated in its written standards
- . raise new employees’ awareness of ethical issues that may arise in the conduct of their daily work
- . provide information about organisational resources available to employees when faced with conflicts or observed breaches of the standards
- . inform employees of linkages between ethical business practice and sanctions, rewards and performance management

More in-depth ethics training can include organisation-specific case studies, interactive

e-learning programmes, mentoring, “ethics moments” as a normal part of meetings and decision-making, and regularly scheduled seminars with an external ethics consultant. If HR professionals provide ethics advice to other employees, it is essential that those HR professionals have a solid grounding in ethical analysis.

Secondly, HR professionals can make a strong contribution to corporate ethics programmes by initiating creative and meaningful ways to link ethics and organisational values to performance management and reward programmes

Corporate governance and HRM (sec 9.4.3)

The traditional HRM activities of recruitment and selection, training and development, performance management and remuneration have a critical role to play in the development and maintenance of good corporate-governance practices. This not only applies to boards of directors, but also to improving shareholder value through the development of human capital and upholding a company’s responsibilities to stakeholders, in particular its employees. As Mervyn King notes, “good human resource management is imperative for good governance”.

HRM also has an important role to play in providing objective recruitment and selection processes for independent and diverse board members, providing orientation training and ongoing development opportunities for the board, and assessing the board’s performance for both independent oversight and effectiveness.

HRM also has an important role in leading and advising remuneration committees about competitive, fair and equitable remuneration for directors as well as succession planning. In addition to a base salary, remuneration packages for directors typically include bonuses, share options and retirement benefits. Remuneration committees may also assist in the determination and review of remuneration packages.

The monitoring and measurement of board performance is related to remuneration. Performance appraisals require that performance indicators be identified. Such indicators should include financial and non-financial metrics. For example, in addition to a company’s share price, performance measures could include such things as compliance with regulations and standards, transparency, leadership, shaping longterm strategy and balancing the interests of different stakeholders.

The governance of risk is another area where human resources can make an important contribution, particularly in expanding a board’s understanding of risk to include human capital risks. The SABPP proposes that people risks include corporate culture, talent shortages, retention, incompetence, employee performance, unethical behaviour, low morale, grievances, disputes, absenteeism, employee wellness, sabotage, harassment and non-compliance with codes and laws.

Finally, it is important to consider an HR governance role, not an HR compliance role. Students can consider the implications of the statement from SABPP that “[P]rogressive HR directors and managers will become HR governors true high-level professionals who connect HR with the board”.

STUDY UNIT 10

Question one

Briefly describe what e-business means.

The answer to this question can be found in the section “What does e-business mean?” In your answer you should have addressed the following:

E-business means that you are doing business digitally, which can include everything from buying and selling on the web to extranets that link a company to suppliers, intranets that enable an organisation to better manage its knowledge, enterprise resource planning systems that streamline an enterprise’s supply chain, electronic customer support and automated order tracking.

It implies that the overall business strategy redefines the old business models and uses digital media and network technology to optimise customer value delivery. It relies on internet-based computing which is the platform that supports the open flow of information between systems. It capitalises on an existing technology backbone consisting of front-end and back-end enterprise business systems, it makes effective use of component technology and interacts with customers via business portals established over the internet. Technology is used in this case both as the actual cause and also driver of business strategy. It is used not only to develop the product or the service but also to provide better choices to customers along with enhanced delivery options. If an e-business strategy is to be implemented, dramatic changes in strategy, organisation processes, relationships and systems will be required as well as significant changes to the way employees do work.

Question two

Feeny suggests that companies that are interested in e-business should first construct a coherent map identifying the areas where web-based technology could be introduced.

Discuss briefly.

The answer to this question can be found in the section “Where does a company start on the e-business path?” In your answer you should have addressed the following: Three core areas or domains are suggested, namely e-operations, e-marketing and eservices.

David Feeny suggests that e-operations and e-marketing should receive the most urgent attention as they provide the most certain rewards. He further suggests that it is important to distinguish clearly between these three domains as they each require their own distinctive framework for identifying ideas that can bring a competitive advantage to a given context.

e-operations – covers web-based initiatives that improve the creation of existing products. Of importance is the way a business manages itself and its supply chain. An example would be the improvement of a company’s purchasing by posting requirements on a website and having suppliers bid electronically.

. **e-marketing** – covers web-based initiatives that improve the marketing of existing products. Aspects of importance are the way the product is delivered and the scope of support services. An example would be where Amazon notifies customers of new book-buying options based on a profile of previous purchases.

. **e-services** – covers web-based initiatives that provide customer-affiliated services. Aspects of importance are, for example, new ways to address an identified set of customer needs. An example would be shopping robots which search the internet to find the best deals available. A number of new dot.com businesses are currently active in this area.

Question three

According to Brache and Webb, a company's e-business strategy should answer a number of questions. Briefly discuss some of these issues.

