

# Tutorial Letter 202/2/2017

## Contemporary Issues in Human Resource Management

**HRM3704**

### Semester 2

### Department of Human Resource Management

**IMPORTANT**

THIS TUTORIAL LETTER CONTAINS FEEDBACK  
ON ASSIGNMENT 02 AND INFORMATION ON THE  
EXAMINATION.

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Dear Student

## 1 INTRODUCTION

By now, you should have a fairly good idea of the content of the study material, as you should already have submitted Assignments 01 and 02. The purpose of this tutorial letter is to give feedback on Assignment 02. Additionally, it contains information on the examination.

By now, you should have received the following tutorial letters for HRM3704:

Tutorial letter	Content of tutorial letter
HRM3704/101/3/2017	Purpose and outcomes of the module, communication with the University, student support system, prescribed book, the examination, study plan, compulsory assignments for the first and second semesters, and feedback on Assignment 03
HRM3704/201/2/2017	Feedback on Assignment 01 (second semester), the examination and case study guidelines
HRM3704/202/2/2017 (this tutorial letter)	Feedback on Assignment 02 (second semester), the examination and year mark

## 2 FEEDBACK ON ASSIGNMENT 02 (SECOND SEMESTER)

**This assignment is based on study units 9 and 10 in your study guide.**



### LEARNING OUTCOMES (study units 9 and 10)

After completing this assignment, you should be able to do the following:

- Discuss the implications of ethics governance and the governance of ethics for the HR function.
- Describe the design of an e-business strategy.
- Distinguish between the different levels of HR intranets.

**Question 1**

Read the following case study and then answer the questions that follow:

**Corporate governance failures**

Amangwane is a mining company that has been in existence for 25 years and has always been known as the best provider of steel and copper. The last five years has seen the company almost falling to junk status because of its governance challenges. Two of the company's highly experienced board members have been pushed out and a new chairperson, Okonkwo Okoye, appointed. The chairperson does not have a mining background and this is his first time as a board member. A number of new directors, most of whom have little experience in business and no experience in mining, have been appointed as well.

In the past, the company held a more conventional, hands-off notion of corporate governance. The shareholders were given a chance to appoint the board and the board was given a clear mandate and a chance to get on with the role of overseeing the company. The board used to consist of international and local directors with experience in running a mining company. Among the directors were experts in fields such as finance and human resources, who had a clear view of their role. Management, not the board, were responsible for running the company. The directors were meant to oversee and to provide direction and guidance – not to manage, much less meddle in the day-to-day running of the company. However, those notions of the role of the board and the directors shifted following Okoye's appointment. Okoye generally follows a much more interventionist approach. Okoye and his board suspended and fired at least five CEOs and a number of other executives in a five-year period because of their failure to toe the line and to do as they are told.

Governance issues at Amangwane, particularly the conduct of the board's chair, are the main reason for the long list of departures of key executives over the past few years. After CEO Don Macbeth and chief financial officer Ajaka Iwu had decided to resign last month, they opened a can of worms by exposing illicit activities of board members at Amangwane. An avalanche of executive resignations followed, stripping the company of more than 20 years of collective experience as well as expertise that was highly specific to Amangwane's operations. No company can afford to lose that much expertise in so short a time, particularly given that much of that expertise is in short supply worldwide.

In his media address, Macbeth mentioned conflicts of interest and meddling among board members as reasons for his resignation. He further mentioned that board members' hidden companies did work for Amangwane and that every one of them was there for his or her personal interest and gain and not for the benefit of the shareholders. He further mentioned that he had resigned for ethical reasons, as he could not serve on a board whose members were recruited through friendship or kinship and whose intention was to milk the company as much as possible at the expense of the shareholders.

**Question 1.1 Critically analyse corporate governance at Amangwane in light of the definition and the purpose of corporate governance. (20)**

<b>Prescribed book</b>	<i>Refer to chapter 9 (Corporate responsibility and governance: implications for HRM)</i>
<b>Study guide</b>	<i>Refer to study unit 9 (Corporate responsibility and governance: implications for HRM )</i>

**Answer: Sections 9.3, 9.3.1 and 9.4.3**

Corporate governance refers to the processes by which enterprises are directed, controlled and held to account. (1) It is concerned with the performance of enterprises for the benefit of shareholders, stakeholders and economic growth. (1) Corporate governance focuses on the conduct of boards of directors, managers

and shareholders. (1) It encompasses authority, accountability, stewardship, leadership, direction and control exercised in the enterprise. (1)

Corporate governance provides the structure through which the objectives of the company are set, those objectives are attained and performance is monitored. (1) 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. (1)

