

**HRM2605 MAYJUNE 2012 SOLUTION****SECTION A (30 MARKS)**

1. 2	6. 1	11. 4	16. 1	21. 3	26. 1
2. 1	7. 4	12. 3	17. 4	22. 2	27. 1
3. 4	8. 2	13. 2	18. 2	23. 3	28. 3
4. 2	9. 3	14. 3	19. 4	24. 4	29. 4
5. 1	10. 2	15. 1	20. 3	25. 2	30. 3

**SECTION B****QUESTION 1 (20 MARKS)****1.1 (12 marks)**

First, explain to the PR what needs to happen in order to improve Arno's performance, by describing which process/programme should be implemented for Arno, what the purposes of such a programme are and briefly by explaining the phases of such a programme.

Three phases of training are:

- Phase 1 Needs assessment
  - Systematic analysis of the specific training management development activities required to achieve its organisational objectives.
- Phase 2 Training and development
  - After needs assessment has identified a performance gap, or another specific development need, the organisation should carefully select or design a training and development programme that will yield verifiable results.
- Phase 3 Evaluation
  - To determine whether trainees learned new skills and attitudes or knowledge as a result of the training and development.

Arno needs to undergo training and development. The purpose of the training and development are as follows:

- Improve performance
  - Employees such as Arno, who perform unsatisfactorily because of deficiency in skills are prime candidates for training.
  - A sound training and development programme is instrumental in minimising these problems.
- Update employees' skills.
  - Managers must make use of the technological advances that will make the organisation function effectively.
  - Employees' skills must be updated through training so that technological advances are successfully integrated into the organisation.
- Avoid managerial obsolescence

- Failure to keep pace with new methods and processes that enable employees to remain effective becomes obsolete.
- Solve organisational problems
  - Managers are expected to attain high goals in spite of personal conflicts, vague policies and standards, scheduling delays, inventory shortage, high levels of absenteeism and turnover, labour-management disputes and restrictive legal environment.
  - Training and development courses assist employees in solving problems and performing jobs more effectively.
- Orient new employees
  - Orienting new employees form initial impression of the organisation and its managers.
  - These impressions may vary from favourable to very unfavourable, and influences their job satisfaction and productivity.
  - Therefore, orientation about the realities of the organisation and culture reduces uncertainties and difficulties encountered by new employees through effective socialisation programmes.
- Prepare for promotion and managerial succession.
  - Attracting, retention and personnel motivation is a systematic programme of career development.
- Satisfy personal growth needs
  - Training and development provides greater organisational effectiveness and personal growth for all achievement-oriented employees.

Secondly, describe to the RP which HR processes must be revised in order to ensure that this situation doesn't happen again.

Conduct orientation. Orientation is the process of integrating new employees, transferred/promoted employees and current employees into the organisation and acquainting them with the details and requirements of the job.

Arno would fall into the group of current employees, since the organisation did not conduct orientation when Arno joined the pharmacy. He did not attend any formal training conducted by the company nor acquainted with the details and requirements of the job with computer systems. The company has an option to look into technology-based systems that have computer-based training approaches and web-based training programmes.

Alternatively, the company could appoint a senior "mentor" to teach Arno on how to operate the pharmacy's computer system, such as how to login and computing transactions. The pharmacy could also look into other areas such as:

- Programme goals, methods and duration of the orientation sessions.
- Materials, facilities and personnel to be used.
- Programme flexibility to accommodate employee differences in education, intelligence and work experience.

Since Arno lacks computers skills, proper orientation and induction would improve his productivity.

**1.2 (8 marks)**

A performance appraisal process needs to be put into place and the steps are as follows:

- a) Determine performance requirements – what skills, outputs and accomplishments will be evaluated.
- b) Choose the appropriate appraisal method – work standards, category rating methods, comparative methods, narrative methods, behavioural/objective methods.
- c) Train supervisors – to enable preparation of fair and accurate appraisals.
- d) Discuss methods with employees – specifies which performance area is being evaluated, how often and its significance to the employees.
- e) Appraise according to job standards – comparison of actual work against specific requirements; feeling should not affect the appraisal.
- f) Discuss appraisal with employees – discuss positive work performance and areas needing improvement.
- g) Determine future performance goals – set goals with the employees to get buy-in.

**QUESTION 2 (20 MARKS)****2.1 (8 marks)**

SHRP is important for the following reasons:

- Linking HR planning with the company planning process will facilitate the organisation's ability to successfully pursue a given number of strategic objectives and initiatives and as a result create a comparative advantage.
- By linking HR planning with strategic company planning, it will help to ensure that HR programmes and policies function in such a manner that they achieve immediate and long range company goals. HR programmes work better when they are backed by support of senior management.

Steps in the SHRP process are:

- a) Situational analysis
- b) HR demand analysis
- c) HR supply analysis
- d) Strategy development

Situational analysis

- Monitor and assess the company's mission and core businesses.
- Conduct environmental scanning to gather information about the external (economic, social, technological and political trends) and internal environmental (turnover, absenteeism, managerial obsolescence, employee demographic and skills levels).

HR demand analysis

- Evaluate the future supply of labour – internal and external supply.
- Success of labour supply requires HRIS.

### HR supply analysis

- Succession planning – the process of identifying a longer term plan for the orderly replacement of key employees.
- Facilitates the transition when key employees leave.

### Strategy development

- HR situation and demand analysis provide diagnostic information used in the formulation of HR strategy and the design of action programmes.
- Action programmes include:
  - Recruitment
  - Selection
  - Placement
  - Compensation
  - Reduction in workforce and
  - Appraisals

## **2.2 (6 marks)**

A compensation system refers to extrinsic and intrinsic rewards offered to employees for performing organisational tasks. It usually consists of a salary, incentives or bonuses and benefits, help in achieving personal goals, autonomy and more challenging job opportunities.