The answer to this question can be found in the section "Formulating an e-business strategy". In your answer you should have addressed the following:
According to Alan Brache et al, a company's e-business strategy should answer the following questions:

- . What objectives of our business strategy can be digitally enabled?
- . Where does e-business (not just e-commerce) fit into our strategic priorities?
- . How will we ensure that the internet does not make our niche in the value chain obsolete?
- . How will we protect our customer base in the digital world?
- . How will e-business help us attract new customers in the markets our strategy has targeted?
- . How will we interface electronically with our customers? Our suppliers? Ourselves?
- . What role will our website play? How will people find it?
- . How will we ensure that we have the systems and technological capabilities to implement this vision?
- . How will we ensure that we have the processes to implement it?
- . How will we ensure that we have the human capabilities to implement this vision?
- . What are the priorities among our digital initiatives?
- . What is our plan for making all of this happen?

Question four

Write a short essay on the implementation of an e-business strategy.

The answer to this question can be found in the section "Implementing the e-business strategy". In your answer you should have addressed the following:

The old business paradigm has changed and the way that a company does business will also change. Changes will have to be made to how the organisation approaches its customers, and how it markets, orders, tracks and delivers its products or services. Organisations will have to build at rapid speed the business and technical architectures required as well as develop the new cultures and skills needed. This implies that companies will need experts in various fields such as e-business strategies, leading operational-level business practices, process and technical redesign, data management, security, specialist services such as web-marketing and design, knowledge management

techniques for choosing and implementing business information and decision-support tools, supply-chain management, supplier management and strategic sourcing, and system-to-system integration.

To implement a successful e-business strategy it is crucial to gain top management support, establish a cross-functional project team, draw up a communication plan, obtain their own budget, create a transition plan and evaluate the plan.

Question six

Write a short essay on e-HR.

The answer to this question can be found in the section "Describing E-HR". In your answer you should have addressed the following:

When defining e-HR it implies that human resources need to do some groundwork, executives should participate in the process and there needs to be an appreciation of technology and the use thereof. Key to the success is the existence of a well-developed HRIS and the need to use various networks of technologies wisely.

The HRIS will thus form the backbone of the e-HR system. This system will interface with the organisation's intranet and also connect to HR service providers and business partners via an extranet as well as have links to the internet via HR portals (single points of access).

The aim of this is to provide cost-effective universal access to HR data by all authorised parties, including employees, managers, executives, HR service providers, relevant communities, corporate customers and the public at large. It will also reduce the distance between the HR department and its internal customers.

Question seven

Discuss the benefits and disadvantages of implementing e-learning in a company.

The answer to this question can be found in the sections "Advantages and Disadvantages of E-HR". In your answer you should have addressed the following: From the literature it is clear that vast improvements in efficiencies can be achieved by taking human resources online. These include the following benefits:

- . Portals can create a single interface for accessing key data.
- . Online recruiting can eliminate paperwork and speed up the hiring process.
- . Employee self-service can automate record-keeping.
- . A web-accessible knowledge base can reduce questions to the HR department or a call centre.
- . Electronic benefits enrolment lets employees sort through options faster, while reducing paperwork and questions for human resources.
- . Electronic payroll can cut costs and make data more easily accessible.
- . Trading exchanges and e-market places can reduce the costs of products and services.
- . E-procurement can eliminate catalogues and manual processes that are expensive and slow.
- . Electronic travel and expense reporting can crumple the paper glut and speed up reimbursements to both employees and the company.

- . Online retirement planning can help employees map out their future, while reducing questions and paperwork for human resources.
- . Online learning can slash travel costs and make training available anytime, anywhere.
- . Competency management can help an organisation identify strengths and weaknesses.

Many routine day-to-day administrative tasks have been taken online, freeing the HR department to focus on more important issues.

There are also negative aspects related to the implementation of an e-HR strategy, including the security of the HR data (data includes private and sensitive information). The disclosure and cross-border movement of HR data is a critical issue that must be managed very carefully, based on country- and organisation-specific as well as individual authorisations. Thus data and multiplatform security aspects are perhaps the most serious factors that need to be taken into consideration during the formulation of an organisation's e-HR strategy.

Question eight

Four types of HR intranet sites are identified by Chamine. Discuss each site briefly.

The answer to this question can be found in the section "HR intranet sites". In your answer you should have addressed the following:

Chamine identified the following four types of HR intranet sites:

- . **Brochureware** – Normally at the launch of a website, companies post most of their written materials on the site and consequently use the site as an electronic bulletin board. Under these circumstances employees are bombarded with lots of information and for a busy employee looking for a simple piece of information, this can be very time-consuming and frustrating. Under these conditions this format does not take advantage of the integrated, interactive and personalised capabilities of web technology.