Good governance is also important because its characteristics comprise predictability, transparency, participation and accountability. (1) Predictability refers to the consistent interpretation and enforcement of rules, procedures and regulations. (1) Transparency enhances predictability and quality decision making by ensuring that all relevant information is available and disclosed to all relevant stakeholders. (1) Transparency serves participation by providing stakeholders with the necessary information to participate in decision-making processes and practices. (1) Finally, accountability requires enterprises to account for their actions and to explain the appropriateness, legality and morality of corporate actions. (1) To support accountability practices, corporations should identify who is accountable, to whom they are accountable, and for what they are accountable. (1)

**(Any 10 of the above points for 10 marks)**

The chairperson is required to be the key determinant of a culture of integrity and ensuring board effectiveness. (1) However, he seems to be causing the confusion as he fires every CEO who does not support his unethical conduct. (1) The board membership of Amangwane is being led by a chairperson who is inexperienced as a board member and inexperienced as a chairperson of the board; he also has no mining experience at all. (1) The issues of diversity were never considered according to skills, experience and background in recruiting for the board at Amangwane. (1) Board members were recruited through friendship. (1) The ethical standing of the board is seriously compromised and the board lacks autonomy and independence, as most members are blood relatives and/or friends. (1) The board members also have personal business interests at Amangwane; (1) they are not there to promote shareholders' interests. (1) Appointing friends and relatives to the board could be another element that causes malfunctioning in the board and that works against board integrity. (1) There is serious conflict of interests in the board set-up, as some board members have their companies doing work for the organisation. (1) This unethical conduct by board members erodes all transparency and even predictability about whether Amangwane will be in business tomorrow or not. (1)

**(Any 10 of the above points for 10 marks)**

<b>Question 1.2</b>	<b>Discuss the role that human resource management should play in establishing corporate governance at Amangwane.</b>	<b>(5)</b>
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<b><i>Prescribed book</i></b>	<b><i>Refer to chapter 9 and section 9.4.3 (Corporate governance and HRM)</i></b>
<b><i>Study guide</i></b>	<b><i>Refer to study unit 9 (Corporate governance and HRM)</i></b>

**Answer: Section 9.4.3**

HRM must provide objective recruitment and selection processes for independent and diverse board members, that is, board members with different skills, experience and backgrounds that will benefit the company. (1) HRM must also provide orientation, training and ongoing development opportunities for the board, (1) and must assess the board's performance for both independent oversight and effectiveness. (1) HRM must promote an ethical culture and autonomy among board members. (1) The HRM activities of recruitment and selection, training and development, and performance management and remuneration have a critical role to play in developing and maintaining good corporate governance practices. (1) These practices should not only be developed and maintained in terms of the board of directors, but also in terms of improving shareholder value through the development of human capital and upholding a company's responsibilities to stakeholders, particularly its employees. (2)

**(Any 5 of the above points for 5 marks)**

**Total mark allocation for question 1 = [25]**

**Question 2**

Read the following case study and then answer the questions that follow:

**E-business is the way to go**

Global Builders has been providing building material to building companies and individuals around the world for the past 51 years. However, its failure to do business digitally has caused it to lose customers and profits. The company's HR department still uses a great deal of paper to perform its functions.

The company's research department recently conducted a thorough analysis of dwindling profits and subsequently advised management that, in order for the company to remain sustainable and competitive and increase its market share, it has to do business digitally like most of the companies it services. In its move to do business incrementally digitally, the company was confronted by challenges arising from the identification of areas where Web-based technology could be introduced in the company's departments and by decisions on the implementation of an e-business strategy.

The executive management of Global Builders, under the leadership of Nduvho Tsedu, hired an IT company to digitise its operations. In their first meeting with staff and management, the IT team explained the importance and the effect of an electronic era on HRM and the whole company. They further highlighted the importance of establishing HR intranet sites.

**Question 2.1 Identify and discuss three (3) core areas or domains where Global Builders should start on the e-business path. (9)**

<b>Prescribed book</b>	<b><i>Refer to chapter 10 (Human resources management in the electronic era)</i></b>
<b>Study guide</b>	<b><i>Refer to study unit 10 (Human resources management in the electronic era)</i></b>

**Answer: Section 10.1.2**

- e-Operations (1)

These operations cover Web-based initiatives that improve the creation of existing products. (1) Of importance is the way a business manages itself and its supply chain. (1) An example would be the improvement of a company's purchasing by posting requirements on a website and having suppliers bid electronically. (1) **(3 marks for any three of the above)**

- e-Marketing (1)

This covers Web-based initiatives that improve the marketing of existing products. (1) Aspects of importance are the way in which the product is delivered and the scope of support services. (1) An example would be a company like Amazon that notifies customers of new book-buying options based on a profile of previous purchases. (1) **(3 marks for any three of the above)**

- e-Services (1)

E-services cover Web-based initiatives that provide customer-affiliated services. (1) Aspects of importance are, for example, the new ways to satisfy an identified set of customer needs. (1) An example would be shopping robots that search the internet to find the best deals available. (1) **(3 marks for any three of the above)**