While many factors may cause employees to leave an organisation, inadequate compensation is often the biggest cause of staff turnover. To retain employees, the HR manager must ensure compensation equity within the organisation. No compensation programme will satisfy all employees. If management is able to minimise turnover and lost production due to perceptions of inequitable compensation, then its goal of retaining good employees has been achieved. The most equitable compensation system is useless if employees perceive it to be inequitable.

You can retain suitable employees by rewarding top performers, because employees expect to be rewarded according to their performance. This means that employees should be rewarded for good performance. If employees see no relationship between performance and rewards, they may set minimum goals in order to retain their jobs because they do not see the need to excel. To safeguard this relationship of performance and motivation which benefits both the organisation and the employee, the organisation must provide accurate evaluation, performance rewards and supervisors' feedback.

The question as to whether money motivates people is quite common. For some, money is the best way of motivating them to perform well. Other incentives can include increased benefits, a change in working hours or working conditions, recognition, employee of the month awards, company-sponsored sports teams and social events, prizes and clothing. Recognition and rewards can contribute to a workplace culture of respect and appreciation for employees, thereby reinforcing employee commitment to the company as well as increasing the use of personal skills and abilities.

**2.3 (6 marks)**

## a) Employee assistance programme (EAP)

- The typical employee assistance programme addresses psychological and physical problems, including job stress, chemical dependency (alcohol and drugs), depression, marital and family problems, financial problems, health, anxiety and job boredom.
- Essential components for an effective EAP include:
  - Confidentiality
  - Normal disciplinary procedures
  - Voluntary participation
  - Job security
  - Insurance coverage
  - Management support
  - Accessibility
  - Follow-up
  - Separate location

## b) Wellness programme

- an effective wellness programme has three components:
  - It helps employees to identify potential health risks through screening and testing.
  - It educates employees about such health risks such as high blood pressure, smoking, poor diet and stress.
  - It encourages employees to change their lifestyles through exercises, good nutrition and health.
- The Coors model to achieve behavioural change include:
  - Awareness – health-hazard appraisal (HHA)
  - Education – HHA counsellor, brochures, lectures, posters
  - Incentives – financial incentives if participants achieve and maintain goals
  - Self-action - programmes are made available
  - Follow-up and support – reminders

**QUESTION 3 (20 MARKS)****3.1 (4 marks)**

- To attempt to resolve workplace disputes by conciliation and arbitration
- To assist in the establishment of workplace forums and statutory councils
- To publish information and statistics about its activities
- Give advice and assistance to partners in dispute
- Conduct elections and ballots

**3.2 (4 marks)**

- If an employee participated in or supported a strike or protest action that complies with the provisions of Chapter IV of the LRA section 187.
- If an employee refused to do the work of an employee who at the time was taking part in a strike that complied with the provisions of Chapter IV.
- If an employee was compelled by the employer to accept a demand in respect of any matters of mutual interest between the employer and employee.
- Anything relating to the employee's pregnancy.
- If the employee unfairly discriminated against an employee, directly or indirectly, on any arbitrary grounds, including, but not limited to race, gender, sex, ethnic or social origin, colour, sexual orientation, age, disability, conscience, belief, political opinion, culture, language, marital status or family responsibility.

**3.3 (12 marks)**

Firstly, discuss any three (3) advantages and three (3) disadvantages of internal recruitment that Peter should be aware of while performing his task.

<b>Advantages of internal recruitment</b>	<b>Disadvantages of internal recruitment</b>
Increases morale	Unhealthy competition amongst employees
Knowledge of personnel records	Inbreeding resulting in no new ideas developing
Chain effect on promotion	Morale problem for those not promoted
Need to hire only entry level employees	Strong management development needed
Usually faster and less expensive	

Secondly, name the six (6) steps that Peter would follow in the selection process for the position described above and explain the purpose of each step.

The six steps of the selection process are:

- Initial screening
- Application blank
- Pre-employment testing
- Interviews
- Reference checks
- Medical examination

Initial screening

- Minimises the time spent on applications by removing obviously unqualified or undesirable applications.
- Determines if the applicant possesses critical job specifications or other requirements as stipulated in the Employment Equity Act and expedites the departure of unqualified applicants to minimise the total cost of the selection process.

### The application blank

- An application blank is a formal record of an individual's application for employment. HR specialist use the application blank to develop background checks and interview questions. An important part of the selection process is verification of the applicant's past work history and references. In an effort to obtain accurate, complete information from the applicant; the HR specialist starts with the application and follows through with background checks and an interview.
- Application blank can be used as screening devices to generate global assessments, whereby the HR specialist reviews the total applications and determines the general desirability of each applicant.
- The HR specialist can use the application blank to rate each applicant on particular job-related areas such as the level of specific skills or experience in particular work areas or supervisory positions.

### Pre-employment testing

- Reliability – the consistency in measurement, usually across time but also across judges. Reliability is a measure of how much error is present in a measure.
- Validity – the extent to which scores on a test or interview correspond to actual job performance. It represents how well the technique being used to assess candidates for a certain job is related to performance in that job.

### Interviews

The purpose of the interview is to determine three things about the applicant:

- Does the applicant have the ability to perform the job?
- Will the applicant be motivated to be successful?
- Will the applicant match the needs of the organisation?

### Reference checks

- In recent years it has become increasingly necessary to thoroughly check the background of prospective employees.
- It is an energy-saving and cost-effective way of screening out undesirable applicants.

### Medical examination

A job offer is usually availed after the applicant passed a medical examination test.