- . **Transactional** – When the enormous potential of the intranet is appreciated, by allowing employees to conduct transactions online, the site moves up in capability. Typical online transactions include changing personal information, registering for courses, submitting expense reports, reviewing vacation information and leave, reviewing and updating benefit selections or applying for other jobs in the company. New technologies have enabled the creation of truly engaging easy-to-use applications for self-service.

- . **Integrated** – Here multiple sites are linked together to create a seamless experience for the individual. The challenge at this stage is how to integrate the various services in a way that makes sense to the employee.

- . **Personalised** – The ultimate goal is to create a truly individualised experience for each user where unique content is provided based on the person's profile: Is the person a manager, supervisor or hourly worker? What region do they work in? Which benefits package are they entitled to? What are their unique skills, motivations and objectives for career advancement?

Question nine

Write a short essay on e-HR-based performance management.

The answer to this question can be found in the section "E-HR in practice". In your answer you should have addressed the following:

Performance management has traditionally been an activity that was mainly paperbased, but with the implementation of new technology other electronic methods can now be utilised. A number of key principles should be adhered to such as the fact that employees should be satisfied with the system, meaning that they should perceive the system as being fair. If this is not the case they will perceive the system as unfair and this will have a negative impact on their motivation.

Technology can be used in two ways when embarking on performance management:

. Employee's performance can be measured via computer monitoring which demands minimal inputs from the individual. This is called computerised performance monitoring (CPM).

. Another approach is a tool that facilitates the process of writing reviews or generating performance feedback which may include multirater feedback provided online and even off-the-shelf packages.

Several ways exist to achieve technological enhancement of performance management systems in this option:

. One method is to incorporate appraisal as part of an overall enterprise resource planning (ERP) software system.

. Besides the ERP software system, company intranets or the internet may also be utilised.

. Another positive feature of this type of process is that many of the software packages also include a training component for the rater.

All these options have the potential to make the performance evaluation process less daunting for frontline managers, engineers, scientists or others who often strongly resist the time and effort spent on this activity. Thus, numerous benefits to online performance appraisal exist, but only if the issues of trust, fairness, system factors, computer literacy and training of the raters as well as the employees being rated, are considered.

You have to explain e-HR-based performance management in more detail using the above discussion as a guideline.

Question ten

Briefly explain a typical e-recruitment process and e-selection process.

The answer to this question can be found in the section "E-HR in practice". In your

answer you should have addressed the following:

Companies are increasingly making use of electronic systems such as web-based job sites, portals and kiosks, to attract applicants. The most common practices used for online recruitment involve the following:

- . adding recruitment pages to existing company websites
- . using specialised recruitment websites, e.g. job portals, online job boards
- . developing interactive tools for processing applications such as online applications and automatic e-mail responses
- . using online screening techniques such as keyword systems, online interviews and personality assessments

Job postings are also done on the intranet of the company. A number of benefits can be derived from using e-recruiting namely:

- . It increases the effectiveness of the recruitment process by reaching larger numbers of qualified people.
- . It reduces recruitment costs, it decreases and streamlines the administrative process cycle times.
- . It enables the company to evaluate the success of its recruitment strategy.

There are also a number of dysfunctional or unintended consequences of e-recruiting, for example:

- . The computerised system may make the recruitment process more impersonal and inflexible.
- . Some groups may not have access to computerised systems or even lack the skills to use them.
- . Some applicants may also see the online system as more likely to invade their personal privacy and as a result may make them less willing to apply.

These problems can be overcome by the following:

- . restricting unauthorised access to data gathered online
- . restricting disclosure of data to only that which is required for decision-making purposes
- . developing systems that are culturally sensitive
- . aligning the system with the strategic goals of the company
- . providing sufficient evidence on the system about the company
- . designing the site so that it is easy to use

Once the recruitment has been completed the next step is to select the most suitable candidate from the pool of applicants. The implementation of any selection process is complex, and the integration of technology to use in this process is even more complex, especially when considering that one of the critical steps in the process is that of testing. A number of steps can be followed when implementing the e-selection process namely:

1 Draw up a flow chart of the current assessment process.

2 Draft the desired flow process that will result from the e-selection process – from this step, process improvements, efficiencies and cost savings should be evident, for example fewer staff members will be involved in the new process.

3 Consider how the various new stakeholders and clients (recruiters, administrators, etc.) will use the system.

4 Choose a new technology enabled scoring system – with e-selection the scoring should be rapid or instantaneous, test results should be readily combinable with other test results and score reports should be available

that are readily interpretable and printable. Another important aspect is the equivalency of the previous paper and pencil system with the new one. Rules regarding the interpretation of the score results must also be determined, for example, “definitely hire”, “possibly hire” and “definitely reject”.

5 An issue that also needs to be addressed is how to prepare the candidate for the test – this will help with test anxiety, for example, provide a few practice items.

6 Train the employees who will be responsible for the administration of the process.

STUDY UNIT 11

Question one

Provide examples of internal and external triggers to organisational change.