**Question 2.2** Briefly explain the importance of the following concepts in establishing a new e-business strategy at Global Builders:

- 2.2.1 communication (4)  
 2.2.2 the forming of a cross-functional project team (4)

<i>Prescribed book</i>	<i>Refer to chapter 10 (Human resources management in the electronic era)</i>
<i>Study guide</i>	<i>Refer to study unit 10 (Human resources management in the electronic era)</i>

**Communication**

Drawing up a communication plan is necessary to indicate to employees why the company is initiating the project, (1) how the project will be done, what the likely outcome will be, and how those affected will be treated. (1) It is necessary to create an opportunity to have not only top management communication, but also bottom-up communication. (1) Communication throughout the project is an absolute necessity and is not a once-off event. (1) All employees and stakeholders need to be communicated with on a regularly basis, as an e-business solution will affect everybody once it goes live. (1) The communication plan is a vital part of the overall change management strategy. (1) **(Any four of the above points for 4 marks)**

**Forming a cross-functional project team**

The cross-functional project team will produce the quickest results. (1) The team will consolidate new ideas as well as coordinate and manage the efforts between the different parts of the organisation. (1) The team will comprise both technical and non-technical components. (1) The team will have a leader who understands the business and who will be passionate about the project. (1) Team members will have optimistic and enthusiastic people about the project. (1) The ideal e-business team member will have the following leadership qualities: creativity, and strong personal skills being also able to influence co-workers and supervisors. (1) The team will also comprise of two individuals from outside the organisation. (1)

**(Any four points of the above for 4 marks)**

**Question 2.3** Advise Global Builders’ management on the four types of intranet sites the company must develop to digitise its HR department. (8)

<i>Prescribed book</i>	<i>Refer to chapter 10 (Human resources management in the electronic era)</i>
<i>Study guide</i>	<i>Refer to study unit 10 (Human resources management in the electronic era)</i>

**Answer: Section 10.2.4**

- **Brochureware (1)**  
 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. Owing to this practice, employees are bombarded with much information, and for a busy employee looking for a simple piece of information, it can be very time consuming and frustrating. Using the website in this way is not taking advantage of the integrated, interactive and personalised capabilities of Web technology. (1) **(Any one of the above points for 1 mark)**
- **Transactional (1)**

When the enormous potential of the intranet is appreciated by allowing employees to conduct transactions online, the capability of the site is used to the best advantage. Typical online transactions include exchanging 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. (1) **(Any one of the above points for 1 mark)**

- **Integrated (1)**

On this intranet, 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 will make sense to the employee. (1) **(Any one of the above points for 1 mark)**

- **Personalised (1)**

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? In which region do they work? To what benefit packages are they entitled? What are their unique skills, motivations and objectives for career advancement? (1) **(Any one of the above points for 1 mark)**

**Total mark allocation for question 2 = [25]**

### 3 THE EXAMINATION

The examination is your opportunity to demonstrate that you have achieved the learning outcomes for this module. As you know by now, there is a list of learning outcomes in each study unit of the study guide.

<b>Format of the exam paper</b>	<b>As indicated in Tutorial Letter 101/3/2017, <u>the examination paper will consist of five (5) questions, of which you must choose any three (3) questions to answer (25 marks each).</u></b>
<b>Format of the questions</b>	Essay/case study/scenario questions Note that the examination paper will contain <b>no multiple-choice questions.</b>
<b>Duration of the examination</b>	2 hours
<b>Total number of marks for the paper</b>	75 marks

### 4 YEAR MARK

Your final assessment mark for the module will be made up of your year mark and your examination mark.

You will earn a year mark by submitting **Assignments 01 and 02**. The marks you obtain for these assignments will be combined with your examination mark to determine your final assessment mark for this module. The assignment marks will contribute a maximum of 20% (10% each) to the final assessment mark for the module, while the examination mark will contribute 80%.

**Irrespective of the year mark that you obtain, you will need to obtain a subminimum of 40% in the examination to pass the module. The Unisa assessment policy stipulates that your year mark will not**

**be taken into account if you obtain less than 40% in the examination. If you obtain less than 40% in the examination, that mark will therefore be your final mark. This means that you will not pass the module if your examination mark for the module is less than 40%.**

If you write a **supplementary examination**, your year mark will be taken into account when the final mark is calculated; hence, the mark you receive will be a combination of the year mark and the examination mark. The subminimum rule is applicable. You will not be expected to resubmit assignments when writing a supplementary examination.

If you write an **aegrotat examination**, your year mark will also be taken into account, and the subminimum rule of 40% will apply. This means that should you obtain a mark of less than 40% in the examination, your year mark will not be taken into account, and the examination mark will be your final mark for the module.

## **5 CONCLUSION**

We trust that you have found these explanations helpful. Contact us any time, in writing or personally, to discuss any problems you may encounter in your studies or when preparing for the examination.

I wish you every success in your studies!

Kind regards

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