The answer to this question can be found in the section “The triggers to organisational change”. In your answer you should have addressed the following:

Internal triggers to change

- . *Technology – the term “technology” can be used broadly here to refer to the use of new machinery and tools and the associated way work is designed in organisations to produce goods and services.*
- . *Changing nature of customers – the needs of consumers change constantly necessitating new products and services.*
- . *People – new HRM initiatives such as team-based working arrangements necessitate the retraining and multiskilling of employees.*
- . *Administrative structures – the restructuring of administrative processes and the redefining of authority relationships must be undertaken to accommodate new work practices.*

External triggers to change

- . *Political – government laws and regulations can have an impact on an organisation, for example employment laws, pricing regulations.*
- . *Economic – no business functions in isolation and economic growth, interest rates and the level of unemployment can have an impact on the way business is conducted. The internationalisation of business can also have a major impact on how business is conducted.*
- . *Social – organisations consist of people and changes in their lifestyle can have an impact on how they are managed. Other issues of importance here are the population growth, age distribution of the population and also leisure interests.*
- . *Technology – the rate of technological developments can also have an impact on organisations, for example the computerisation of business processes.*

Question two

Common barriers to change can be rooted in three main areas. Discuss briefly.

The answer to this question can be found in the section “Barriers to organisational change” and in the table “Common barriers to change”. In your answer you should have addressed the following:

Individuals and organisations are not inherently resistant to change. They only put up barriers when they perceive the change to be threatening. They therefore react to the threat and not the change. Whether change will be perceived as threatening or not, will depend on the way it is introduced. According to Gilley et al, common barriers to change can be rooted in three main areas, namely:

- . in the organisation system (structure, policies, procedures etc.)
- . leadership/management (philosophies, capabilities and actions)
- . the human dimension

There are a number of common barriers in each of these three areas. Refer to the table “Common barriers to change” for a detailed list.

Question three

List a number of possible causes why employees in companies resist change.

The answer to this question can be found in the section “Barriers to organisational change” and in the table “Common barriers to change”. In your answer you should have addressed the following:

Eccles identifies the following possible causes of resistance:

- . failure to understand the problem
- . the solution is disliked because an alternative is preferred
- . a feeling that the proposed solution will not work
- . the change has unacceptable personal costs
- . rewards are not sufficient
- . fear of being unable to cope with the new situation
- . the change threatens to destroy existing social arrangements
- . sources of influence and control will be eroded
- . new values and practices are repellent
- . the willingness to change is low
- . management’s motives for change are considered suspicious
- . other interests are more highly valued than the new proposals
- . the change will reduce power and career opportunities

Question four

What are typical symptoms of resistance to change from an employee’s perspective?

The answer to this question can be found in the section “Barriers to organisational change”. In your answer you should have addressed the following:

Symptoms of resistance to change include the following: withdrawal, aggression, arguing, negativism, blaming, gossip, slowdown of work, sabotage of the change effort

and increased absenteeism.

Question five

Write an essay on how to overcome barriers to change in organisations.

The answer to this question can be found in the section “Overcoming barriers to change” and in the table “Overcoming barriers to change”. In your answer you should have addressed the following:

Interventions or strategies need to be devised to overcome the barriers to change if an organisation is to survive and thrive over the long term. In the table “Overcoming barriers to change”, Gilley et al have identified strategies for leaders, managers and HRM professionals to overcome these obstacles to change. Refer to this table in your essay.

The HR professional plays a vital role in overcoming these obstacles. Certain skills need to be possessed by change managers if they are to function effectively and efficiently. These can include social relationship skills, communication skills, persuasive skills, presentation skills, problem-solving skills and planning skills. According to Higgs and Rowland, managers should also possess the following eight change management competencies to be successful:

- . change initiation*
- . change impact*
- . change facilitation*
- . change leadership*
- . change learning*
- . change execution*
- . change presence*
- . change technology*

Question seven

Distinguish between the concepts “organisation learning” and the “learning organisation”.

The answer to this question can be found in the section “The learning organisation”. In your answer you should have addressed the following:

*According to Mabey, Salaman and Storey, the **learning organisation** is a term that has been used to characterise an enterprise where learning is open ended, takes place at all levels and is self-questioning.*

*At the same time these authors see **organisation learning** as a descriptive device to explain and quantify learning activities and events taking place in an organisation. Thus, a critical distinction between an organisation that learns and the learning organisation seems to be that in the latter, individual learning activities feed and integrate with broader and deeper learning processes in the organisation while this is not the case with organisation learning.*

Question eight

List nine characteristics of a learning organisation.

The answer to this question can be found in the section “Characteristics and benefits of a learning organisation”. In your answer you should have addressed the following: Marquardt identifies the following characteristics of a learning organisation:

- . Learning is accomplished by the organisation as a whole.
- . Employees in the organisation recognise the importance of current and future success of ongoing learning.
- . Learning is a continuous, strategically used process that is integrated and runs parallel to work.
- . There is a focus on creative and generative learning in the organisation.
- . Systems thinking is fundamental in a learning organisation.
- . An organisation climate exists that encourages, rewards and accelerates individual and group learning.
- . Employees network in an innovative manner that resembles a community both inside and outside the organisation.
- . Everyone is driven by a desire for quality and continuous improvement.
- . Employees have uninterrupted access to information and data.

Question nine

Briefly discuss the “systems learning organisation model” developed by Marquardt by referring to the five subsystems of the model.

The answer to this question can be found in the section “Building a learning organisation” and in the figure “The learning organisation model”. In your answer you should have addressed the following:

There should be no doubt in your mind that becoming a learning organisation is an absolute prerequisite to remaining competitive. You will also understand that moving from a non-learning to a learning organisation is no simple task. It requires, among others, the cooperation between numerous stakeholders. It also needs a person to oversee this process who is normally known as a chief learning officer (CLO). But, how can companies then move from a non-learning mode to a learning organisation? To answer this question, we will look at the “systems learning organisation model” developed by Michael J Marquardt, and discussed in his book Building the learning organisation: mastering the five elements for corporate learning. This model, which is practical and workable, has been adopted successfully by thousands of companies around the world. The model consists of five related subsystems (see the figure “The learning organisation model”) namely, learning, organisation, people, knowledge and technology. It is important to note that all five of the subsystems are necessary to sustain a viable ongoing learning organisation. As will be noticed from the figure “The learning organisation model”, the subsystems in the model consist of a number of elements/components.

You will have to discuss each of these subsystems briefly by referring to the figure “The learning organisation model”.

From your discussion it should be clear that to become a learning organisation demands an understanding of and commitment to mobilising all five subsystems of the

model. Taking the specific steps to build a learning organisation requires well orchestrated planning on the part of many people in the organisation. Maintaining this new higher level of learning power is perhaps as challenging as initiating the process. However, appointing a chief learning officer (CLO) to oversee this process may well be a good idea.

Question ten

write a short essay on the chief learning officer (CLO) found in many organisations today.

The answer to this question can be found in the section “The chief learning officer (CLO)” and in the table “What the CKO/CLO does”. In your answer you should have addressed the following:

In many circles, the rise of the chief learning officer (CLO), also known as the chief knowledge officer (CKO), as a senior corporate position is seen as a recent phenomenon. General Electric and Coca-Cola, two of the world’s major companies, were the first to hire such individuals. These individuals are normally part of the HR departmental structure and report directly to the head of human resources and the CEO of the company.

The CLO plays a vital role in building and sustaining the high-level learning organisation. But what are the characteristics of such a person?

Characteristics of a chief learning officer

Recent studies have identified a number of characteristics that are most prevalent among these individuals, for example:

- . Knowledge officers should have circulated through the company and should have developed a holistic perspective.*
 - . They must be able to energise the organisation and function as cheerleaders to build momentum behind the knowledge initiatives.*
 - . They must be able to withstand a multitude of pressures.*
 - . They must feel rewarded by the accomplishments of other people.*
 - . They must have a good relationship with the head of human resources.*
- Although the CLO appears to be a rare type of person, the identification, appointment and training of such a person is of utmost importance to the company. So what is the role of the CLO?*

The role of the chief learning officer (CLO/CKO)

The CLO/CKO can influence the organisation in several ways (see the table “What the CKO/CLO does” in some of the major companies in the world). One is to rapidly generate new knowledge, ideas and solutions to problems throughout the organisation by means of information technology.

In today’s highly competitive global environment, the organisation needs knowledge workers more than knowledge workers need the organisation, and the role of the CLO in this process is thus indispensable. The good news is that CLOs continue to grow worldwide.

STUDY UNIT 12

Question one

Briefly define the concept of strategic international human resource management

(SIHRM).

The answer to this question can be found in the section “IHRM: What is special about ‘international?’” and in the figure “Factors in strategic international human resource management.” In your answer you should have addressed the following:

Before we can define the concept of strategic international human resource management (SIHRM) we first need to grasp what the concept of international human resource management (IHRM) entails. Current definitions have a narrow focus and it is important to realise that it does not only imply that organisations have to manage their staff across country borders. It also covers a far broader spectrum than just managing expatriates – it is the worldwide management of people.

SIHRM is defined by Schuler, Dowling and De Cieri as “human resource management issues, functions and policies and practices that result from the strategic activities of multinational enterprises and that impact on the international concerns and goals of those enterprises”.

The breadth of issues involved is illustrated by a framework linking SIHRM orientations and activities to the strategic components of multinational enterprises (MNEs). The framework comprises inter-unit linkages and internal operations (see figure “Factors in strategic international human resource management”). The authors argue that the key determinant of effectiveness for MNEs is the extent to which their various operating units across the world are to be differentiated and at the same time, integrated, controlled and coordinated. The link between strategy-structure configuration in MNEs and the demands for global integration on the one hand, and the need for local responsiveness on the other, is a recurring theme. An element of both is required in most organisations but where global integration and coordination is important, subsidiaries need to be globally integrated with other parts of the organisation or/and strategically coordinated by the parent. HRM practices that are as far as possible common across the organisation will be appropriate. In contrast, where local responsiveness is important, subsidiaries will have far greater autonomy and there is less need for integration. Hence, in such cases the organisation will gain little from trying to coordinate HRM at the global level.

Evidence of different solutions adopted by MNEs to the tension between differentiation and integration, otherwise termed the “global vs local” dilemma, are seen to result from the influence of a wide variety of exogenous and endogenous (external and internal) factors. Exogenous factors include industry characteristics such as type of business and technology available, the nature of competitors and the extent of change and country/regional characteristics such as political, economic and socio-cultural conditions and legal requirements. Endogenous factors include the structure of international operations, the international orientation of the organisation’s headquarters, the competitive strategy being used and the MNE’s experience in managing international operations.

Question two

Write a short essay on expatriates.

The answer to this question can be found in the section "International transfers". In your answer you should have addressed the following:

Expatriation implies cross-border assignments of employees that last for more or less three to four years. For many organisations IHRM and expatriate management are virtually synonymous. Expatriates are among the most expensive human resources in any internationally operating organisation and they are almost invariably in crucial positions for the organisation. They have, and their management involves, issues and problems that go beyond those of most other employees. IHRM covers a far broader spectrum than the management of expatriates it involves the worldwide management of people.

All international organisations struggle with the problems created by the need to fill and manage important assignments that may not be in the home country. Expatriates (also known as parent country nationals PCNs) are usually chosen to fill key positions, such as country manager, financial controller or technical specialist. These positions are important to the success of the organisation. The people involved are invariably expensive to service, perhaps costing three or four times as much as a similar posting at home and often far more than a local appointment would cost. At the same time, assignments in the overseas subsidiaries are rarely other than a very small proportion of the overall organisational staffing. Because the numbers are few, it is difficult for all but the largest international organisations to develop the expertise and the policies that they have in dealing with other employees. The problem has been exacerbated by the increasing pressure to cut costs. Many of the larger organisations have done so by reducing the number of expatriates, only to find later that this has caused very significant problems of communication, coordination and control. Smaller and younger organisations face a different situation, but one that can lead to the same problem: how to decide which assignments can be localised and which should be filled by expatriates.

Question three

Briefly discuss the "universal" and "contextual" paradigms in HRM.

The answer to this question can be found in the section "The universalist and contextual paradigms in HRM". In your answer you should have addressed the following:

Things are done differently in different countries. This includes differences in the way that HRM is conceptualised, the research traditions through which it is explored and the way that HRM is conducted. In conceptual and research terms two different (ideal type) paradigms, namely the universalist and the contextual have been classified. The notion of paradigm is used here in Kuhn's (1970) sense as an accepted model or theory, and with the corollary that different researchers may be using competing models or theories. It is to some degree the difference between these paradigms, lack of awareness of them and the tendency for commentators to drift from one to another, which have led to the debates about the very nature of HRM as a field of study.

You have to discuss the following paradigms briefly:

- . the universalist paradigm
- . the contextual paradigm

Question five

Write a short essay on the "institutional" perspective in IHRM.

The answer to this question can be found in the section "Cultural and institutional explanations of differences in HRM". In your answer you should have addressed the following:

The institutional perspective assumes that the institutions keep a society distinctive. Social arrangements in a nation are always distinct and many of the institutions are likely to shape the social construction of an organisation. Thus, the wealth of a society, the general and vocational education system, employment legislation and the amount of informal working in an economy will all have an impact on the way that HRM can be conducted. Since these vary from country to country, HRM in those countries will vary. As with the culture effects, there seems to be a kind of societal recipe that it is possible to go against, or ignore, but only at a cost. Most people, or most organisations, generally do not do so.

The recognition of institutional differences is not new, but there is increasing research in this area:

- . There are variations between countries typical in patterns of ownership.
- . Public ownership is not widespread in the USA, but in many northern European or African countries it continues to be the main provider of work in the formal sector.
- . Private sector ownership may not mean the same thing.

Each of these factors, and many other institutional differences in terms of labour and educational markets, legislation and trade unionism will have important implications for IHRM experts.

Perhaps neither an exclusively "culturalist" nor an exclusively "institutional" approach can be satisfactory. Many "institutional" writers include culture as one of the institutional elements explaining differences. Institutions cannot survive without legitimacy, but the way they operate also affects the views of people in a society about what is legitimate. In the end, the two explanations simply explore the same factors from different points of view.

In the organisational literature, HRM is one of the areas where organisations are most likely to maintain a "national flavour" and the point at which business and national cultures have the sharpest interface. This therefore presents a dilemma for internationally operating companies. On the one hand, they want to get the advantages of integration, ensuring that HRM policies and practices are as far as possible similar in all countries. This brings benefits of scale and benefits of learning across the organisation (no "reinventing the wheel"), and ensures fairness and equity. On the other hand, they have to be sensitive to national differences. Some policies and practices have to be adapted to local contexts, for example, the cultures and laws surrounding equal opportunities in the USA, the European Union and South Africa are very different, even if the intentions may be similar.

Question six

Write a short essay on the "drivers" of global HRM.

The answer to this question can be found in the section "The drivers of global HRM". You have to write a short essay on the following drivers of global HRM:

- . *Efficiency: It is a pressure for things such as the outsourcing of business processes and a high degree of centralisation.*
- . *Global provision: It comprises two key elements – building a global presence and enabling management.*
- . *Information exchange and organisational learning: It also comprises two key elements – in this case, knowledge transfer and management, and forging strategic partnerships.*
- . *Core business process convergence: It involves the HRM response to the creation of core business processes and the movement away from country-based operations towards business-line-driven organisations.*
- . *Localisation: In practice, not many firms seem to be incorporating the option of decentralisation into their strategic driver recipe.*

Question seven

Provide a detailed discussion of the alternatives to expatriation.

The answer to this question can be found in the section "International transfers: Cheaper and/or better". In your answer you should have addressed the following:

Expatriation is always expensive. Expatriates tend to be paid more than other staff, even at the same level, they get substantially more benefits, their transfer may involve a partner and a family and it will certainly involve a disproportionate amount of specialist HR support and senior management time. Many established MNEs are looking carefully at their budgets and trying to reduce the costs involved.

In your answer you have to refer to the following aspects/approaches:

- . *One approach is to negotiate more toughly.*
- . *Increasingly, international organisations are employing expatriates on local terms and conditions.*
- . *There has been increasing interest in the use of third-country nationals (TCNs).*
- . *Many international workers are not expatriates but short-term assignees, international commuters, the frequent flyers and the international project teams.*
- . *The international commuter phenomenon is becoming more widespread.*
- . *The argument has been made that the development of information and*

communications technology (ICT) will render both international transfers and international travelling redundant.

. The cheapest option is usually the employment of locals.

Question nine

Briefly discuss the issue of culture in IHRM.

The answer to this question can be found in the section “Cultural and institutional explanations of differences in HRM”. In your answer you should have addressed the following:

Exploring different cultures is not easy, because “culture is one of those terms that defy a single all-purpose definition and there are almost as many meanings of culture as people using the term”. Organisations represent “cultural communities”, but so do much wider groupings. Often, these will reflect national boundaries, but this is by no means always the case. Thus, countries like Belgium, Spain and Switzerland contain communities speaking different languages, with different religions and different legislation, seeming, at least to the citizens there, sharply different in their approach to life. In Africa and in the Middle East, cultural groups were divided by the colonial mapmakers and the individuals in those groups may have more cultural similarities with groups in countries across the national border than they do with other citizens of their own country. In many countries, however, especially the longer established ones and those in coherent geographical boundaries, such as islands, culture equates to country – and that is certainly the assumption made in the research into workplace values.

The “culturalist” school includes many different approaches, but they share in common the notion that it is not possible to depart radically from established rules and norms. Culture is seen as shared by individuals as a means of conferring meaning and adding sense to social interactions. The national culture provides a persistent boundary, horizon or “segment” to the life of individuals that enables them to make sense of their world. When companies try to operate against the national culture, their local subsidiary in that country may find “ways around” or adaptations of the company policy so as to fit in with the expectations and values of people in their country.

Many different researchers have found geographically-based, usually national, differences in deep-seated values about what is good or bad, honest or dishonest, fair or unfair, etc. These perceptions affect the way people in a country, especially managers, view the world. There is, of course, an interrelation between cultural-level and individual-level values; each individual will be different but the aggregation of their approaches makes what is acceptable and desirable in one country different from what is acceptable or desirable in another. HRM is concerned with interactions between people at different hierarchical levels in an organisation, so these cultural differences will inevitably be reflected in differences in the way people are managed.

Question ten

Write a short paragraph on the “enablers” of global HRM.

The answer to this question can be found in the section “The enablers of global HRM”. You have to write a short paragraph on the following enablers of global HRM:

- . *HR affordability: This is about the need to deliver global business strategies in the most cost efficient manner possible.*
- . *Central HR philosophy: This consists of two elements centralisation of HR decisionmaking and industry-wide convergence of HR practice.*
- . *E-enabled HR and knowledge transfer: This is an increasingly critical component in terms of IHRM positioning. The HRM department’s role as knowledge management champion has three key elements: capitalising on the e-enablement of HRM, the pursuit of knowledge transfer and management, and the building of a global HRM presence.*

STUDY UNIT 13

Question one

Discuss the important challenges facing management and HR professionals about the development of virtual organisations.

The answer to this question can be found in the section “The virtual organisation”. You have to discuss the following perspectives in more detail:

- . *Management perspective: From this perspective, issues such as effective communication and planning will need attention as the face-to-face approaches which have worked well over the years disappear.*
- . *HRM perspective: From an HRM point of view the virtual organisation also holds a number of challenges. For example, the way recruitment and career development have been approached in the past will change rapidly.*

Question two

The answer to this question can be found in the section “Contracting new roles” and in the table “The performance capabilities model: defining the fundamental role of HRM”.

In your answer you should have addressed the following:

A “performance capabilities (PC)” model that will help in this regard has been proposed by Kesler (see the table “The performance capabilities model: defining the fundamental role of HRM”). As can be seen, the model consists of a continuum of six value-adding roles, each of which is a distinct competency. The roles from left to right in

the model are:

- . catalytic influence
- . diagnostic and fact-based analysis
- . innovating business structures and processes
- . assuring standards
- . administration and services
- . problem-solving

Roles 1 to 3 generally exert more leverage, as indicated in the model. Here a partnership between human resources and line people creates benefits to the line organisation that are greater than the immediate efforts of the HR staff member. Roles 4 to 6, however, have less leverage because they are more transactional in nature and are less likely to add value to the money invested. Most HR departments are of the opinion that their current activities and resources fall in the “controlling, administering and problem-solving” roles. However, the value of the various roles can be determined only in the context of a given company and its needs. But to be successful the business strategy must be supported more directly by the partnership-oriented performance capabilities (roles 1 to 3) than by the service transactions portion of the continuum (roles 4 to 6). The most effective use of resources is served when the continuum is utilised effectively.

Activating the left side of the model first will normally reduce the resources consumed on the right side of the continuum later, according to Kesler. For example, labour relations planning and joint labour management process facilitation will usually result in less labour relations problem-solving. Thus, to be effective, the HR role which normally

Question three

Ulrich, Younger, Brockbank and Ulrich recently identified six domains which can serve as a framework for identifying competencies for HR professionals. Briefly discuss.

The answer to this question can be found in the section “The competencies the future HR professional will require”.

You have to discuss the following elements which serve as a framework for identifying competencies for HR professionals:

- . the strategic positioner
- . credible activist
- . capability builder
- . change champion
- . HR innovator and integrator
- . technology proponent

Question six

Provide a list of the seven changes identified by Barner that will take place over the next number of years and will reshape the work environment.

The answer to this question can be found in the section “The workplace of the twentyfirst century”. In your answer you should have addressed the following:

Seven changes that will reshape the work environment over the next number of years

- . the virtual organisation
- . a just-in-time workplace
- . the ascendancy of knowledge workers
- . computerised coaching and electronic monitoring
- . growth of worker diversity
- . an ageing workforce
- . the birth of a dynamic workforce

Question eight

Write a short paragraph on the challenges facing HR professionals about computerised coaching and electronic monitoring in the new workplace.

The answer to this question can be found in the section “Computerised coaching and electronic monitoring”. In your answer you should have addressed the following:

The growth in electronic systems over the next number of years will allow employees to become fully independent. Easier control by managers over work performed may result in employees feeling manipulated and exploited, placing the relationship between the manager and employee under great pressure. Employees will also be able to learn more rapidly, for example, by placing solutions to problems in a central database which can be accessed globally. Employees will also become less dependent on managers for coaching, training and performance feedback, resulting in the redesign of managers’ jobs. The operation of the electronic networks 24 hours a day will make it difficult for employees to draw a line between work and home, which may result in domestic problems. Employees’ right to privacy may also be invaded as a result of the permanent presence of the network system in the home environment.

Question nine

List Kesler’s three tactics that can be followed in the redesign of the HRM role.

The answer to this question can be found in the section “The redesign of the HRM role”. In your answer you should have addressed the following:

Kesler identifies three tactics that can be followed in the redesign of the HRM role

- . contracting with line management for a new role for HR
- . identifying and developing new HR competencies
- . redesigning HR work, systems and organisation

All these components cannot achieve change alone, but need to be done in conjunction with one another. As Kesler remarks:

Contracting for new roles without competencies to deliver is pointless; redesigning or eliminating work without a consensus from the client organisation leads to confusion and dissatisfied clients.

Question ten

Write a short paragraph on the ageing workforce.

The answer to this question can be found in the section "The aging workforce". In your answer you should have addressed the following:

Companies were to a large extent in the past reluctant to employ older workers, as they saw them as less productive, less flexible and more expensive. Older workers were also denied challenging jobs. However, with the lack of skills in numerous areas, older workers are again being employed because of their experience and maturity. These workers are also more flexible about taking part-time and odd-hour shifts than younger workers. However, the implications would be that younger managers may find themselves threatened when managing older staff. In this situation, HR managers must arrange for these managers to undergo training in managing teams and communication skills to enable them to extract the best efforts from older teams.